

Anthem West Metropolitan District

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

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COLORADO CPA COMPANY

Independent Auditor's Report

Board of Directors
Anthem West Metropolitan District
City and County of Broomfield, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Anthem West 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 Anthem West Metropolitan District, as of December 31, 2025, and the respective changes in financial position 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.

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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Supplemental Information

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

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 listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Colorado CPA Company PC

Highlands Ranch, Colorado
July 24, 2026

Anthem West Metropolitan District

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

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 462,241	\$ -	\$ 462,241	\$ -	462,241
Cash and investments - restricted	2,066	199,068	201,134	-	201,134
Receivable County Treasurer	435	11,175	11,610	-	11,610
Property taxes receivable	123,871	3,406,462	3,530,333	-	3,530,333
Prepaid insurance	3,426	-	3,426	-	3,426
Bond insurance, net of amortization	-	-	-	510,353	510,353
Total Assets	<u>592,039</u>	<u>3,616,705</u>	<u>4,208,744</u>	<u>510,353</u>	<u>4,719,097</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	-	725,353	725,353
Total Deferred Outflows of Resources	-	-	-	<u>725,353</u>	<u>725,353</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 592,039</u>	<u>\$ 3,616,705</u>	<u>\$ 4,208,744</u>		
LIABILITIES					
Accounts payable	\$ 13,672	\$ -	\$ 13,672	-	13,672
Accrued interest - Bonds	-	-	-	152,469	152,469
Long-term liabilities					
Due within one year	-	-	-	1,755,000	1,755,000
Due in more than one year	-	-	-	<u>43,338,207</u>	<u>43,338,207</u>
Total Liabilities	<u>13,672</u>	<u>-</u>	<u>13,672</u>	<u>45,245,676</u>	<u>45,259,348</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>123,871</u>	<u>3,406,462</u>	<u>3,530,333</u>	-	<u>3,530,333</u>
Total Deferred Inflows of Resources	<u>123,871</u>	<u>3,406,462</u>	<u>3,530,333</u>	-	<u>3,530,333</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	3,426	-	3,426	(3,426)	-
Restricted:					
Emergencies	2,066	-	2,066	(2,066)	-
Debt service	-	210,243	210,243	(210,243)	-
Unassigned	<u>449,004</u>	<u>-</u>	<u>449,004</u>	<u>(449,004)</u>	<u>-</u>
Total Fund Balances	<u>454,496</u>	<u>210,243</u>	<u>664,739</u>	<u>(664,739)</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 592,039</u>	<u>\$ 3,616,705</u>	<u>\$ 4,208,744</u>		
NET POSITION					
Restricted for:					
Emergencies				2,066	2,066
Debt service				57,774	57,774
Unrestricted				<u>(43,405,071)</u>	<u>(43,405,071)</u>
Total Net Position (Deficit)				<u>\$ (43,345,231)</u>	<u>(43,345,231)</u>

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

Anthem West Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
Accounting and audit	\$ 14,555	\$ -	\$ 14,555	\$ -	\$ 14,555
Insurance	3,742	-	3,742	-	3,742
Legal	14,750	-	14,750	-	14,750
Management fees	24,731	-	24,731	-	24,731
Miscellaneous expenses	110	-	110	-	110
Election expense	193	-	193	-	193
Director's fees	1,567	-	1,567	-	1,567
Treasurer's fees	1,931	49,639	51,570	-	51,570
Bond interest expense	-	2,085,742	2,085,742	33,659	2,119,401
Principal payment	-	5,665,000	5,665,000	(5,665,000)	-
Bond Insurance Amortization	-	-	-	26,979	26,979
Paying agent fees	-	-	-	-	-
Total Expenditures	<u>61,579</u>	<u>7,800,381</u>	<u>7,861,960</u>	<u>(5,604,362)</u>	<u>2,257,598</u>
GENERAL REVENUES					
Property taxes	128,613	3,307,201	3,435,814	-	3,435,814
Specific ownership taxes	5,714	146,928	152,642	-	152,642
Interest income	<u>19,398</u>	<u>234,689</u>	<u>254,087</u>	<u>-</u>	<u>254,087</u>
Total General Revenues	<u>153,725</u>	<u>3,688,818</u>	<u>3,842,543</u>	<u>-</u>	<u>3,842,543</u>
CHANGE IN FUND BALANCE	92,146	(4,111,563)	(4,019,417)	4,019,417	
CHANGE IN NET POSITION				1,584,945	1,584,945
FUND BALANCE/NET POSITION					
BEGINNING OF YEAR	<u>362,350</u>	<u>4,321,806</u>	<u>4,684,156</u>	<u>(49,614,332)</u>	<u>(44,930,176)</u>
END OF YEAR	<u>\$ 454,496</u>	<u>\$ 210,243</u>	<u>\$ 664,739</u>	<u>\$ (44,009,970)</u>	<u>\$ (43,345,231)</u>

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

Anthem West 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 <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 128,717	\$ 128,613	\$ (104)
Specific ownership taxes	6,835	5,714	(1,121)
Interest income	<u>100</u>	<u>19,398</u>	<u>19,298</u>
Total Revenues	<u>135,652</u>	<u>153,725</u>	<u>18,073</u>
EXPENDITURES			
Accounting and audit	15,000	14,555	445
Insurance	5,000	3,742	1,258
Legal	15,000	14,750	250
Management fees	25,000	24,731	269
Miscellaneous expenses	2,500	110	2,390
Election expense	65,000	193	64,807
Director's fees	1,500	1,567	(67)
Treasurers fees	1,931	1,931	-
Emergency reserve	<u>3,928</u>	<u>-</u>	<u>3,928</u>
Total Expenditures	<u>134,859</u>	<u>61,579</u>	<u>73,280</u>
CHANGE IN FUND BALANCE	793	92,146	91,353
FUND BALANCE			
BEGINNING OF YEAR	<u>350,862</u>	<u>362,350</u>	<u>11,488</u>
END OF YEAR	<u>\$ 351,655</u>	<u>\$ 454,496</u>	<u>\$ 102,841</u>

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

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Anthem West Metropolitan District, located in the City and County of Broomfield (“Broomfield”), 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

Anthem West Metropolitan District (the “District”), previously known as Northwest Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in 2002 and is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located entirely within Broomfield. The District was established to provide financing to Northwest Metropolitan District No. 1 (the “Service District” or “District No. 1”) for the construction, operation and maintenance of the facilities located within the District and Northwest Metropolitan District Nos. 2, and 4 (“Districts Nos. 2 and 4”).

The District was organized concurrently with District Nos. 1, 2 and 4. The District has the power to provide water, sanitation, streets, safety protection, television relay and translator services, transportation, mosquito control services, fire protection service, park and recreation improvements and other related improvements for the benefit of the taxpayers and service users within the boundaries of the District. The service plan requires the District to convey streets, potable water, sanitation, safety protection, parks and recreation, and transportation improvements to Broomfield or other appropriate jurisdictions. One or more homeowner associations own and maintain the streetscaping.

District No. 1 was originally intended to serve as the "Service District" while District Nos. 2, 4 and the District were intended to serve as the "Financing Districts". However, due to changes in development plans, the District amended its Service Plan in order to operate independently of District Nos. 1, 2 and 4. District No. 1 dissolved on January 8, 2016. In anticipation of said dissolution, on April 13, 2009, the District, along with District Nos. 1, 2 and 4, entered into a Termination and Release Agreement related to the Facilities Funding, Construction, and Operations Agreement (“Termination and Release”). As a result of the Termination and Release, the District along with District Nos. 2 and 4 no longer serve as “Financing Districts” and District No. 1 as the “Service District”. Pursuant to a Letter Agreement, dated April 13, 2009, District Nos. 2, 4 and the District, agreed to equally share in the costs associated with the dissolution of District No. 1.

The District's primary source of revenues is property taxes. The District is governed by an elected Board of Directors.

Anthem West Metropolitan District

Notes to Financial Statements December 31, 2025

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*.

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

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.

The District amended its total appropriations in the Debt Service Fund.

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, 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 equivalents 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 or amortized cost, as applicable.

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 net 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District 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.

Anthem West Metropolitan District

Notes to Financial Statements December 31, 2025

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. 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.

Original Issue Premium, Loss on Refunding and Prepaid Debt Insurance

Original issue premium, loss on refunding and prepaid debt insurance from the Series 2015 Bonds are being amortized over the respective terms of the bonds using the straight-line method. Accumulated amortization of original issue premium, loss on refunding and prepaid debt insurance amounted to \$190,502, \$768,022 and \$283,280, respectively at December 31, 2025.

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.

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 Equity

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:

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

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 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 \$2,066 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 \$151,987 is restricted for the payment of the debt service costs associated with the General Obligation Refunding Bonds, Series 2015.

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.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all 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 can report three categories of net position, as follows:

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

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. At December 31, 2025, the District did not have any amount to report in this category.

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.

Adoption of New Accounting Standards

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

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	\$ 462,241
Cash and investments – Restricted	<u>201,134</u>
Total	<u>\$ 663,375</u>

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

Deposits with financial institutions	\$ 9,613
Investments – CSIP	221,269
Investments – COLOTRUST	427,023
Investments – CSAFE	<u>5,470</u>
	<u>\$ 663,375</u>

Anthem West Metropolitan District

Notes to Financial Statements December 31, 2025

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 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 investments are not required to be categorized within the fair value hierarchy. The District’s investments in COLOTRUST and CSIP are calculated using the net asset value method (NAV) per share and the value of its investment in CSAFE is calculated using the amortized cost method.

Credit Risk

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

Anthem West Metropolitan District

Notes to Financial Statements December 31, 2025

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

CSIP

The local government investment pool Colorado Statewide Investment Pool (CSIP) is a trust organized for local government entities in Colorado to pool surplus funds. Currently, CSIP offers two investment options, CSIP Liquid Portfolio and CSIP Term Portfolio. The CSIP Liquid Portfolio is managed to maintain a dollar-weighted average maturity of no more than 60 days, with each share valued at \$1.00. The CSIP Liquid Portfolio invests exclusively in high quality money market instruments and is rated AAAM by Standard and Poors. The CSIP Liquid Portfolio records its investment at amortized cost and the District records its investment in CSIP using the net asset value method. The CSIP Term Portfolio invests in fixed-rate fixed-term investments where principal and interest is paid at maturity and the portfolio is rated AAAs by Fitch Ratings. CSIP Term Portfolio records its investments at fair value and the District records its investment in CSIP using the net asset value method. At December 31, 2025, the District had \$221,269 invested in the CSIP Liquid Portfolio.

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. The Trust operates similarly to a money market fund with each share maintaining a value of \$1.00. The COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. At December 31, 2025, the District had \$427,023 invested in 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.

Anthem West Metropolitan District

Notes to Financial Statements

December 31, 2025

CSAFE

The local government investment pool Colorado Surplus Asset Fund Trust (“CSAFE”), CSAFE is an investment vehicle established by state statute for local government entities to pool surplus assets. CSAFE offers two accounts, CSAFE Cash and CSAFE Colorado Core (Colorado Core). CSAFE Cash is rated AA+ by Fitch Ratings with a weighted average maturity of under 60 days. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. At December 31, 2025, the District had \$5,470 invested in CSAFE Cash.

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: Long Term Debt

General Obligation Bond Refunding Issue, Series 2015

On June 23, 2015 the District issued \$57,600,000 General Obligation Refunding Bonds, Series 2015 (“Series 2015 Bonds”) for the purpose of advance refunding the District’s General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2005 (“Refunded Bonds”), partially fund the Surplus Fund, and pay the cost of issuance of the Series 2015 Bonds. The Series 2015 Bonds are term bonds issued in denominations of \$5,000 with interest payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2015.

Of the Series 2015 Bonds, \$18,230,000 mature on December 1, 2030 at an interest rate of 3.370%; and \$7,405,000 mature on December 1, 2035 at an interest rate of 5.000%; \$8,225,000 mature on December 1, 2038 at an interest rate of 4.000%; and \$19,740,000 mature on December 1, 2044 at an interest rate of 4.125%. During 2025, the District paid an additional \$4,000,000 in principal on the Series 2015 Bonds that mature on December 1, 2035.

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

The Series 2015 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2017. The Series 2015 Bonds are subject to an early redemption at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities on or after December 1, 2025 at the redemption price equal to the principal amount of each Series 2015 Bond plus accrued interest thereon to the date of redemption, without redemption premium. The Series 2015 Bonds are payable from the ad valorem property tax revenue derived from imposition of the Required Mill Levy and any other legally available money of the District credited to the Bond Fund.

The occurrence or existence of any one or more of the following events shall be an Event of Default under the Indenture: a. Payment of the principal of, or redemption premium on any Bond is not made by the District when due; b. Payment of interest on any Bond is not made by the District when due; c. The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to the Indenture; or d. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

As a result of the issuance of the Series 2015 Bonds, the Refunded Bonds are considered to be defeased and the liability related to the Refunded Bonds has been removed from the governmental activities column of the Statement of Net Position. The reacquisition price of the old debt exceeded the net carrying value by \$1,493,375. This amount is recorded as a deferred outflow and is being amortized over the original remaining life of the Refunded Bonds. The refunding resulted in an economic gain of \$9,197,426 due to the average interest rate of the Series 2015 Bonds being lower than the Refunded Bonds.

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
<u>General Obligation Bonds</u>					
Series 2015 Bonds	\$ 50,415,000	\$ -	\$ 5,665,000	\$ 44,750,000	\$ 1,755,000
2015 Bond Premium	361,350	-	18,143	343,207	-
	<u>\$ 50,776,350</u>	<u>\$ -</u>	<u>\$ 5,683,143</u>	<u>\$ 45,093,207</u>	<u>\$ 1,755,000</u>

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

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

	Principal	Interest	Total
2026	\$ 1,755,000	\$ 1,829,631	\$ 3,584,631
2027	1,815,000	1,770,488	3,585,488
2028	1,875,000	1,709,322	3,584,322
2029	1,935,000	1,646,135	3,581,135
2030	2,000,000	1,580,925	3,580,925
2031-2035	7,405,000	6,557,375	13,962,375
2036-2040	14,280,000	4,615,669	18,895,669
2041-2044	13,685,000	1,439,831	15,124,831
	<u>\$ 44,750,000</u>	<u>\$ 21,149,376</u>	<u>\$ 65,899,376</u>

The District has voted authorized debt of \$222,000,000, which is limited to \$111,000,000 by its Amended and Restated Service Plan, approved by Broomfield on May 26, 2015 ("Amended and Restated Service Plan"). After the issuance of the Series 2015 Bonds, the District has \$53,100,000 in remaining Debt Authority under its Amended and Restated Service Plan. The District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Note 4: Agreements

Broomfield IGA

The District and Broomfield entered into an Intergovernmental Agreement on September 27, 2005. On March 10, 2009 the District and Broomfield entered into an Amended and Restated Intergovernmental Agreement and on May 26, 2015 the District and Broomfield entered into a Second Amended and Restated Intergovernmental Agreement (the "Broomfield IGA"), pursuant to which the District agreed, among other things, that it would not alter its boundaries by inclusion of additional real property in excess of that specifically contemplated by the Amended and Restated Service Plan without first providing written notice to Broomfield. It is anticipated that, following acceptance by Broomfield and if agreed to by Broomfield in the Subdivision Improvement Agreements as referenced in the Broomfield IGA, Broomfield will own, operate and maintain the potable and non-potable water system, the sanitary sewer improvements, and the street improvements.

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

If agreed to by Broomfield the park and recreation improvements will be owned, operated and maintained by Broomfield, or, with the consent of Broomfield, the District or one or more homeowners or owners' associations. Safety protection and transportation improvements will be owned, operated and maintained by Broomfield, the Regional Transportation District, the Colorado Department of Transportation or other appropriate jurisdictions. The District also agreed that prior to the issuance of any bonds, the District would submit to Broomfield a financial plan which demonstrates the structure of the proposed bond transaction and the District's plan to pay the proposed bonds. The District also agreed to provide various notices and follow the timeline outlined in the Broomfield IGA prior to the issuance of any bonds.

Note 5: 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.

A majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Anthem West Metropolitan District

Notes to Financial Statements
December 31, 2025

Note 6: Risk Management

Except as provided in the Colorado Governmental Immunity Act, Section 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 is a member of the Colorado Special Districts Property and Liability Pool (the 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 7: 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) prepaid bond insurance and deferred loss on refunding are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable, accrued bond interest payable, are not due and payable in the current period and, therefore, are not in the funds.

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 interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities, and
- 2) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.
- 3) governmental funds don't report amortization of prepaid bond insurance or the premium on the bonds, however, in the statement of activities, the amortization is included as a component of bond interest.

SUPPLEMENTAL INFORMATION

Anthem West 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 <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 3,309,869	\$ 3,309,869	\$ 3,307,201	\$ (2,668)
Specific ownership taxes	176,329	142,000	146,928	4,928
Interest income	<u>150,000</u>	<u>250,000</u>	<u>234,689</u>	<u>(15,311)</u>
Total Revenues	<u>3,636,198</u>	<u>3,701,869</u>	<u>3,688,818</u>	<u>(13,051)</u>
EXPENDITURES				
Bond interest	2,085,742	2,085,742	2,085,742	-
Principal payment	5,465,000	5,665,000	5,665,000	-
Paying agent fees	8,000	8,000	-	8,000
Treasurers' fees	<u>49,648</u>	<u>49,648</u>	<u>49,639</u>	<u>9</u>
Total Expenditures	<u>7,608,390</u>	<u>7,808,390</u>	<u>7,800,381</u>	<u>8,009</u>
CHANGE IN FUND BALANCE	(3,972,192)	(4,106,521)	(4,111,563)	(5,042)
FUND BALANCE				
BEGINNING OF YEAR	<u>4,263,108</u>	<u>4,321,806</u>	<u>4,321,806</u>	<u>-</u>
END OF YEAR	<u>\$ 290,916</u>	<u>\$ 215,285</u>	<u>\$ 210,243</u>	<u>\$ (5,042)</u>

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

OTHER INFORMATION

Anthem West Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2025

(unaudited)

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2010	\$ 32,753,210	2.000	40.000	\$ 1,375,635	\$ 1,343,352	97.65%
2011	\$ 35,489,290	3.000	40.000	\$ 1,526,039	\$ 1,522,474	99.77%
2012	\$ 41,122,920	4.000	40.000	\$ 1,809,408	\$ 1,785,166	98.66%
2013	\$ 44,911,990	2.000	45.410	\$ 2,129,277	\$ 2,128,408	99.96%
2014	\$ 50,421,530	2.000	45.410	\$ 2,390,485	\$ 2,390,711	100.01%
2015	\$ 54,748,960	2.000	45.410	\$ 2,595,648	\$ 2,587,261	99.68%
2016	\$ 77,634,200	3.000	38.000	\$ 3,183,002	\$ 3,157,185	99.19%
2017	\$ 84,104,070	3.000	32.000	\$ 2,943,642	\$ 2,944,567	100.03%
2018	\$ 94,681,170	2.500	28.000	\$ 2,887,776	\$ 2,886,871	99.97%
2019	\$ 103,761,070	2.500	27.000	\$ 3,060,952	\$ 3,060,926	100.00%
2020	\$ 123,258,720	2.500	24.000	\$ 3,266,356	\$ 3,260,238	99.81%
2021	\$ 128,839,130	2.000	24.000	\$ 3,349,817	\$ 3,348,419	99.96%
2022	\$ 142,662,010	2.150	23.250	\$ 3,623,615	\$ 3,615,984	99.79%
2023	\$ 142,254,590	0.900	24.350	\$ 3,591,928	\$ 3,591,783	100.00%
2024	\$ 183,342,730	0.700	18.000	\$ 3,428,509	\$ 3,426,715	99.95%
2025	\$ 183,881,590	0.700	18.000	\$ 3,438,586	\$ 3,435,814	99.92%
Estimated for year ending December 31, 2026	\$ 176,959,040	0.700	19.250	\$ 3,530,333		

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.