

**Eagle Ranch Metropolitan District**

**Financial Statements**

**December 31, 2025**

**Eagle Ranch Metropolitan District  
Financial Statements  
December 31, 2025  
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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

WEB SITE: [www.McMAHANCPA.COM](http://www.McMAHANCPA.COM)

MAIN OFFICE: (970) 845-8800

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Eagle Ranch Metropolitan District  
Eagle, Colorado**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Eagle Ranch 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

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

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**Eagle Ranch Metropolitan District**  
**Eagle, Colorado**

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

***Required Supplementary Information***

U.S. GAAP require that the Management's Discussion and Analysis in section B 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 section B in accordance with U.S. GAAS, 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.

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**Eagle Ranch Metropolitan District**  
**Eagle, Colorado**

***Required Supplementary Information (continued)***

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***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 budgetary comparison information included in Section F, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison information in Section F 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**May 13, 2026**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Eagle Ranch Metropolitan District

## Management's Discussion and Analysis December 31, 2025

As management of the Eagle Ranch Metropolitan District ("District") we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. The report also includes supplementary information after the notes to the financial statements.

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

The Statement of Net Position presents information on the District's assets, deferred outflows, liabilities, and deferred inflows with the difference between the amounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and interest on long-term debt. The business-type activity of the District is a golf course.

The government-wide financial statements can be found on pages C1-C2 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds, and proprietary funds.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

## Overview of the Financial Statements (continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds financial statements are located on pages C3-C5 of this report.

**Proprietary funds:** The District maintains one proprietary fund. The District uses the Golf Fund to account for its golf course operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages C6-C8 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1-D15 of this report.

## Government-wide Financial Analysis

The following tables show condensed financial information derived from the government-wide financial statements for the years ended December 31, 2025 and 2024.

### Eagle Ranch Metropolitan District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets and Deferred Outflows:</b>						
Current and other current assets	\$ 10,548,612	\$ 9,544,781	\$ 187,018	\$ 158,981	\$ 10,735,630	\$ 9,703,762
Capital and other non-current assets	-	-	9,661,587	9,388,340	9,661,587	9,388,340
<b>Total Assets and Deferred Outflows</b>	<b>10,548,612</b>	<b>9,544,781</b>	<b>9,848,605</b>	<b>9,547,321</b>	<b>20,397,217</b>	<b>19,092,102</b>
<b>Liabilities and Deferred Inflows:</b>						
Current liabilities and deferred inflows	3,717,804	3,600,783	88,642	60,502	3,806,446	3,661,285
Long-term liabilities	3,840,000	5,065,000	26,896	31,173	3,866,896	5,096,173
<b>Total Liabilities and Deferred Inflows:</b>	<b>7,557,804</b>	<b>8,665,783</b>	<b>115,538</b>	<b>91,675</b>	<b>7,673,342</b>	<b>8,757,458</b>
<b>Net Position:</b>						
Net investment in capital assets	-	-	9,661,587	9,388,340	9,661,587	9,388,340
Restricted	217,779	1,515,445	-	-	217,779	1,515,445
Unrestricted	2,773,029	(636,447)	71,480	67,306	2,844,509	(569,141)
<b>Total Net Position (Deficit)</b>	<b>2,990,808</b>	<b>878,998</b>	<b>9,733,067</b>	<b>9,455,646</b>	<b>12,723,875</b>	<b>10,334,644</b>

A portion of the District's net position is subject to external restrictions as to how they can be used.

The District's net position in both governmental activities and business-type activities reported a positive balance.

## Government-wide Financial Analysis (continued)

### Eagle Ranch Metropolitan District's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,518,939	\$ 2,206,919	\$ 2,518,939	\$ 2,206,919
Grants and contributions	37,944	30,000	-	-	37,944	30,000
General revenues:						
Property taxes	2,391,758	2,474,563	-	-	2,391,758	2,474,563
Other taxes	118,690	115,129	-	-	118,690	115,129
Interest and other	352,835	359,465	66	4,793	352,901	364,258
Transfers	(489,000)	(293,000)	489,000	293,000	-	-
<b>Total Revenues</b>	<b>2,412,227</b>	<b>2,686,157</b>	<b>3,008,005</b>	<b>2,504,712</b>	<b>5,420,232</b>	<b>5,190,869</b>
<b>Expenses:</b>						
General government	160,571	151,837	-	-	160,571	151,837
Interest on long-term debt	139,846	168,781	-	-	139,846	168,781
Golf course operations	-	-	2,730,584	2,560,873	2,730,584	2,560,873
<b>Total Expenses</b>	<b>300,417</b>	<b>320,618</b>	<b>2,730,584</b>	<b>2,560,873</b>	<b>3,031,001</b>	<b>2,881,491</b>
<b>Change in Position</b>	<b>2,111,810</b>	<b>2,365,539</b>	<b>277,421</b>	<b>(56,161)</b>	<b>2,389,231</b>	<b>2,309,378</b>
<b>Net Position- Beginning</b>	<b>878,998</b>	<b>(1,486,541)</b>	<b>9,455,646</b>	<b>9,511,807</b>	<b>10,334,644</b>	<b>8,025,266</b>
<b>Net Position- Ending</b>	<b>\$ 2,990,808</b>	<b>\$ 878,998</b>	<b>\$ 9,733,067</b>	<b>\$ 9,455,646</b>	<b>\$ 12,723,875</b>	<b>\$ 10,334,644</b>

### Financial Analysis of the District's Funds

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's funds follows.

**Governmental funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,065,403, an increase of \$914,564 from the prior year. Of the fund balance, \$217,779 is restricted, meaning it is not available for new spending because it has already been committed for emergencies under the Taxpayers' Bill of Rights (TABOR), future debt service, and tap fee reimbursements.

**Proprietary funds:** The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the proprietary fund totaled \$9,733,067 at the end of 2025 compared to \$9,455,646 at the end of 2024, resulting in an increase of \$277,421 from the prior year. At the end of 2025, \$9,661,587 of the net position balance was invested in capital assets and \$71,480 was available for spending at the District's discretion.

**Budget variances:** Details of the budget variances can be seen on pages E1-F1 for the governmental funds and page F2 for the proprietary fund.

**Capital assets:** The District invested in capital asset additions of \$634,766 during 2025 and recorded depreciation expense of \$361,519 in the business-type activities. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on page D11 of this report.

**Long-term debt:** The District reduced its outstanding long term debt balances by \$1,195,000, bringing the 2025 year-end balance to \$5,065,000. Additional information can be found in the Notes to the Financial Statements on pages D12-D13 of this report.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Eagle Ranch Metropolitan District, c/o Marchetti & Weaver, LLC, 28 Second Street, Unit 213, Edwards, CO 81632, (970) 926-6060.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Eagle Ranch Metropolitan District**  
**Statement of Net Position**  
**December 31, 2025**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and investments	7,935,084	147,897	8,082,981
Accounts receivable	-	4,528	4,528
Accounts receivable - County Treasurer	10,984	-	10,984
Property taxes receivable	2,480,924	-	2,480,924
Prepaid expenses	-	80,333	80,333
Inventory	-	75,880	75,880
Intergovernmental balances	121,620	(121,620)	-
Capital assets, net	-	9,661,587	9,661,587
<b>Total Assets</b>	<b>10,548,612</b>	<b>9,848,605</b>	<b>20,397,217</b>
<b>Liabilities:</b>			
Accounts payable	2,285	43,809	46,094
Accrued wages payable	-	12,434	12,434
Accrued interest payable	9,595	-	9,595
Deferred revenue	-	32,399	32,399
Due within one year:			
Bonds payable	1,225,000	-	1,225,000
Due within more than one year:			
Bonds payable	3,840,000	-	3,840,000
Accrued compensated absences	-	26,896	26,896
<b>Total Liabilities</b>	<b>5,076,880</b>	<b>115,538</b>	<b>5,192,418</b>
<b>Deferred Inflows of Resources:</b>			
Property tax revenue	2,480,924	-	2,480,924
<b>Total Deferred Inflows of Resources</b>	<b>2,480,924</b>	<b>-</b>	<b>2,480,924</b>
<b>Net Position:</b>			
Net investment in capital assets	-	9,661,587	9,661,587
Restricted for:			
Emergencies (TABOR)	85,898	-	85,898
Debt service	131,853	-	131,853
Tap Fees	28	-	28
Unrestricted	2,773,029	71,480	2,844,509
<b>Total Net Position</b>	<b>2,990,808</b>	<b>9,733,067</b>	<b>12,723,875</b>

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

**Eagle Ranch Metropolitan District  
Statement of Activities  
For the Year Ended December 31, 2025**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>							
<b>Governmental activities:</b>							
General government	160,571	-	-	37,944	(122,627)	-	(122,627)
Interest on long-term debt	139,846	-	-	-	(139,846)	-	(139,846)
<b>Total Governmental Activities</b>	<u>300,417</u>	<u>-</u>	<u>-</u>	<u>37,944</u>	<u>(262,473)</u>	<u>-</u>	<u>(262,473)</u>
<b>Business-type Activities</b>							
Golf operations	2,730,584	2,518,939	-	-	-	(211,645)	(211,645)
<b>Total Business-Type Activities</b>	<u>2,730,584</u>	<u>2,518,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(211,645)</u>	<u>(211,645)</u>
<b>Total</b>	<u>3,031,001</u>	<u>2,518,939</u>	<u>-</u>	<u>37,944</u>	<u>(262,473)</u>	<u>(211,645)</u>	<u>(474,118)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes					2,391,758	-	2,391,758
Specific ownership tax					118,690	-	118,690
Unrestricted investment earnings					352,835	66	352,901
Transfers					(489,000)	489,000	-
<b>Total General Revenues and Transfers</b>					<u>2,374,283</u>	<u>489,066</u>	<u>2,863,349</u>
<b>Change in Net Position</b>					2,111,810	277,421	2,389,231
<b>Net Position (Deficit) - Beginning</b>					<u>878,998</u>	<u>9,455,646</u>	<u>10,334,644</u>
<b>Net Position (Deficit) - Ending</b>					<u>2,990,808</u>	<u>9,733,067</u>	<u>12,723,875</u>

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

## **FUND FINANCIAL STATEMENTS**

**Eagle Ranch Metropolitan District  
Balance Sheet  
Governmental Funds  
December 31, 2025**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Water Tap Fee Fund</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and investments	7,803,203	131,853	28	7,935,084
Accounts receivable - County Treasurer	10,984	-	-	10,984
Property taxes receivable	1,158,604	1,322,320	-	2,480,924
Due from other funds	121,620	-	-	121,620
<b>Total Assets</b>	<u>9,094,411</u>	<u>1,454,173</u>	<u>28</u>	<u>10,548,612</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	2,285	-	-	2,285
<b>Total Liabilities</b>	<u>2,285</u>	<u>-</u>	<u>-</u>	<u>2,285</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - Property taxes	1,158,604	1,322,320	-	2,480,924
<b>Total Deferred Inflows of Resources</b>	<u>1,158,604</u>	<u>1,322,320</u>	<u>-</u>	<u>2,480,924</u>
<b>Fund Balances:</b>				
Restricted for:				
Emergencies (TABOR)	85,898	-	-	85,898
Debt service	-	131,853	-	131,853
Tap fees	-	-	28	28
Unassigned	7,847,624	-	-	7,847,624
<b>Total Fund Balances</b>	<u>7,933,522</u>	<u>131,853</u>	<u>28</u>	<u>8,065,403</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>9,094,411</u>	<u>1,454,173</u>	<u>28</u>	<u>10,548,612</u>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>				
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. Details of these amounts are as follows:				
Accrued interest payable			(9,595)	
Bonds payable			<u>(5,065,000)</u>	
				<u>(5,074,595)</u>
<b>Net Position of Governmental Activities</b>				<u>2,990,808</u>

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Water Tap Fee Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	2,391,758	-	-	2,391,758
Specific ownership taxes	118,690	-	-	118,690
Investment income	352,835	-	-	352,835
Tap fees	-	-	37,944	37,944
<b>Total Revenues</b>	<u>2,863,283</u>	<u>-</u>	<u>37,944</u>	<u>2,901,227</u>
<b>Expenditures:</b>				
General government	122,227	400	37,944	160,571
Debt service:				
Principal	-	1,195,000	-	1,195,000
Interest	-	142,092	-	142,092
<b>Total Expenditures</b>	<u>122,227</u>	<u>1,337,492</u>	<u>37,944</u>	<u>1,497,663</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,741,056</u>	<u>(1,337,492)</u>	<u>-</u>	<u>1,403,564</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from (to) other fund	(489,000)	-	-	(489,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(489,000)</u>	<u>-</u>	<u>-</u>	<u>(489,000)</u>
<b>Net Change in Fund Balance</b>	2,252,056	(1,337,492)	-	914,564
<b>Fund Balances - Beginning</b>	<u>5,681,466</u>	<u>1,469,345</u>	<u>28</u>	<u>7,150,839</u>
<b>Fund Balances - Ending</b>	<u><u>7,933,522</u></u>	<u><u>131,853</u></u>	<u><u>28</u></u>	<u><u>8,065,403</u></u>

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

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

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**Net Change in Fund Balances of Governmental Funds** 914,564

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of principal on bonds	1,195,000	
Adjustments to current year interest	<u>2,246</u>	<u>1,197,246</u>

**Change in Net Position of Governmental Activities** 2,111,810

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

**Eagle Ranch Metropolitan District**  
**Balance Sheet**  
**Proprietary Fund - Golf Fund**  
**December 31, 2025**  
**(With Comparative Amounts as of December 31, 2024)**

	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
Current Assets:		
Cash and investments	147,897	130,529
Accounts receivable	4,528	4,473
Prepaid expenses	80,333	83,447
Inventory	75,880	85,477
Total Current Assets:	308,638	303,926
Noncurrent Assets:		
Capital assets, not being depreciated	6,557,075	6,557,075
Capital assets, net of accumulated depreciation	3,104,512	2,831,265
Total Noncurrent Assets	9,661,587	9,388,340
<b>Total Assets</b>	<b>9,970,225</b>	<b>9,692,266</b>
<b>Liabilities:</b>		
Current Liabilities:		
Accounts payable	43,809	6,847
Accrued wages payable	12,434	11,975
Deferred revenue	32,399	41,680
Due to other funds	121,620	144,945
Total Current Liabilities	210,262	205,447
Noncurrent Liabilities:		
Accrued compensated absences	26,896	31,173
<b>Total Liabilities</b>	<b>237,158</b>	<b>236,620</b>
<b>Net Position:</b>		
Net Investment in capital assets	9,661,587	9,388,340
Unrestricted	71,480	67,306
<b>Total Net Position</b>	<b>9,733,067</b>	<b>9,455,646</b>

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

**Eagle Ranch Metropolitan District**  
**Statement of Revenues, Expenses, and Changed in Net Position**  
**Proprietary Fund - Golf Fund**  
**For the Year Ended December 31, 2025**  
**(With Comparative Amounts for the Year Ended December 31, 2024)**

	<u>2025</u>	<u>2024</u>
<b>Operating Revenues:</b>		
Charges for services:		
Green fees	1,429,516	1,231,239
Cart rentals	336,130	303,834
Golf Shop revenue	190,698	191,129
Food and beverage revenue	326,599	271,372
Other	235,996	209,345
Miscellaneous	-	1,131
<b>Total Operating Revenues</b>	<u>2,518,939</u>	<u>2,208,050</u>
<b>Operating Expenses:</b>		
Golf course maintenance	904,871	856,013
General and administrative	385,841	383,566
Golf operations	480,484	456,769
Food and beverage operations	198,357	155,536
Food and beverage merchandise	103,485	97,446
Clubhouse operations	89,833	72,182
Marketing	38,300	39,275
Golf shop operations	20,423	30,593
Golf shop merchandise	147,471	128,708
Depreciation	361,519	340,785
<b>Total Operating Expenses</b>	<u>2,730,584</u>	<u>2,560,873</u>
<b>Operating Income (Loss)</b>	<u>(211,645)</u>	<u>(352,823)</u>
<b>Non-Operating Revenues (Expenses):</b>		
Gain (loss) on disposition of assets	-	3,481
Investment income	66	181
<b>Total Non-Operating Revenues (Expenses)</b>	<u>66</u>	<u>3,662</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>(211,579)</u>	<u>(349,161)</u>
Transfers in (out)	<u>489,000</u>	<u>293,000</u>
<b>Change in Net Position</b>	277,421	(56,161)
<b>Net Position - Beginning of Year</b>	<u>9,455,646</u>	<u>9,511,807</u>
<b>Net Position - End of Year</b>	<u><u>9,733,067</u></u>	<u><u>9,455,646</u></u>

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

**Eagle Ranch Metropolitan District,  
Statement of Cash Flows  
Proprietary Fund - Golf Fund  
For the Year Ended December 31, 2025  
(With Comparative Amounts for the Year Ended December 31, 2024)**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows From Operating Activities:</b>		
Cash received from customers	2,509,603	2,215,877
Cash payments to suppliers	(932,453)	(977,929)
Cash payments to employees	(1,390,757)	(1,265,828)
Other cash receipts	-	1,131
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>186,393</u>	<u>(26,749)</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Transfers (to) from other funds	465,675	300,184
<b>Net Cash (Used) by Non-Capital Financing Activities</b>	<u>465,675</u>	<u>300,184</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Proceeds from sale of assets	-	32,000
Acquisition and construction of capital assets	(634,766)	(320,056)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(634,766)</u>	<u>(288,056)</u>
<b>Cash Flows From Investing Activities:</b>		
Interest income received	66	181
<b>Net Cash Provided by Investing Activities</b>	<u>66</u>	<u>181</u>
<b>Net Change in Cash and Cash Equivalents</b>	17,368	(14,440)
<b>Cash and Cash Equivalents - Beginning of Year</b>	130,529	144,969
<b>Cash and Cash Equivalents - End of Year</b>	<u>147,897</u>	<u>130,529</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
<b>Operating income (loss)</b>	<u>(211,645)</u>	<u>(352,823)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>		
Depreciation and amortization	361,519	340,785
(Increase) decrease in accounts receivable	(55)	275
(Increase) decrease in inventories	9,597	8,553
(Increase) decrease in prepaid expenses	3,114	(13,434)
Increase (decrease) in accounts payable and accrued expenses	33,144	(18,788)
Increase (decrease) in unearned revenue	(9,281)	8,683
<b>Total Adjustments</b>	<u>398,038</u>	<u>326,074</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>186,393</u>	<u>(26,749)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025**

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**I. Summary of Significant Accounting Policies**

Eagle Ranch Metropolitan District (the "District"), is a quasi-municipal corporation and a political subdivision of the State of Colorado. The District was formed pursuant to Colorado Revised Statutes as amended on November 30, 1998, and after approval of the eligible electors of the District at a special election held November 3, 1998. The District was created for the purpose of assisting in the financing and construction of a residential community known as Eagle Ranch Development (the "Development"). The District and the Development comprise approximately 1,941 acres of land.

The property within the District was incorporated into the Town of Eagle (the "Town") pursuant to an Agreement Relating to the Annexation and Development of Property as of January 12, 1999 and subsequently amended through 2006. Pursuant to the Intergovernmental Improvement Agreement dated as of April 13, 1999 between the District and the Town and the Service Plan adopted by the Town Board of Trustees on July 21, 1998 and the Board of County Commissioners on August 10, 1998, the District in conjunction with the Developer is authorized to finance and provide certain public facilities in the Development, including certain collector and arterial roads, water and sanitary sewer lines, drainage facilities, landscaping and recreational improvements, including a golf course.

Pursuant to the Intergovernmental Agreement between the District and the Town, the District has conveyed to the Town the infrastructure, excluding the golf course. The Town now owns and has the responsibility of operating and maintaining the infrastructure, and therefore, the infrastructure is not The District's expenditures for acquisition of the infrastructure within the District do not constitute the total cost of the infrastructure as the Developer has directly funded the cost of the infrastructure that the District could not fund.

Pursuant to the Intergovernmental Agreement between the District and the Town, the Town may elect to acquire the golf course and related facilities and equipment by assumption of the outstanding bonded indebtedness or pay the outstanding debt by refinancing the debt. The Town has not elected to acquire the golf course at December 31, 2025. Nothing in the Intergovernmental Agreement shall require the town to acquire the golf course if it is not reasonably capable of paying the debt from the pledge of golf course revenues.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Reporting Entity**

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

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

**Eagle Ranch Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

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

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Government-wide financial statements report information on all the activities of the District. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general government functions are classified as governmental activities. The District's golf operations are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (property taxes, specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues must be directly associated with the governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's operations.

**C. Fund Financial Statements**

The financial transactions of the District are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

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

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

The *Special Revenue Fund (Water Tap Fee Fund)* accounts for the collection of the tap fees and payment of the tap fees to the Town and the Developer.

The District reports the following proprietary fund:

The *Golf Fund* accounts for activities of the golf course.

**Eagle Ranch Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source, and expenditures or expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Both the governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred.

The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Property taxes, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenues items are considered to be measurable and available only when cash is received by the District.

**3. Financial Statement Presentation**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**Eagle Ranch Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

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

**3. Financial Statement Presentation (continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is from golf operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**E. Financial Statement Accounts**

**1. Cash, Cash Equivalents and Investments**

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

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

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

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

**2. Receivables**

All property tax and other receivables are reported net of an allowance for uncollectible accounts.

**3. Property Taxes**

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

**Eagle Ranch Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**4. Prepaid Items**

Prepaid expenses represent costs incurred in advance for goods or services that will be consumed or utilized in future periods. These amounts are recorded as assets at the time of payment and are subsequently expensed over the period in which the related benefits are received.

**5. Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased on the fund financial statements.

**6. Capital Assets**

The District does not report any infrastructure assets as these assets are the assets of the Town.

Capital assets, which include land, equipment, and buildings, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

The initial capitalized assets of the business-type activities are recorded at historical cost. The reported values exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the asset or extend its useful life beyond the original estimates. The District capitalizes assets with original cost exceeding \$5,000. Donated capital assets are recorded at acquisition value.

Depreciation is provided on a straight-line basis over the estimated useful life of the business-type activities assets ranging from 3 to 40 years.

**7. Compensated Absences**

The District provides compensated absence benefits to full-time, year-round employees after one year of continuous service, credited on their anniversary date, with annual entitlements ranging from 80 hours (10 days) for 1–4 years of service, 120 hours (15 days) for 5–9 years, to 160 hours (20 days) for 10+ years, as shown in the table below. Compensated absence time must be used within 12 months of being credited, and unused compensated absence limits additional earnings to the difference between unused amounts and the annual benefit; no benefits are earned in the first year or by non-full-time employees. Upon termination, employees are paid for unused compensated absence credited from their last anniversary date, but not for uncredited amounts if termination occurs before the anniversary date.

**8. Long-term Debt**

The District's long-term obligations consist of outstanding bonds and loans. These obligations are recorded in the government-wide financial statements, at their principal amounts, net of any applicable bond discounts or premiums, which are amortized over the life of the related debt using the effective interest method. Debt issuance costs, excluding prepaid bond insurance, are expensed as incurred in accordance with applicable accounting standards.

**Eagle Ranch Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**9. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has no items that qualify for reporting under this category.

Deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue – property taxes, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

**10. Interfund Transactions**

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

**11. Fund Equity**

The District classifies governmental fund balances as follows:

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

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

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors. A board resolution is required to establish, modify or rescind a fund balance commitment.

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

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

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025  
(continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**F. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Credit Risk**

Receivables in the District's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

**3. Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with GAAP. Annual appropriation budgets are also adopted for the proprietary fund on a non-GAAP budget basis and are reconciled to GAAP below:

	<b>Golf Fund</b>
<b>Change in net position - Budget basis</b>	356
Add(less):	
Change in accrued compensated absences	3,818
Depreciation	(361,519)
Capitalized assets	634,766
<b>Change in net position - GAAP basis</b>	<b>277,421</b>

**Eagle Ranch Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**II. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

The District followed these procedures in preparing, approving, and enacting its budget for 2025:

- (1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2024 the County Assessor sent the final recertified assessed valuation to the District.
- (2) On or before October 15, 2024, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) A public hearing on the proposed budget and capital program was held by the Board not later than 45 days prior to the close of the fiscal year.
- (4) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) For the 2025 budget, the final budget and appropriating resolution was adopted prior to December 31, 2024.
- (6) After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) emergency appropriations; and d) reduction of appropriations for which originally estimated revenues are insufficient.
- (7) Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026 and may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (not later than February 28<sup>th</sup> and June 15<sup>th</sup>) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15<sup>th</sup>.

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

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025  
(continued)**

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**II. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment**

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

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$85,898 of December 31, 2025 fund balances for this purpose, which is the approximate required TABOR reserve at December 31, 2025.

Effective January 1, 1999 and thereafter, the voters authorized the District *to collect, retain and spend all revenues and other funds collected from any source; provided that the District's General Operating Property Tax Levy shall not be increased without voter approval; and the revenues be spent for all District services and general operations as a voter-approved revenue change and an exception to the limits which could otherwise apply.*

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

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

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

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

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025  
(continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

*Custodial Risk* – The District’s investment policy limits investments to those authorized by State statutes as listed in Note I.E.1. The District’s general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

*Concentration of Credit Risk* – The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

*Local Government Investment Pool* – At December 31, 2025, the District had invested \$6,081,301 in the Colorado Government Liquid Asset Trust (“COLOTRUST”). COLOTRUST is an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and is registered with the State Securities Commissioner. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify investments owned by COLOTRUST. COLOTRUST’s investments consist of U.S. Treasury and U.S. agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. These investments are not categorized because the underlying securities cannot be determined. Of the investments held in COLOTRUST at December 31, 2025, the District had invested in COLOTRUST PLUS+, which operates similarly to money market funds and each share is equal in value to \$1.

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

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

	<b>Standard &amp; Poors Rating</b>	<b>Carrying Amounts</b>	<b>Maturities</b>	
			<b>Less Than One Year</b>	<b>One to Five Years</b>
<b><i>Deposits:</i></b>				
Cash on hand		1,000	1,000	-
Checking and savings	Not Rated	172,761	172,761	-
Certificates of deposit	Not Rated	1,827,919	977,919	850,000
<b><i>Investments:</i></b>				
Investment pool	AAAm	6,081,301	6,081,301	-
<b>Total Cash and Investments</b>		<b>8,082,981</b>	<b>7,232,981</b>	<b>850,000</b>
<b><u>Reconciliation to Statement of Net Position:</u></b>				
Governmental activities - Unrestricted		7,935,084		
Business-type activities - Unrestricted		147,897		
<b>Total Cash and Investments</b>		<b>8,082,981</b>		

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025  
(continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

The District had the following recurring fair value measurements as of December 31, 2025:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
COLOTRUST	<u>6,081,301</u>

**B. Receivables**

Receivables as of December 31, 2025 for the District's funds, including applicable allowances for uncollectible accounts, were as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Golf Fund</u>	<u>Total</u>
Property taxes	1,169,588	1,322,320	-	2,491,908
Trade accounts	-	-	4,528	4,528
Gross Receivables	<u>1,169,588</u>	<u>1,322,320</u>	<u>4,528</u>	<u>2,496,436</u>
Net Receivables	<u>1,169,588</u>	<u>1,322,320</u>	<u>4,528</u>	<u>2,496,436</u>

**C. Capital Assets**

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

<b>Business-type Activities</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land and golf course infrastructure	6,557,075	-	-	6,557,075
Total capital assets, not being depreciated	<u>6,557,075</u>	<u>-</u>	<u>-</u>	<u>6,557,075</u>
Capital assets, being depreciated				
Golf equipment	659,247	5,894	-	665,141
Food and beverage equipment	76,666	5,637	-	82,303
Maintenance equipment	1,268,961	139,104	(92,056)	1,316,009
Clubhouse equipment	72,082	-	-	72,082
Buildings	4,009,159	364,317	-	4,373,476
Golf course	1,332,497	119,814	(42,820)	1,409,491
Total capital assets, being depreciated	<u>7,418,612</u>	<u>634,766</u>	<u>(134,876)</u>	<u>7,918,502</u>
Less accumulated depreciation for:				
Golf equipment	(271,539)	(103,157)	-	(374,696)
Food and beverage equipment	(34,549)	(7,527)	-	(42,076)
Maintenance equipment	(980,998)	(85,633)	92,056	(974,575)
Clubhouse equipment	(39,668)	(9,001)	-	(48,669)
Buildings	(2,166,804)	(113,024)	-	(2,279,828)
Golf course	(1,093,789)	(43,177)	42,820	(1,094,146)
Total accumulated depreciation	<u>(4,587,347)</u>	<u>(361,519)</u>	<u>134,876</u>	<u>(4,813,990)</u>
<b>Capital Assets, Net</b>	<u>9,388,340</u>	<u>273,247</u>	<u>-</u>	<u>9,661,587</u>

2025 depreciation expense was charged to golf operations business-type activities.

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025  
(continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Interfund Receivables, Payables, and Transfers**

Interfund balances at December 31, 2025 were as follows:

	Due from	Due to
General Fund	-	121,620
Golf Fund	(121,620)	-
	(121,620)	121,620

Interfund transfers during 2025 were as follows:

Transferred From:	Transferred To:		
	General Fund	Debt Service Fund	Golf Fund
General Fund	-	-	489,000
	-	-	489,000

Interfund transfers are made from the General Fund to provide supplemental funding of operating expenses for the Golf Fund.

**E. Long-term Debt**

**1. General Obligation Bonds – Governmental Activities**

**A. Series 2013 General Obligation Refunding Bonds - \$6,630,000**

The Series 2013 Bonds (“Bonds”) are general obligation bonds of the District, payable from ad valorem property taxes without limitation on property located within the District. The Bonds are subject to prior redemption in whole, or in part in a minimum amount of \$250,000 plus a redemption premium required by the sale certificate for the bonds. The Bonds were issued to refund the \$4,880,000 General Obligation Refunding Bonds, Series 2003 A and the \$2,105,000 General Obligation Bonds, Series 2003 B. The interest rate on the Bonds is 3.42%. Interest is payable June 1 and December 1 and principal is payable December 1 of each year. The refunding reduced total debt service payments by \$1,524,933; the net present value of the savings from the bond refunding was \$1,157,883.

**B. Series 2017 General Obligation Refunding Bonds - \$4,290,000**

The Series 2017 Bonds (“Bonds”) are general obligation bonds of the District, payable from ad valorem property taxes without limitation on property located within the District. The Bonds were issued to refund the \$6,805,000 General Obligation Refunding Bonds, Series 2007. The interest rate on the Bonds is 1.95%. Interest is payable June 1 and December 1 and principal is payable December 1 of each year. The bonds were fully repaid in 2024.

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025  
(continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**1. General Obligation Bonds – Governmental Activities (continued)**

**C. Series 2021 General Obligation Refunding Loan**

The Series 2017 Bonds (“Bonds”) are general obligation bonds of the District, payable from ad valorem property taxes without limitation on property located within the District. The Bonds were issued to refund the \$6,805,000 General Obligation Refunding Bonds, Series 2007. The interest rate on the Bonds is 1.95%. Interest is payable June 1 and December 1 and principal is payable December 1 of each year. The refunding reduced total debt service payments by \$835,250, the net present value of the savings from the bond refunding was \$777,435.

**2. Annual Debt Service Requirements – Governmental Activities**

Debt service requirements to maturity at December 31, 2025 for bonds associated with the District’s governmental activities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	1,225,000	115,143	1,340,143
2027	1,250,000	87,456	1,337,456
2028	1,280,000	59,010	1,339,010
2029	1,310,000	29,922	1,339,922
<b>Total</b>	<u>5,065,000</u>	<u>291,531</u>	<u>5,356,531</u>

**3. Changes in Long-Term Debt**

Changes in the District’s long-term obligations for the year ended December 31, 2025 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities:</u></b>					
2013 GO Refunding Bonds	2,510,000	-	(470,000)	2,040,000	485,000
2021 GO Refunding Loan	3,750,000	-	(725,000)	3,025,000	740,000
<b><u>Business-type Activities:</u></b>					
Compensated absences*	31,173	-	(4,277)	26,896	-
<b>Total</b>	<u>6,291,173</u>	<u>-</u>	<u>(1,199,277)</u>	<u>5,091,896</u>	<u>1,225,000</u>

\*The change in the compensated absences liability is presented as a net change.

**Eagle Ranch Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2025**  
**(continued)**

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**IV. Other Information**

**A. Other Information**

**1. Colorado Special Districts Property and Liability Pool**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and general liability. The District is a member of the Colorado Special District Property and Liability Pool ("Pool") for property and liability insurance. The Pool was formed by an intergovernmental agreement to provide public officials, property, general and automobile liability coverage for claims up to \$1,000,000, except if the claim falls within the government immunity statute, then the coverage is \$150,000 per person and a \$600,000 aggregate claim. The Pool is reinsured for 80% of the first \$250,000 of all claims and 100% for claims in excess of \$250,000. The District may be required to make additional contributions in the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts. 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. Any settled claims are not expected to exceed coverage. A summary of audited statutory basis financial information for the Pool can be found here: <https://www.csdpool.org/financials>.

**2. Commitments and Contingencies**

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives have disclosed that there are no material outstanding claims against the District at December 31, 2025.

**3. Retirement Plans**

The District requires all employees to participate in a defined contribution money purchase pension plan (the "Retirement Plan"). The District did not elect to have its employees covered by Social Security and opted to have a money purchase pension plan retirement plan. The Retirement Plan, which is administered by ICMA Retirement Corporation ("ICMA"), offers employees the opportunity to build retirement savings with employee pre-tax contributions of 6.2% of salary for full time employees and 6.2% for seasonal employees. The District matches 6.2% of the full time employees' contributions and 1.3% for seasonal employees with fully vested District contributions.

For 2025, total payroll for employees covered by the Retirement Plan was \$1,233,319. The District contributed \$43,984 on behalf of eligible employees and the employees contributed \$92,369. All eligible employees were enrolled in the Retirement Plan at December 31, 2025.

The District is the Trustee of the Retirement Plan and has no liability for losses under the Retirement Plan, but does have the duty of due care that would be required of any ordinary prudent investor. Accordingly, the Retirement Plan is not included in the District's financial statements.

The District offers its employees a deferred compensation plan created in accordance with the Internal Revenue Service Code Section 457. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The District matches 50% of contributions to the plan.

**Eagle Ranch Metropolitan District  
Notes to the Financial Statements  
December 31, 2025  
(continued)**

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**IV. Other Information**

**A. Other Information (continued)**

**3. Retirement Plans (continued)**

During 2025, the District contributed \$14,541 to the 457 plan, which represents the required 50% match to the \$29,082 of employee contributions.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

**4. Subsequent Events**

Management has evaluated subsequent events through the date these financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Eagle Ranch Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2025**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2024)**

	<u>2025</u>		<b>Final Budget Variance Positive (Negative)</b>	<u>2024</u>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
Property taxes	2,391,745	2,391,758	13	1,128,177
Specific ownership taxes	107,629	118,690	11,061	49,383
Investment income	281,000	352,835	71,835	358,173
<b>Total Revenues</b>	<u>2,780,374</u>	<u>2,863,283</u>	<u>82,909</u>	<u>1,535,733</u>
<b>Expenditures:</b>				
General government:				
Accounting and audit	45,500	39,304	6,196	39,602
Treasurer's fees	71,753	71,835	(82)	31,872
Insurance	4,000	4,307	(307)	3,433
Legal	5,000	598	4,402	241
Office supplies	2,850	2,470	380	2,193
Other	64,000	3,713	60,287	1,370
Contingency	25,000	-	25,000	-
<b>Total Expenditures</b>	<u>218,103</u>	<u>122,227</u>	<u>95,876</u>	<u>78,711</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>2,562,271</u>	<u>2,741,056</u>	<u>178,785</u>	<u>1,457,022</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from (to) other fund	(874,000)	(489,000)	385,000	(1,631,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(874,000)</u>	<u>(489,000)</u>	<u>385,000</u>	<u>(1,631,000)</u>
<b>Change in Fund Balance</b>	1,688,271	2,252,056	563,785	(173,978)
<b>Fund Balance - Beginning of Year</b>	<u>5,563,104</u>	<u>5,681,466</u>	<u>118,362</u>	<u>5,855,444</u>
<b>Fund Balance - End of Year</b>	<u><u>7,251,375</u></u>	<u><u>7,933,522</u></u>	<u><u>682,147</u></u>	<u><u>5,681,466</u></u>

**Eagle Ranch Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**Water Tap Fee Fund**  
**For the Year Ended December 31, 2025**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2024)**

	2025		Final Budget Variance Positive (Negative)	2024
	Original & Final Budget	Actual		Actual
<b>Revenues:</b>				
Tap fees	100,000	37,944	(62,056)	30,000
<b>Total Revenues</b>	100,000	37,944	(62,056)	30,000
<b>Expenditures:</b>				
General government:				
Tap fees - Developer and Town of Eagle	100,000	37,944	62,056	30,000
<b>Total Expenditures</b>	100,000	37,944	62,056	30,000
<b>Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of Year</b>	28	28	-	28
<b>Fund Balance - End of Year</b>	28	28	-	28

**SUPPLEMENTARY INFORMATION**

**Eagle Ranch Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**Debt Service Fund**  
**For the Year Ended December 31, 2025**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2024)**

	<u>2025</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2024</u>
	<u>Original &amp; Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	-	-	-	1,346,386
Specific ownership taxes	-	-	-	65,746
Investment income	-	-	-	1,292
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,413,424</u>
<b>Expenditures:</b>				
General government:				
Treasurer's fees	-	-	-	42,433
Other	6,000	400	5,600	693
Debt service:				
Principal	1,195,000	1,195,000	-	1,170,000
Interest	142,092	142,092	-	171,207
<b>Total Expenditures</b>	<u>1,343,092</u>	<u>1,337,492</u>	<u>5,600</u>	<u>1,384,333</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(1,343,092)</u>	<u>(1,337,492)</u>	<u>5,600</u>	<u>29,091</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from (to) other fund	-	-	-	1,338,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,338,000</u>
<b>Change in Fund Balance</b>	(1,343,092)	(1,337,492)	5,600	1,367,091
<b>Fund Balance - Beginning of Year</b>	<u>1,469,209</u>	<u>1,469,345</u>	<u>136</u>	<u>102,254</u>
<b>Fund Balance - End of Year</b>	<u><u>126,117</u></u>	<u><u>131,853</u></u>	<u><u>5,736</u></u>	<u><u>1,469,345</u></u>

**Eagle Ranch Metropolitan District**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis**  
**Enterprise Fund - Golf Fund**  
**For the Year Ended December 31, 2025**  
**(With Comparative Actual Amounts for December 31, 2024)**

	<b>2025</b>			<b>2024</b>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
<b>Operating Revenues:</b>				
Charges for services:				
Green fees	1,287,521	1,429,516	141,995	1,231,239
Cart rentals	312,950	336,130	23,180	303,834
Golf Shop revenue	188,220	190,698	2,478	191,129
Food and beverage revenue	278,862	326,599	47,737	271,372
Other	196,100	235,996	39,896	209,345
Miscellaneous	1,000	-	(1,000)	1,131
<b>Total Operating Revenues</b>	<u>2,264,653</u>	<u>2,518,939</u>	<u>254,286</u>	<u>2,208,050</u>
<b>Operating Expenses:</b>				
Golf course maintenance	886,429	904,871	(18,442)	856,013
General and administrative	396,166	389,659	6,507	376,415
Golf operations	461,956	463,232	(1,276)	429,498
Food and beverage operations	108,021	103,485	4,536	97,446
Food and beverage merchandise	182,238	198,357	(16,119)	155,536
Clubhouse operations	82,350	89,833	(7,483)	72,182
Marketing	40,000	38,300	1,700	39,275
Golf shop operations	19,425	20,423	(998)	30,593
Golf shop merchandise	130,134	147,471	(17,337)	128,708
Capital outlay	832,000	652,018	179,982	347,327
<b>Total Operating Expenses</b>	<u>3,138,719</u>	<u>3,007,649</u>	<u>131,070</u>	<u>2,532,993</u>
<b>Operating Income (Loss) - Budget Basis</b>	<u>(874,066)</u>	<u>(488,710)</u>	<u>385,356</u>	<u>(324,943)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Gain (loss) on disposition of assets	-	-	-	32,000
Investment income	200	66	(134)	181
<b>Total Non-Operating Revenues (Expenses)</b>	<u>200</u>	<u>66</u>	<u>(134)</u>	<u>32,181</u>
<b>Income (Loss) before Contributions and Transfers</b>	<u>(873,866)</u>	<u>(488,644)</u>	<u>385,222</u>	<u>(292,762)</u>
Transfers in (out)	<u>874,000</u>	<u>489,000</u>	<u>(385,000)</u>	<u>293,000</u>
<b>Change in Net Position - Budget Basis</b>	<u>134</u>	<u>356</u>	<u>222</u>	<u>238</u>
<b>Reconciliation to GAAP Basis:</b>				
Gain (loss) on disposal of capital assets		-		(28,519)
Change in accrued compensated absences		3,818		(7,151)
Capitalized assets		634,766		320,056
Depreciation expense		(361,519)		(340,785)
<b>Total Adjustments</b>		<u>277,065</u>		<u>(56,399)</u>
<b>Change in Net Position - GAAP Basis</b>		277,421		(56,161)
<b>Net Position - Beginning of Year</b>		<u>9,455,646</u>		<u>9,511,807</u>
<b>Net Position - End of Year</b>		<u>9,733,067</u>		<u>9,455,646</u>