CROSS CREEK METROPOLITAN DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF CONTENTS

Independent Auditors' Report 1

Government-Wide Financial Statements:

Statement of Net Position 4

Statement of Activities 5

Fund Financial Statements:

Governmental Funds Balance Sheet and
Reconciliation of Fund Balances to the Statement of Net Position 6

Statement of Revenues, Expenditures and Changes in Fund Balance –
Governmental Funds 7

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of the Governmental Funds to the Statement of Activities 8

Notes to the Financial Statements 9

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual – General Fund 19

Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual – Capital Projects Fund 20

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cross Creek Metropolitan District
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cross Creek Metropolitan District (the 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 December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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.

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the general fund budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our 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 capital project fund budgetary comparison schedule is presented for purposes of additional analysis and are 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. The 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 capital project fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, Colorado
June 30, 2026

BASIC FINANCIAL STATEMENTS

CROSS CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	$ 465,336
Cash and cash equivalents - restricted	1,343,811
Accounts receivable	49,303
Prepaid items	6,545
Property tax receivable	651,624
Capital assets, not being depreciated	2,417,838
Capital assets, net of depreciation	397,611
Total Assets	5,332,068
Liabilities	
Accounts payable	52,831
Total Liabilities	52,831
Deferred Inflows of Resources	
Deferred property taxes	651,624
Total Deferred Inflows of Resources	651,624
Net Position	
Net investment in capital assets	2,815,449
Restricted	832,441
Unrestricted	979,723
Total Net Position	$ 4,627,613

See the accompanying Notes to Financial Statements.

CROSS CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
General government	$ 564,698	$ 124,316	$ 16,351	$ (424,031)
Total Governmental Activities	$ 564,698	$ 124,316	$ 16,351	(424,031)
GENERAL REVENUES:				
Property taxes				515,305
Specific ownership taxes				49,211
Interest income				26,309
Other revenue				2,250
Total General revenues				593,075
Change in net position				169,044
Net position, beginning				4,458,569
Net position, ending				$ 4,627,613

See the accompanying Notes to Financial Statements.

CROSS CREEK METROPOLITAN DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET AND RECONCILIATION OF FUND BALANCES TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 465,336	$ -	$ 465,336
Cash and cash equivalents - restricted	-	1,343,811	1,343,811
Accounts receivable	49,303	-	49,303
Prepaid items	6,545	-	6,545
Property tax receivable	651,624	-	651,624
Total Assets	$ 1,172,808	$ 1,343,811	$ 2,516,619
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	$ 41,722	$ 11,109	$ 52,831
Total Liabilities	41,722	11,109	52,831
Deferred inflows of resources			
Unavailable revenue	49,303	-	49,303
Deferred property taxes	651,624	-	651,624
Total Deferred Inflows of Resources	700,927	-	700,927
Fund balances			
Nonspendable	6,545	-	6,545
Restricted	22,250	810,191	832,441
Assigned	64,280	522,511	586,791
Unassigned	337,084	-	337,084
Total Fund Balances	430,159	1,332,702	1,762,861
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,172,808	$ 1,343,811	$ 2,516,619

Amounts reported for governmental activities in the statement of net position are different because:	
Fund balances - total governmental funds:	$ 1,762,861
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	2,815,449
Certain revenues and expenses in the statement of activities do not require the use of current financial resources and therefore, are reported as deferred inflows of resources in the governmental funds.	
Unavailable revenues	49,303
Net position of governmental activities	$ 4,627,613

See the accompanying Notes to Financial Statements.

CROSS CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Property taxes	$ 515,305	$ -	$ 515,305
Specific ownership taxes	49,211	-	49,211
Conservation trust funds	-	16,351	16,351
Park revenues	-	15,951	15,951
Regional park cost share	74,194	-	74,194
Interest income	2,714	23,595	26,309
Other	2,250	-	2,250
Total revenues	643,674	55,897	699,571
Expenditures			
Current:			
Administration	125,370	-	125,370
Operations - metro district	153,027	-	153,027
Operations - regional park	219,689	-	219,689
Other repair and maintenance	18,529	-	18,529
Other expenditures	-	3,796	3,796
Capital outlay	-	94,844	94,844
Total expenditures	516,615	98,640	615,255
Excess revenue over (under) expenditures	127,059	(42,743)	84,316
Other financing sources (uses)			
Transfer in	100,000	3,284	103,284
Transfer out	(3,284)	(100,000)	(103,284)
Total other financing sources (uses)	96,716	(96,716)	-
Net change in fund balance	223,775	(139,459)	84,316
Fund balances - beginning	206,384	1,472,161	1,678,545
Fund balances - ending	$ 430,159	$ 1,332,702	$ 1,762,861

See the accompanying Notes to Financial Statements.

CROSS CREEK METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds:	$	84,316
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		94,844
Depreciation expense		(44,287)
Certain revenues and expenses in the statement of activities do not require the use of current financial resources and therefore, are reported as revenue or expenses in governmental funds.		
Change in unavailable revenues		34,171
Change in net position of governmental activities	$	169,044

See the accompanying Notes to Financial Statements.

NOTE 1 – DEFINITION OF REPORTING ENTITY

Reporting Entity

Cross Creek Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado and was organized by order and decree of the District Court in 2003 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 parks and recreation, street improvements, storm sewer, and flood and surface drainage maintenance for the Cross Creek and Mesa Ridge community and other areas in and around the City of Fountain, Colorado. The District is governed by a separately elected five-member Board of Directors, which is the policy making body of the District.

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 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

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District 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 amount program revenues are reported instead as general revenues.

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets.

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 tax. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the liability is incurred or when the long-term obligation is paid.

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 for those required to be accounted for in another fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *Capital Project Fund* is a capital projects fund used to account for the financial resources used for the acquisition and construction of major capital improvements throughout the District. The Hale Reservoir Fund has been included within the Capital Projects Fund because it does not meet the criteria of a special revenue fund under generally accepted accounting principles.

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 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.

Cash and Cash Equivalents

The District's cash and cash equivalents includes cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at amortized cost. The District had no investments as of December 31, 2025.

Property Taxes

Property taxes are levied by the District board of directors. The levy is based on assessed valuations determined by the County Assessors 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 Treasurers collect 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 tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receivables

Other receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables at December 31, 2025 were $49,303. The District expects all outstanding receivables to be collected.

Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements and equipment, are reported 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 acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Buildings	27 - 30 years
Improvements	7 - 20 years
Equipment	7 years

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. At December 31, 2025, the District has no items reported as deferred outflows of resources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. Unavailable revenue at December 31, 2025 relates to outstanding balances which were not collected within the District's period of availability.

Fund Balances

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

Restricted fund balance – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed fund balance – Amounts that can be used only for specific purposes determined by a formal action of District's Board of Directors (Board). The Board is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned fund balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes.

Unassigned fund balance – Amounts that are available for any purpose.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's Board of Directors has provided otherwise in its commitment or assignment actions.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 – CASH AND CASH EQUIVALENTS

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

Deposits with financial institutions	$ 1,809,147
Total cash deposits	$ 1,809,147

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the 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 bank balance and carrying amount of the District's deposits were $1,839,024 and $1,809,147, respectively. Cash deposits were FDIC insured or covered by the PDPA.

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in governmental activities capital assets during the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025
Governmental Activities:				
Capital assets, not being depreciated				
Land	$ 1,725,618	$ -	$ -	$ 1,725,618
Water rights	-	50,000	-	50,000
Construction in progress	622,270	19,950	-	642,220
Total capital assets, not being depreciated	2,347,888	69,950	-	2,417,838
Capital assets, being depreciated				
Buildings	312,431	-	-	312,431
Improvements	347,876	24,894	-	372,770
Equipment	100,952	-	-	100,952
Total capital assets, being depreciated	761,259	24,894	-	786,153
Accumulated depreciation				
Buildings	143,014	10,440	-	153,454
Improvements	103,860	32,954	-	136,814
Equipment	97,381	893	-	98,274
Total accumulated depreciation	344,255	44,287	-	388,542
Total capital assets, being depreciated	417,004	(19,393)	-	397,611
Governmental activities capital assets, net	$ 2,764,892	$ 50,557	$ -	$ 2,815,449

Depreciation expense of $44,287 was charged to the general government function in the statement of activities for the year ended December 31, 2025.

NOTE 5 – INTERGOVERNMENTAL AGREEMENT

On November 14, 2006, the City of Fountain and the District entered into an intergovernmental agreement. The agreement was to approve an interim modification to the Original Service Plan, clarify the distribution of revenue from fees collected by the City between the City and the District, and to enable the District to submit a material modification to the Original Service Plan to the City for approval.

Effective as of January 26, 2011, the District and Mesa Ridge Metropolitan District No. 1 (Mesa Ridge District) entered into an intergovernmental agreement regarding a regional park wherein the District has agreed to construct, own, operate, and maintain facilities benefiting both the District and Mesa Ridge District.

NOTE 5 – INTERGOVERNMENTAL AGREEMENT (CONTINUED)

Mesa Ridge District has agreed to participate in certain design and construction costs required to complete the regional park, up to a maximum capital contribution of one half of the cost, current estimated at $2,500,000 or the amount of the Mesa Ridge Park fee actually collected. In addition, the District and Mesa Ridge District have agreed to jointly fund the operation and maintenance of the regional park, beginning on January 2, 2012.

Effective April 1, 2011, the District and Mesa Ridge District entered into an intergovernmental agreement regarding entrance features wherein the District and Mesa Ridge District have agreed to share in the maintenance, repair, and upkeep of the entrance parcels as fully described in the entrance features agreement.

On November 20, 2015, the District , Mesa Ridge Metro District, and City of Fountain entered into an agreement related to the construction of Hale Reservoir and Cross Creek Regional Park. As of December 31, 2025, the District has restricted funds of $810,191 for purposes of this agreement.

NOTE 6 – 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 volunteers; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2024. 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 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 7 – COMMITMENTS AND CONTINGENCIES

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.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending. 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.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 513,224	$ 515,305	$ 2,081
Specific ownership taxes	50,000	49,211	(789)
Regional park cost share	102,000	74,194	(27,806)
Interest income	-	2,714	2,714
Other	-	2,250	2,250
Total revenues	$ 665,224	$ 643,674	$ (21,550)
Expenditures			
Administration	175,342	125,370	49,972
Operations - metro district	155,184	153,027	2,157
Operations - regional park	287,732	219,689	68,043
Other repair and maintenance	25,000	18,529	6,471
Total expenditures	643,258	516,615	126,643
Excess (deficiency) revenue over (under) expenditures	21,966	127,059	105,093
Other financing sources (uses)			
Transfer in	100,000	100,000	-
Transfer out	-	(3,284)	(3,284)
Total other financing sources (uses)	100,000	96,716	(3,284)
Net change in fund balance	$ 121,966	223,775	$ 101,809
Fund balance - beginning		206,384	
Fund balance - ending		$ 430,159	

See accompanying Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

CROSS CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Conservation trust fund	$ 10,000	$ 16,351	$ 6,351
Park fee revenue	7,676	15,951	8,275
Interest income	16,000	23,595	7,595
Total Revenues	33,676	55,897	22,221
Expenditures			
Other expenditures	-	3,796	(3,796)
Capital outlay	405,000	94,844	310,156
Total Expenditures	405,000	98,640	306,360
Excess revenue over (under) expenditures	(371,324)	(42,743)	328,581
Other financing sources (uses)			
Transfer in	-	3,284	3,284
Transfer out	(100,000)	(100,000)	-
Total other financing sources (uses)	(100,000)	(96,716)	3,284
Net change in fund balance	$ (471,324)	(139,459)	$ 331,865
Fund balance - beginning		1,472,161	
Fund balance - ending		$ 1,332,702	

See accompanying Independent Auditors' Report.