VENTANA METROPOLITAN DISTRICT
El Paso County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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ANNUAL DISCLOSURE INFORMATION – UNAUDITED

BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ventana Metropolitan District
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ventana Metropolitan District ("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.

Emphasis of Matter

As discussed in Note 10, the beginning balance of the general fund has been reclassified for the establishment of a special revenue fund to account for the District’s Community Center (Recreation Center) Fees, Trash Service Fees, and Park Permit Fees. Our opinions are not modified with respect to this matter.

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 31, 2026

BASIC FINANCIAL STATEMENTS

VENTANA METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 23,749
Cash and Investments - Restricted	1,439,323
Accounts Receivable	30,080
Prepaid Insurance	14,002
Receivable from County Treasurer	7,042
Property Tax Receivable	866,001
Capital Assets:	
Capital Assets Net of Depreciation	8,404,680
Total Assets	10,784,877
LIABILITIES	
Accounts Payable	68,242
Unearned Revenue	8,629
Accrued Interest	57,146
Noncurrent Liabilities:	
Due Within One Year	15,000
Due in More Than One Year	13,718,051
Total Liabilities	13,867,068
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	866,001
Total Deferred Inflows of Resources	866,001
NET POSITION	
Net Investment in Capital Assets	(4,973,320)
Restricted for:	
Emergency Reserve	16,700
Debt Service	883,799
Unrestricted	124,629
Total Net Position	$ (3,948,192)

See accompanying Notes to Basic Financial Statements.

VENTANA METROPOLITAN DISTRICT
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	$ 515,950	$ 342,508	$ -	$ -	$ (173,442)
Parks and Open Space Maintenance	105,459	-	-	-	(105,459)
Interest on Long-Term Debt and Related Costs	1,176,293	-	-	-	(1,176,293)
Total Governmental Activities	$ 1,797,702	$ 342,508	$ -	$ -	(1,455,194)
GENERAL REVENUES					
Property Taxes					921,327
Specific Ownership Taxes					88,379
Insurance Recovery					60,600
Late Fees/Penalties					5,373
Interest Income					54,557
Other Revenue					3,515
Total General Revenues and Transfers					1,133,751
CHANGES IN NET POSITION					(321,443)
Net Position - Beginning of Year					(3,626,749)
NET POSITION - END OF YEAR					$ (3,948,192)

See accompanying Notes to Basic Financial Statements.

VENTANA METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	$ 8,353	$ 15,396	$ -	$ -	$ 23,749
Cash and Investments - Restricted	6,200	10,500	1,422,623	-	1,439,323
Receivable from County Treasurer	1,408	-	5,634	-	7,042
Accounts Receivable	-	30,080	-	-	30,080
Prepaid Insurance	14,002	-	-	-	14,002
Property Tax Receivable	173,198	-	692,803	-	866,001
Total Assets	$ 203,161	$ 55,976	$ 2,121,060	$ -	$ 2,380,197
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 8,806	$ 59,436	$ -	$ -	$ 68,242
Unearned Revenue	-	8,629	-	-	8,629
Total Liabilities	8,806	68,065	-	-	76,871
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	173,198	-	692,803	-	866,001
Total Deferred Inflows of Resources	173,198	-	692,803	-	866,001
FUND BALANCES					
Nonspendable:					
Prepaid Expense	14,002	-	-	-	14,002
Restricted for:					
Emergency Reserves	6,200	10,500	-	-	16,700
Debt Service	-	-	1,428,257	-	1,428,257
Committed:					
Operations	-	-	-	-	-
Assigned to:					
Subsequent Year's Expenditures	500	-	-	-	500
Unassigned	455	(22,589)	-	-	(22,134)
Total Fund Balances	21,157	(12,089)	1,428,257	-	1,437,325
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 203,161	$ 55,976	$ 2,121,060	$ -	

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.	8,404,680
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	(412,197)
Bonds Payable - Series 2023A	(10,550,000)
Bonds Payable - Series 2023B	(2,828,000)
Net Position of Governmental Activities	$ (3,948,192)

See accompanying Notes to Basic Financial Statements.

VENTANA METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	$ 184,260	$ -	$ 737,067	$ -	$ 921,327
Specific Ownership Taxes	17,675	-	70,704	-	88,379
Interest Income	1,149	703	51,562	1,143	54,557
Rec Center Fees	-	248,485	-	-	248,485
Other Revenue	3,515	-	-	-	3,515
Late Fees/Penalties	-	5,373	-	-	5,373
Trash Service Fees	-	94,023	-	-	94,023
Insurance Recovery	-	-	-	60,600	60,600
Total Revenues	206,599	348,584	859,333	61,743	1,476,259
EXPENDITURES					
General and Administrative:					
Accounting	31,548	-	-	-	31,548
Auditing	7,750	-	-	-	7,750
Billing	-	18,012	-	-	18,012
County Treasurer's Fee	2,767	-	11,068	-	13,835
Community Manager	-	25,151	-	-	25,151
District Management	-	86,435	-	-	86,435
Dues And Membership	1,032	-	-	-	1,032
Insurance	12,737	-	-	-	12,737
Election	2,001	-	-	-	2,001
Legal	33,920	5,843	-	-	39,763
Miscellaneous	40	14,221	-	-	14,261
Operations and Maintenance:					
Recreation Center	-	62,646	-	-	62,646
Pool Operations	-	74,214	-	-	74,214
Parks And Recreation	-	105,459	-	-	105,459
Security	-	18,588	-	-	18,588
Snow Removal	-	4,801	-	-	4,801
Trash Collection	-	103,176	-	-	103,176
Debt Service:					
Bond Interest	-	-	685,750	-	685,750
Capital Projects:					
Capital Outlay	-	-	-	66,207	66,207
Total Expenditures	91,795	518,546	696,818	66,207	1,373,366
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	114,804	(169,962)	162,515	(4,464)	102,893
Transfers In (Out)	259,348	74,697	-	(334,045)	-
Total Other Financing Sources (Uses)	259,348	74,697	-	(334,045)	-
NET CHANGE IN FUND BALANCES	374,152	(95,265)	162,515	(338,509)	102,893
Fund Balances - Beginning of Year	(352,995)	83,176	1,265,742	338,509	1,334,432
FUND BALANCES - END OF YEAR	$ 21,157	$ (12,089)	$ 1,428,257	$ -	$ 1,437,325

See accompanying Notes to Basic Financial Statements.

VENTANA METROPOLITAN DISTRICT
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	$	102,893
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		66,207
Depreciation Expense		(324,256)
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		(166,287)
Changes in Net Position of Governmental Activities	$	(321,443)

See accompanying Notes to Basic Financial Statements.

VENTANA METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 184,404	$ 184,260	$ (144)
Specific Ownership Taxes	18,440	17,675	(765)
Interest Income	15,000	1,149	(13,851)
Other Revenue	-	3,515	3,515
Total Revenues	217,844	206,599	(11,245)
EXPENDITURES			
Accounting	28,000	31,548	(3,548)
Auditing	7,750	7,750	-
County Treasurer's Fee	2,766	2,767	(1)
Dues And Membership	1,500	1,032	468
Insurance	17,500	12,737	4,763
Legal	20,000	33,920	(13,920)
Election	20,000	2,001	17,999
Miscellaneous	12,484	40	12,444
Total Expenditures	110,000	91,795	18,205
EXCESS OF REVENUES OVER EXPENDITURES	107,844	114,804	6,960
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	-	338,509	338,509
Transfers To Other Fund	(121,247)	(79,161)	42,086
Total Other Financing Sources (Uses)	(121,247)	259,348	380,595
NET CHANGE IN FUND BALANCE	(13,403)	374,152	387,555
Fund Balances - Beginning of Year, As Restated	30,292	(352,995)	(383,287)
FUND BALANCE - END OF YEAR	$ 16,889	$ 21,157	$ 4,268

See accompanying Notes to Basic Financial Statements.

VENTANA METROPOLITAN DISTRICT
SPECIAL REVENUE 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				
Interest Income	-	$ 1,000	$ 703	$ (297)
Rec Center Fees	251,100	251,100	248,485	(2,615)
Other Revenue	-	13,054	-	(13,054)
Late Fees/Penalties	-	-	5,373	5,373
Trash Service Fees	94,023	94,023	94,023	-
Total Revenues	345,123	359,177	348,584	(10,593)
EXPENDITURES				
Billing	-	13,697	18,012	(4,315)
Community Manager	98,420	25,151	25,151	-
Office Supplies	7,500	-	-	-
District Management	50,400	83,860	86,435	(2,575)
Legal	-	4,995	5,843	(848)
Miscellaneous	3,917	13,596	14,221	(625)
Rec - Cleaning	-	32,589	25,782	6,807
Rec - Supplies	5,000	16,000	16,201	(201)
Rec - Utilities	40,000	20,348	18,052	2,296
Rec - Trash Collection	1,440	1,500	1,160	340
Rec - Fitness Equipment Maintenance	5,000	1,480	1,451	29
Snow Removal	35,000	6,000	4,801	1,199
Parks - Maintenance	62,000	56,780	56,781	(1)
Parks - Utilities	30,000	45,000	42,871	2,129
Parks - Repairs	10,000	6,000	5,807	193
Security	-	21,000	18,588	2,412
Trash Collection	94,023	114,129	103,176	10,953
Pool - Chemicals	18,000	5,783	5,954	(171)
Pool - Repairs And Maintenance	3,370	51,500	63,753	(12,253)
Pool - Season Start/Finish	2,000	4,507	4,507	-
Pool - Water Inspections	300	-	-	-
Total Expenditures	466,370	523,915	518,546	5,369
EXCESS OF REVENUES UNDER EXPENDITURES	(121,247)	(164,738)	(169,962)	(5,224)
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	121,247	92,662	74,697	(17,965)
Total Other Financing Sources (Uses)	121,247	92,662	74,697	(17,965)
NET CHANGE IN FUND BALANCE	-	(72,076)	(95,265)	(23,189)
Fund Balance - Beginning of Year	-	82,876	83,176	300
FUND BALANCE - END OF YEAR	$ -	$ 10,800	$ (12,089)	$ (22,889)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Ventana Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District court for El Paso County in February 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized to provide storm sewer, street improvements, traffic safety protection, parks and recreation, mosquito control, security, trash services, and covenant enforcement/design review services.

The District follows the Governmental Accounting Standards Board (GASB) pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB sets 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 has no employees, and all operations and administrative functions are contracted.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 the 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation 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 Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the Recreation Center Fee, Trash Collection and Service Fee and Park Permit Fee.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation 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 and other financing uses 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 amended its annual budget for the year ended December 31, 2025.

Pooled Cash and Investments

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

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 inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), 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, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of 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 useful lives of the related fixed assets, as applicable.

Depreciation on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Depreciation expenses have been computed the straight-line method over the estimated economic useful lives of the assets, which range from 20 to 40 years.

Accounts Receivable

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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 three items that qualify for reporting in this category. Accordingly, the items, *deferred property tax revenue, deferred fees, and unearned revenue,* are deferred, and recognized as an inflow of resources in the period that the amount becomes available.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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

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

Deficits

The Special Revenue Fund reported a deficit in the fund financial statements as of December 31, 2025. The deficit will be eliminated with the receipt of fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Park Permit Fee

On August 12, 2014, as amended December 18, 2023 and further amended on January 27, 2025, pursuant to the Credit Agreement (defined in Note 8), the District assessed a one-time Park Permit Fee in order to pay the expenses associated with the maintenance of the park, trails, and open spaces within the District's boundaries. The Park Permit Fee is assessed in the amount of $3,015 per residence. The District did not collect this fee in 2025. The District must account for this separately.

Recreation Center Fee

On April 5, 2016, and as amended December 18, 2023 and January 27, 2025, pursuant to 32-1-1001(1)(j)(I), the district approved a resolution for the imposition of a recreation center fee on residents within the District's boundaries. The recreation center fee was imposed at a rate of $135 per home per quarter in 2025. The District's accounting methodology applies all direct and indirect Recreation Center operations and facilities costs to the corresponding revenue received. The District must account for this separately.

Trash Collection and Service Fee

On April 5, 2016, and as amended August 15, 2022, pursuant to 32-1-1001(1)(j)(I), the District approved a resolution for the imposition of a trash service and collection fee. The trash service and collection fee is imposed at a rate of $16.85 for two bins monthly.

Adoption of New Accounting Standards

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

The 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	$ 23,749
Cash and Investments - Restricted	1,439,323
Total Cash and Investments	$ 1,463,072

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	$	39,232
Investments		1,423,840
Total Cash and Investments	$	1,463,072

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank balance of $33,851 and a carrying balance of $39,232.

Investments

The District has not adopted a formal investment policy; however, the District 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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

Investment	Maturity	Amount
Morgan Stanley Institutional Liquidity Funds Treasury (MSILFT)	Weighted-Average Under 60 Days	$ 1,417,058
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	6,782
Total		$ 1,423,840

Morgan Stanley Institutional Liquidity Funds Treasury

The Morgan Stanley Institutional Liquidity Funds Treasury Portfolio is a money market fund that is managed by Morgan Stanley, and each share is equal in value to $1. The fund is rated AAAm and invests in high-quality, short-term US government securities. The average maturity of the underlying securities is 50 days or less.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. 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 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Being Depreciated:				
Parks and Recreation	$ 9,552,777	$ 66,207	$ -	$ 9,618,984
Total Capital Assets, Being Depreciated	9,552,777	66,207	-	9,618,984
Less Accumulated Depreciation for:				
Accumulated Depreciation - Parks and Rec	890,048	324,256	-	1,214,304
Total Accumulated Depreciation	890,048	324,256	-	1,214,304
Governmental Activities Capital Assets, Net	$ 8,662,729	$ (258,049)	$ -	$ 8,404,680

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:					
Limited Tax General Obligation					
Series 2023A	$ 10,550,000	$ -	$ -	$ 10,550,000	$ 15,000
Subordinate Limited Tax					
General Obligation					
Series 2023B	2,828,000	-	-	2,828,000	-
Accrued Interest					
Series 2023B	188,764	166,287	-	355,051	-
Subtotal Bonds Payable	13,566,764	166,287	-	13,733,051	15,000
Total Long-Term Obligations	$ 13,566,764	$ 166,287	$ -	$ 13,733,051	$ 15,000

The details of the District's general obligation bonds outstanding during 2025 are as follows:

<u>Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023A</u>

<u>Bond Proceeds</u>

The District issued the Series 2023A Bonds on October 19, 2023, in the par amount of $10,550,000. Proceeds from the sale of the Series 2023A Bonds were used to: (i) pay the costs of public improvements (comprised of paying amounts due and owing under the OPRIC reimbursement agreements, as modified by the developer satisfaction agreement); (ii) pay a portion of the amount required to refund the outstanding bond anticipation notes (as such obligations are modified in accordance with the BAN satisfaction agreement); (iii) fund the reserve fund to the reserve requirement; (iv) fund capitalized interest on the bonds; and (v) pay other costs in connection with the issuance of the Series 2023A and Series 2023B Bonds.

<u>Details of the Bonds</u>

The Series 2023A Bonds bear interest at the rate of 6.50%, payable to the extent of pledged revenues available on each June 1 and December 1, and mature on September 1, 2053. On December 1, 2055 no payments will be due and the Series 2023A Bonds will be deemed to be paid, satisfied, and discharged regardless of the amount of principal and interest paid prior to that date. Accordingly, the timing of repayment is uncertain and a maturity schedule is not included in these financial statements.

The Series 2023A Bonds are also secured by a Reserve Fund, which will be funded with proceeds of the Bonds in the amount of the reserve requirement of $487,313, by capitalized interest in the amount of $422,879, and by the surplus fund, which will not be funded as of the date of issuance of the bonds, but is required to be funded with excess pledged revenue, if any, up to the maximum surplus amount of $1,055,000. As of December 31, 2025, there was $929,745 in the surplus fund.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023A (Continued)

Optional Redemption

The Series 2023A Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2028, 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
December 1, 2028 to November 30, 2029	3.00%
December 1, 2029 to November 30, 2030	2.00
December 1, 2030 to November 30, 2031	1.00
December 1, 2031 and Thereafter	0.00

Pledged Revenue

The Series 2023A Bonds are payable solely from and to the extent of the pledged revenue, defined in the indenture to mean the following: (a) all senior property tax revenues (generally defined as all monies derived from the imposition by the District of the senior required mill levy); (b) all senior specific ownership tax revenues; and (c) any other legally available monies which the District determines, in its absolute discretion, to credit to the senior bond fund.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy on all taxable property of the District each year in an amount equal to 40 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after January 1, 2006) or such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Bonds Fund, will pay the Bonds in full in the year such levy is collected.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023A (Continued)

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions will constitute an event of default under the indenture:

a) The District fails or refuses to impose the senior required mill levy or to apply the pledged revenue as required by the indenture;

b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution and fails to remedy the same after notice thereof pursuant to the indenture; or

c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2023A Bonds.

Remedies in the Event of Default

a) Receivership – Upon the filing of a bill in equity or other commencement of judicial proceeding to enforce the rights of the trustee and of the owners, the trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to the constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the trustee will be entitled to the possession of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to, the trustee.

b) Suit for judgment – The trustee may proceed to protect and enforce its rights and the rights of the owners by such suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.

c) Mandamus or other suit – The trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the owners.

Notwithstanding the foregoing, acceleration will not be an available remedy for an event of default.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023B

Details of the Bonds

On October 19, 2023, the District issued Series 2023B Subordinate Limited Tax General Obligation Refunding Bonds ("Series 2023B Bonds") for the purpose of paying a portion of the amount required to refund the outstanding bond anticipation notes. The Series 2023B Bonds were issued in the amount of $2,828,000 and bear interest at 5.50%, with interest payable to the extent of pledged revenues available on December 15, and mature on September 15, 2053. On December 5, 2055, the bonds and the lien of the indenture securing payment thereof will be deemed discharged, the estate and rights hereby granted will cease, terminate, and be void, and thereupon the trustee will cancel and discharge the lien of the indenture, and execute and deliver to the District such instruments in writing as will be required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the Bonds remaining unpaid. Accordingly, the timing of repayment is uncertain and a maturity schedule is not included in these financial statements.

Pledged Revenue

The Series 2023B Bonds are payable solely from and to the extent of the subordinate pledged revenue, defined in the indenture to mean the following: (a) all subordinate property tax revenues; (b) all subordinate specific ownership tax revenues; and (c) any other legally available monies which the District determines, in its absolute discretion, to credit to the subordinate bond fund.

Optional Redemption

The Series 2023B Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2028, 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
December 1, 2028 to November 30, 2029	3.00%
December 1, 2029 to November 30, 2030	2.00
December 1, 2030 to November 30, 2031	1.00
December 1, 2031 and Thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023B (Continued)

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose a Subordinate Required Mill Levy on all taxable property of the District each year in an amount equal to 40 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after January 1, 2006), less the amount of the Senior Required Mill Levy.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions will constitute an event of default under the indenture:

a) The District fails or refuses to impose the senior required mill levy or to apply the pledged revenue as required by the indenture;

b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution and fails to remedy the same after notice thereof pursuant to the indenture; or

c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2023B Bonds.

Remedies in the Event of Default

a) Receivership – Upon the filing of a bill in equity or other commencement of judicial proceeding to enforce the rights of the trustee and of the owners, the trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to the constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the trustee will be entitled to the possession of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to, the trustee.

b) Suit for judgment – The trustee may proceed to protect and enforce its rights and the rights of the owners by such suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.

c) Mandamus or other suit – The trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the owners.

Notwithstanding the foregoing, acceleration will not be an available remedy for an event of default.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Debt Service

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

Year Ending December 31,	Principal	Interest	Total
2026	$ 15,000	$ 685,750	$ 700,750
2027	65,000	684,775	749,775
2028	85,000	680,550	765,550
2029	90,000	675,025	765,025
2030	110,000	669,175	779,175
2031-2035	785,000	3,219,450	4,004,450
2036-2040	1,315,000	2,899,325	4,214,325
2041-2045	2,035,000	2,385,175	4,420,175
2046-2050	3,065,000	1,598,350	4,663,350
2051-2053	2,985,000	406,656	3,391,656
Total	$ 10,550,000	$ 13,904,231	$ 24,454,231

Authorized Debt

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $15,000,000 and sets a maximum mill levy at 40 mills, adjusted for Debt Service. 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.

On May 2, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $105,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2025, the District had authorized but unissued indebtedness of $91,432,789.

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 8,404,680
Less:	
Outstanding Principal of Capital Related Debt	(13,378,000)
Net Investment in Capital Assets	$ (4,973,320)

NOTE 6 NET POSITION (CONTINUED)

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

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 16,700
Debt Service Reserve	883,799
Total Restricted Net Position	$ 900,499

NOTE 7 RELATED PARTIES

One member of the board of directors of the District is an employee, owner of, or is otherwise associated with the Rivers Ventana, LLC, and may have conflicts of interest in dealing with the District.

CH Metro Bonds, LLC, a related entity to Rivers Ventana, LLC, holds the Subordinate Bonds.

NOTE 8 AGREEMENTS

Park and Open Space Dedication Credit Agreement

The District, the City of Fountain, Colorado (the "City") and Rivers Ventana, LLC (the "Developer") are parties to that certain Ventana Development Park and Open Space Dedication Credit Agreement recorded October 7, 2015 (the "Credit Agreement"). The Credit Agreement was amended by that First Amendment with an effective date of December 19, 2017. As part of the agreement, Rivers Ventana, LLC agreed to construct park improvements on behalf of the District, and the District agreed to accept and maintain the park improvements after they were completed. As part of the agreement the District also agreed to impose a park permit fee.

Intergovernmental Agreement with the City of Fountain

On July 14, 2023, the District entered into an intergovernmental agreement with the City of Fountain in which the District agreed to provide, at no cost to the City of Fountain, vegetation control services for a portion of open space owned by the City of Fountain within the District's boundaries.

NOTE 9 INTERFUND TRANSFERS

The transfers from the General Fund to the Special Revenue Fund were made for the purpose of funding expenditures. The transfer from the Capital Projects Fund to the General Fund were for the purpose of funding the park operations and maintenance. The transfer from the General Fund to the Capital Projects Fund was to cover expenditures.

NOTE 10 ACCOUNTING CHANGE

During the year ended December 31, 2025, the District established a special revenue fund to account for community (recreation) center fees, trash service fees, and park permit fees. As a result, the beginning fund balance in the general fund was reduced by $83,176 and the beginning balance of the special revenue fund was increased by the same amount (Note 2).

	As Previously Reported	Adjustment Increase (Decrease)	As Restated
Governmental fund financial statements:			
Financial statement line items:			
General Fund Balance	$ (269,819)	$ (83,176)	$ (352,995)
Special Revenue Fund Balance	-	83,176	83,176

NOTE 11 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (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 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 12 TAX, SPENDING, AND DEBT LIMITATIONS

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

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. On May 2, 2006, the District's voters approved a ballot issue allowing the District to retain all revenues.

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. 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.

Annual operating property tax revenue is limited to a 5.25% increase (10.5% increase over a two-year period), such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

VENTANA METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 737,645	$ 737,067	$ (578)
Specific Ownership Taxes	73,765	70,704	(3,061)
Interest Income	47,500	51,562	4,062
Total Revenues	858,910	859,333	423
EXPENDITURES			
County Treasurer's Fee	11,065	11,068	(3)
Paying Agent Fees	4,000	-	4,000
Bond Interest	685,750	685,750	-
Contingency	19,186	-	19,186
Total Expenditures	720,001	696,818	23,183
NET CHANGE IN FUND BALANCE	138,909	162,515	23,606
Fund Balances - Beginning of Year	1,255,544	1,265,742	10,198
FUND BALANCE - END OF YEAR	$ 1,394,453	$ 1,428,257	$ 33,804

VENTANA METROPOLITAN DISTRICT
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				
Insurance Recovery	$ -	$ 60,600	$ 60,600	$ -
Interest Income	-	1,143	1,143	-
Total Revenues	-	61,743	61,743	-
EXPENDITURES				
Capital Outlay	-	66,207	66,207	-
Total Expenditures	-	66,207	66,207	-
EXCESS OF REVENUES UNDER EXPENDITURES	-	(4,464)	(4,464)	-
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	4,464	4,464	-
Transfers To Other Fund	-	(338,509)	(338,509)	-
Total Other Financing Uses	-	(334,045)	(334,045)	-
NET CHANGE IN FUND BALANCE	-	(338,509)	(338,509)	-
Fund Balance - Beginning of Year	-	338,509	338,509	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

OTHER INFORMATION

VENTANA METROPOLITAN DISTRICT
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
2020/2021	7,071,740	43.42%	11.132	40.559	51.691	365,545	357,710	97.86 %
2021/2022	9,549,490	35.04%	11.132	40.559	51.691	493,623	493,409	99.96 %
2022/2023	9,782,970	2.44%	10.000	40.559	50.559	494,617	494,678	100.01 %
2023/2024	13,274,340	35.69%	10.000	40.559	50.559	671,137	671,138	100.00 %
2024/2025	13,913,100	4.81%	13.254	53.018	66.272	922,049	921,327	99.92 %
Estimated for Year Ending December 31, 2026	$ 13,740,370	-1.24%	12.605	50.421	63.026	$ 866,001		

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: El Paso County Assessor and Treasurer.

VENTANA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the Year Ending December 31,	$10,550,000 Limited Tax General Obligation Refunding & Improvement Bonds Series 2023A, Dated October 19, 2023 Interest Rate 6.500% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ 15,000	$ 685,750	$ 700,750
2027	65,000	684,775	749,775
2028	85,000	680,550	765,550
2029	90,000	675,025	765,025
2030	110,000	669,175	779,175
2031	120,000	662,025	782,025
2032	145,000	654,225	799,225
2033	150,000	644,800	794,800
2034	180,000	635,050	815,050
2035	190,000	623,350	813,350
2036	220,000	611,000	831,000
2037	235,000	596,700	831,700
2038	265,000	581,425	846,425
2039	280,000	564,200	844,200
2040	315,000	546,000	861,000
2041	340,000	525,525	865,525
2042	375,000	503,425	878,425
2043	400,000	479,050	879,050
2044	445,000	453,050	898,050
2045	475,000	424,125	899,125
2046	525,000	393,250	918,250
2047	560,000	359,125	919,125
2048	615,000	322,725	937,725
2049	650,000	282,750	932,750
2050	715,000	240,500	955,500
2051	760,000	194,025	954,025
2052	830,000	144,625	974,625
2053	1,395,000	68,006	1,463,006
Total	$ 10,550,000	$ 13,904,231	$ 24,454,231

ANNUAL DISCLOSURE INFORMATION
(UNAUDITED)

VENTANA METROPOLITAN DISTRICT
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT
DECEMBER 31, 2025

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2019	2020	$ 4,930,700	- %	11.132	40.559
2020	2021	7,071,740	43.42	11.132	40.559
2021	2022	9,549,490	35.04	11.132	40.559
2022	2023	9,782,970	2.44	10.000	40.559
2023	2024	13,274,340	35.69	10.000	40.559
2024	2025	13,913,100	4.81	13.254	53.018
2025	2026	13,740,370	(1.24)	12.605	50.421

Source: El Paso County Assessor and Treasurer.

VENTANA METROPOLITAN DISTRICT
PROPERTY TAX COLLECTIONS IN THE DISTRICT
DECEMBER 31, 2025

Levy Year	Collection Year	Taxes Levied	Current Tax Collection*	Collection Rate
2019	2020	$ 254,873	$ 251,183	98.55 %
2020	2021	365,545	357,710	97.86
2021	2022	493,623	493,409	99.96
2022	2023	494,617	494,678	100.01
2023	2024	671,137	671,138	100.00
2024	2025	922,049	921,327	99.92
2025	2026	866,001	491,359	56.74

(1) Collections are through April 30, 2026 based on information from the El Paso County Assessor.
Source: El Paso County Assessor and Treasurer.

VENTANA METROPOLITAN DISTRICT
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
DECEMBER 31, 2025

Property Class		Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2025			
Vacant	$	718,350	5.23 %
Commercial		3,350	0.02
State Assessed		177,200	1.29
Residential		12,841,470	93.46
Total	$	13,740,370	100.00 %

Source: El Paso County Assessor and Treasurer.

VENTANA METROPOLITAN DISTRICT
TEN LARGEST OWNERS OF PROPERTY WITHIN THE DISTRICT
DECEMBER 31, 2025

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2025		
RIVERS VENTANA LLC	$ 718,200	5.23%
CSH PROPERTY ONE LLC	127,170	0.93%
AT&T MOBILITY & NEW CINGULAR	120,000	0.87%
2024-1 IH BORROWER LP	105,470	0.77%
FKH SFR PROPCO J LP	77,110	0.56%
HOMEOWNER	60,570	0.44%
BLACK HILLS COLORADO GAS, INC.	57,200	0.42%
SW NORRIS PROPERTIES XI LLC	56,400	0.41%
OM ESTATE LLC	51,090	0.37%
HOMEOWNER	37,070	0.27%
Total Assessed Valuation of Tel Largest Owners of Property	$ 1,410,280	
Total Assessed Valuation of the District	$ 13,740,370	10.27%

VENTANA METROPOLITAN DISTRICT
SELECTED RATIOS OF THE DISTRICT – DIRECT DEBT
DECEMBER 31, 2025

Selected Ratio	Total Debt	Senior Debt
Direct Debt	$ 13,733,051	$ 10,550,000
2025 Certified Assessed Valuation	13,740,370	13,740,370
Ratio of Direct Debt to 2025 Certified Assessed Valuation	99.95%	76.78%
2025 District Statutory Actual Value	208,143,464	208,143,464
Ratio of Direct Debt to 2025 District Statutory "Actual" Value	6.60%	5.07%