HUNTINGTON TRAILS METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

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FISCAL FOCUS PARTNERS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Huntington Trails Metropolitan District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Huntington Trails 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 of December 31, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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.

Fiscal Focus Partners, LLC

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Auditor's Responsibility 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 GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted 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.

Supplemental 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 supplemental information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
September 22, 2026

HUNTINGTON TRAILS METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	$ 15,024	$ -	$ 15,024	$ -	$ 15,024
Cash and investments - restricted	990	297,815	298,805	-	298,805
Receivable - County Treasurer	125	1,602	1,727	-	1,727
Property taxes receivable	33,938	433,996	467,934	-	467,934
Prepaid expenses	5,908	-	5,908	-	5,908
Prepaid debt insurance, net of accumulated amortization	-	-	-	40,534	40,534
Capital assets	-	-	-	313,971	313,971
Total Assets	$ 55,985	$ 733,413	$ 789,398	354,505	1,143,903
LIABILITIES					
Accounts payable	$ 2,687	$ -	$ 2,687	-	2,687
Accrued interest on bonds	-	-	-	12,632	12,632
Long-term liabilities:					
Due within one year	-	-	-	332,798	332,798
Due in more than one year	-	-	-	4,300,237	4,300,237
Total Liabilities	2,687	-	2,687	4,645,667	4,648,354
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	33,938	433,996	467,934	-	467,934
Total Deferred Inflows of Resources	33,938	433,996	467,934	-	467,934
FUND BALANCES					
Fund Balances:					
Nonspendable:					
Prepaids	5,908	-	5,908	(5,908)	-
Restricted:					
Emergencies	990	-	990	(990)	-
Debt service	-	299,417	299,417	(299,417)	-
Assigned					
Subsequent year's expenditures	12,462	-	12,462	(12,462)	-
Total Fund Balances (Deficits)	19,360	299,417	318,777	(318,777)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 55,985	$ 733,413	$ 789,398		
NET POSITION:					
Net investment in capital assets				(4,250,915)	(4,250,915)
Restricted for:					
Emergencies				990	990
Debt service				286,785	286,785
Unrestricted				58,904	58,904
Total Net Position				$ (3,904,236)	$ (3,904,236)

The notes to the financial statements are an integral part of these statements.

HUNTINGTON TRAILS METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES					
Accounting and audit	$ 13,673	$ -	$ 13,673	$ -	$ 13,673
Insurance	6,156	-	6,156	-	6,156
Legal	7,902	-	7,902	-	7,902
Miscellaneous expenses	470	-	470	-	470
Treasurer's fees	517	6,612	7,129	-	7,129
Bond principal	-	300,000	300,000	(300,000)	-
Bond interest expense	-	176,581	176,581	(15,569)	161,012
Amortize debt insurance costs	-	-	-	3,683	3,683
Depreciation expense	-	-	-	15,759	15,759
Total Expenditures	28,718	483,193	511,911	(296,127)	215,784
GENERAL REVENUES					
Property taxes	34,415	440,091	474,506	-	474,506
Specific ownership taxes	1,717	21,951	23,668	-	23,668
Interest income	56	22,727	22,783	-	22,783
Total General Revenues	36,188	484,769	520,957	-	520,957
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,470	1,576	9,046	296,127	305,173
OTHER FINANCING SOURCES (USES)					
Transfers in/(out)	(37,000)	37,000	-	-	-
Total Other Financing Sources (Uses)	(37,000)	37,000	-	-	-
NET CHANGES IN FUND BALANCES	(29,530)	38,576	9,046	(9,046)	-
CHANGE IN NET POSITION				305,173	305,173
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	48,890	260,841	309,731	(4,519,140)	(4,209,409)
END OF YEAR	$ 19,360	$ 299,417	$ 318,777	$ (4,223,013)	$ (3,904,236)

The notes to the financial statements are an integral part of these statements.

HUNTINGTON TRAILS METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2025

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 34,415	$ 34,415	$ -
Specific ownership taxes	2,065	1,717	(348)
Interest income	230	56	(174)
Total Revenues	36,710	36,188	(522)
EXPENDITURES			
Accounting and audit	14,000	13,673	327
Insurance	6,100	6,156	(56)
Legal	11,500	7,902	3,598
Miscellaneous expenses	502	470	32
Treasurer's fees	516	517	(1)
Contingency	15,890	-	15,890
Emergency reserve	979	-	979
Total Expenditures	49,487	28,718	20,769
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,777)	7,470	20,247
OTHER FINANCING SOURCES (USES)			
Transfers in/(out)	(37,000)	(37,000)	-
Total Other Financing Sources (Uses)	(37,000)	(37,000)	-
NET CHANGE IN FUND BALANCE	(49,777)	(29,530)	20,247
FUND BALANCE:			
BEGINNING OF YEAR	49,777	48,890	(887)
END OF YEAR	$ -	$ 19,360	$ 19,360

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Huntington Trails Metropolitan District (the "District"), located in Adams County, Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on November 30, 2000, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established for the purpose of financing and constructing streets, drainage, parks and recreation, and other needed public improvements; and for dedicating, when appropriate, such improvements to the City of Westminster, Colorado ("the City"), or to such other entity as appropriate for the use and benefit of the District's property owners. The creation of the District was approved by District electors on November 7, 2000, and the Order was entered by the Adams County, Colorado District Court on November 30, 2000. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB Pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgetary Accounting

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

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2025, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash investments are considered to be 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 net asset value.

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

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred loss on refunding was fully amortized as of 12/31/2025.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Bond Premium and Prepaid Debt Insurance

Bond premium and prepaid debt insurance from the Series 2017 Bonds are being amortized over the respective terms of the bonds using the interest/straight-line method. Accumulated amortization of bond premium and prepaid debt insurance amounted to $132,678 and $31,054 respectively at December 31, 2025.

Loss from Refunding

The loss from refunding of the Series 2017 Bonds is being amortized over the respective term of the bonds using the straight-line method. Accumulated amortization of the loss from refunding amounted to $632,262 at December 31, 2025.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Parks and recreation	30 years

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of $5,908 represents prepaid expenditures.

Restricted Fund Balance
The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $990 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $299,417 is restricted for the payment of the debt service costs associated with the General Obligation Limited Tax Refunding Bonds, Series 2017 (see Note 4).

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

Assigned Fund Balance
Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2026.

Unassigned Fund Balance
Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

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.

Note 2: Cash and Investments

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

Statement of Net Position:	
Cash and investments	$ 15,024
Cash and investments – Restricted	298,805
Total	$ 313,829

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

Deposits with financial institutions	$ 4,979
Investments – COLOTRUST	308,850
Total	$ 313,829

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool 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 aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District does not have a formal policy for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method (NAV) per share.

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of $1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2025, the District had $308,850 invested in COLOTRUST Plus+.

Credit Risk

The District follows state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk
Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Capital assets being depreciated:				
Parks and recreation	$ 472,770	$ -	$ -	$ 472,770
Total capital assets being depreciated	472,770	-	-	472,770
Accumulated Depreciation:				
Parks and recreation	(143,040)	(15,759)	-	(158,799)
Total accumulated depreciation	(143,040)	(15,759)	-	(158,799)
Net capital assets being depreciated	329,730	(15,759)	-	313,971
Government type assets, net	$ 329,730	$ (15,759)	$ -	$ 313,971

Upon completion and acceptance, all fixed assets, except for certain parks and recreation assets, are conveyed by the District to other local governments. The District will not be responsible for maintenance.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2025, is as follows:

General Obligation Limited Tax Refunding Bonds, Series 2017
On June 28, 2017, the District issued $6,820,000 of General Obligation Limited Tax Refunding Bonds, Series 2017 (Series 2017 Bonds) dated June 28, 2017 for the purpose of refunding the Series 2015 Bonds, purchasing a surety bond and bond insurance and funding the bond issuance costs. The Series 2017 Bonds bear interest between the rates of 3.00% to 5.00%, payable semiannually on each June 1 and December 1, commencing on December 1, 2017. The Series 2017 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2017 and each December 1 thereafter, per amounts set forth in the Official Statement. The Series 2017 Bonds are subject to optional redemption on December 1, 2027, and on any date thereafter, at the option of the District, as a whole or in integral multiples of $5,000, upon payment of the principal amount to be redeemed plus accrued interest thereon to the redemption date.

The District has covenanted to levy a mill levy upon all taxable property in the District in an amount sufficient to pay the principal and interest on the Series 2017 Bonds and to fund the Reserve Fund up to the Required Reserve in the amount of $266,512.50, but in an amount not in excess of 35 mills (as adjusted for changes in methods of calculating assessed valuation) less the amount of the Operations Mill Levy. The Required Reserve in the amount of $266,512.50 is funded by a Municipal Bond Debt Service Reserve Insurance Policy issued by Assured Guaranty Municipal Corp. The Operations Mill Levy is the number of mills necessary to produce up to a maximum of $41,000 in collection year 2018, which amount will increase at 2.5% per year thereafter, for operations and maintenance expenses.

The following is an analysis of changes in long-term debt for the year ending December 31, 2025:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Current Portion
General Obligation Bonds					
G.O. Limited Tax Refunding Bonds,					
Series 2017	$ 4,855,000	$ -	$ 300,000	$ 4,555,000	$ 320,000
Bond Premium	91,521	-	13,486	78,035	12,798
Total	$ 4,946,521	$ -	$ 313,486	$ 4,633,035	$ 332,798

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2017 Bonds.

	Principal	Interest	Total
2026	$ 320,000	$ 167,581	$ 487,581
2027	335,000	151,581	486,581
2028	360,000	134,831	494,831
2029	380,000	116,831	496,831
2030	400,000	105,431	505,431
2031-2035	2,245,000	327,525	2,572,525
2036	515,000	18,025	533,025
	$ 4,555,000	$ 1,021,805	$ 5,576,805

As of December 31, 2025, the District did not have any remaining voted debt authorization. The District has not budgeted to issue any new debt during 2026. Per the District's Service Plan, the District cannot issue debt in excess of $4,750,000, unless approved by the City of Westminster. On February 27, 2006, the City approved an increase to the maximum debt level amount in the Service Plan to $6,000,000. On April 13, 2017, the District published notice of its intention to issue the Series 2017 Bonds and levy the associated taxes.

Note 5: Agreements

Service Agreement

On January 1, 2012, the District and Huntington Trails Community Association, Inc. (Association) entered into a Services Agreement. Per the Services Agreement, the Association agrees to provide operation and maintenance services for the District in accordance with the scope of services as set forth in the agreement. The operation and maintenance services commenced January 1, 2012. The District shall not be responsible for any payments or reimbursements to the Association for the costs of any services provided under the terms of this agreement. This agreement is automatically renewed annually unless either party gives notice to the other party of its intent to terminate at least 30 days in advance of the end of the then current term.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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 (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 8: Interfund Transfers

The transfer of $37,000 from the General Fund to the Debt Service Fund was transferred for the purpose of possibly optionally redeeming the Series 2017 Bonds in the future.

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds;

2) long-term liabilities such as bonds payable and accrued bond interest payable, are not due and payable in the current period and, therefore, are not in the funds; and

3) the bond premium, loss on refunding and prepaid debt insurance are reported as deferred charges and amortized over the term of the related debt in the government-wide financial statements.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;

2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and

3) governmental funds report long-term debt repayments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

HUNTINGTON TRAILS METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2025

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 440,093	$ 440,091	$ (2)
Specific ownership taxes	26,406	21,951	(4,455)
Interest income	3,657	22,727	19,070
Total Revenues	470,156	484,769	14,613
EXPENDITURES			
Bond principal	300,000	300,000	-
Bond interest expense	176,581	176,581	-
Paying agent fees	5,000	-	5,000
Contingency	5,024	-	5,024
Treasurer's fees	6,601	6,612	(11)
Total Expenditures	493,206	483,193	10,013
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,050)	1,576	24,626
OTHER FINANCING SOURCES (USES)			
Transfers in/(out)	37,000	37,000	-
Total Other Financing Sources (Uses)	37,000	37,000	-
NET CHANGE IN FUND BALANCE	13,950	38,576	24,626
FUND BALANCE:			
BEGINNING OF YEAR	254,655	260,841	6,186
END OF YEAR	$ 268,605	$ 299,417	$ 30,812

The notes to the financial statements are an integral part of these statements.

HUNTINGTON TRAILS METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Tax		Percent Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2006	$ 833,700	34.987	7.840	$ 29,169	$ 35,704	122.40%
2007	$ 2,618,700	5.000	35.000	$ 104,748	$ 104,748	100.00%
2008	$ 4,221,700	5.000	35.000	$ 168,868	$ 170,705	101.09%
2009	$ 6,781,090	4.300	38.527	$ 290,414	$ 290,413	100.00%
2010	$ 11,359,640	3.100	39.727	$ 486,499	$ 479,413	98.54%
2011	$ 11,109,700	2.550	40.277	$ 475,795	$ 469,286	98.63%
2012	$ 8,173,590	3.650	39.177	$ 350,051	$ 343,356	98.09%
2013	$ 9,282,700	3.230	39.597	$ 397,550	$ 403,117	101.40%
2014	$ 10,779,660	2.783	40.044	$ 461,661	$ 447,875	97.01%
2015	$ 10,907,950	2.750	40.077	$ 467,155	$ 467,155	100.00%
2016	$ 13,055,450	3.063	39.764	$ 559,126	$ 556,680	99.56%
2017	$ 13,106,890	3.051	39.776	$ 561,329	$ 561,329	100.00%
2018	$ 14,478,190	2.830	30.170	$ 477,780	$ 477,780	100.00%
2019	$ 14,513,920	2.000	29.255	$ 453,633	$ 453,632	100.00%
2020	$ 16,683,630	2.000	25.500	$ 458,800	$ 452,552	98.64%
2021	$ 16,323,500	1.500	26.000	$ 448,896	$ 448,086	99.82%
2022	$ 16,101,410	1.500	26.000	$ 442,789	$ 443,719	100.21%
2023	$ 15,728,080	1.500	28.500	$ 471,842	$ 471,945	100.02%
2024	$ 22,082,840	1.564	19.344	$ 461,708	$ 461,198	99.89%
2025	$ 22,004,660	1.564	20.000	$ 474,508	$ 474,506	100.00%
Estimated for year ending December 31, 2026	$ 21,699,760	1.564	20.000	$ 467,934		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.