TAMARRON METROPOLITAN DISTRICT

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2025

Haynie

Table of Contents

Haynie

INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Tamarron Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Tamarron Metropolitan 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 the major funds of Tamarron Metropolitan District as of December 31, 2025 and the respective changes in financial position and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Tamarron Metropolitan 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.

1221 West Mineral Avenue, Ste. 202, Littleton, CO 80120 303-734-4800 HaynieCPAs.com

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tamarron Metropolitan 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 Tamarron Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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 opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Tamarron Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,

Littleton, Colorado
July 21, 2026

TAMARRON METROPOLITAN DISTRICT
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Cash	$ 954,811
Property taxes receivable	2,074,866
Accounts receivable	145,508
Prepaid insurance	9,154
Capital assets, net of accumulated depreciation	799,892
Total assets	$ 3,984,231
Liabilities	
Accounts payable	$ 41,875
Accrued interest payable	24,019,377
Bonds payable, due within one year	7,184,000
Bonds payable, due in more than one year	15,943,000
Total liabilities	47,188,252
Deferred Inflows of Resources	
Property tax revenue	2,074,866
Total deferred inflows of resources	2,074,866
Net Position	
Net investment in capital assets	(22,327,108)
Restricted - emergency reserves	11,831
Restricted - debt service	92,237
Unrestricted	(23,055,847)
Total net position	(45,278,887)
Total liabilities, deferred inflow of resources, and net position	$ 3,984,231

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

TAMARRON METROPOLITAN DISTRICT
Statement of Activities
For the Year Ended December 31, 2025

Functions/Program Activities	Expenses	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental activities:		
Administrative services	$ 373,182	$ (373,182)
Operations	106,344	(106,344)
Interest on long-term debt	3,181,455	(3,181,455)
Total governmental activities	3,660,981	(3,660,981)
General revenues:		
Taxes		
Property taxes		1,492,121
Specific ownership taxes		134,683
Interest and penalties on taxes		3,827
Facility fees		20,000
Owners fees		331,400
Transfer fees		325
Interest income		16,751
Change in net position		(1,661,874)
Net position - beginning of year		(43,617,013)
Net position - end of year		$ (45,278,887)

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

TAMARRON METROPOLITAN DISTRICT
Governmental Funds Balance Sheet
December 31, 2025

Assets	General Fund	Debt Service Fund	Total Governmental Funds
Cash and cash equivalents	$ 869,670	$ 85,141	$ 954,811
Property taxes receivable	469,381	1,605,485	2,074,866
Accounts receivable	138,412	7,096	145,508
Prepaid insurance	6,654	2,500	9,154
Total assets	$ 1,484,117	$ 1,700,222	$ 3,184,339
Liabilities			
Accounts payable	41,875	-	41,875
Total liabilities	41,875	-	41,875
Deferred Inflows of Resources			
Property tax revenue	469,381	1,605,485	2,074,866
Total deferred inflows of resources	469,381	1,605,485	2,074,866
Fund Balances			
Nonspendable - prepaid expenses	6,654	2,500	9,154
Restricted - emergency reserves	11,831	-	11,831
Restricted - debt service	-	92,237	92,237
Assigned - road milling and overlay project	230,000	-	230,000
Unassigned	724,376	-	724,376
Total Fund Balances	972,861	94,737	1,067,598
Total Liabilities and Fund Balances	$ 1,484,117	$ 1,700,222	$ 3,184,339

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

TAMARRON METROPOLITAN DISTRICT
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Assets
December 31, 2025

Fund Balances - Total Governmental Funds		$ 1,067,598
Amounts reported for governmental activities in the statement of net position excluded from the governmental fund balance because:		
Capital assets used in governmental activities are not financial resources and are excluded from the funds.		
Governmental capital assets	18,170,734	
Less accumulated depreciation	(17,370,842)	799,892
Long term liabilities not payable in the current year are excluded as liabilities in the governmental funds. Interest on long-term debt is recognized as an expenditure in governmental funds when due. These liabilities consist of:		
Accrued interest payable	(24,019,377)	
Bonds payable	(23,127,000)	(47,146,377)
Net position of governmental activities		$(45,278,887)

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

TAMARRON METROPOLITAN DISTRICT
Governmental Fund Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2025

	General Fund	Debt Service Fund	Total
Revenues			
Taxes			
Property taxes	$ 387,957	$ 1,104,164	$ 1,492,121
Specific Ownership Tax	35,018	99,665	134,683
Interest and penalties	3,827	-	3,827
Facility fees	-	20,000	20,000
Owner Fees	331,400	-	331,400
Transfer Fees	325	-	325
Interest income	1,898	14,853	16,751
Total Revenues	760,425	1,238,682	1,999,107
Expenses			
General government			
Operations	56,903	-	56,903
Administration	337,473	35,709	373,182
Debt service			
Interest and fiscal charges	-	1,186,333	1,186,333
Total Expenditures	394,376	1,222,042	1,616,418
Excess of Revenues over Expenditures	366,049	16,640	382,689
Fund balances:			
Beginning of the year	606,812	78,097	684,909
End of the year	$ 972,861	$ 94,737	$ 1,067,598

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

TAMARRON METROPOLITAN DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balance—total governmental funds	$ 382,689
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.	
Current year depreciation	(49,441)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Unpaid interest expense	(1,995,122)
Change in net position of governmental activities	$ (1,661,874)

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

TAMARRON METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance—Actual and Budget Governmental Fund Type—General Fund For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes				
Property taxes	$ 385,705	$ 385,705	$ 387,957	$ 2,252
Specific ownership taxes	30,856	30,856	35,018	4,162
Interest and penalties	-	-	3,827	3,827
Owner Assessments	226,000	252,400	251,400	(1,000)
Street Repair & Owners Fees	60,000	80,000	80,000	-
Interest income	500	1,100	1,898	798
Transfer Fees	-	200	325	125
Total Revenues	703,061	750,261	760,425	10,164
Expenditures				
Operating Expenditures				
Audit	8,400	8,400	8,400	-
Accounting	58,000	58,000	47,724	10,276
Annual Fee Billing	-	-	2,040	(2,040)
Bank Fees	800	800	-	800
Admin Expense/General Mgr.	5,000	5,000	5,000	-
Website	5,000	5,000	5,259	(259)
Contracted Services	135,930	135,930	133,930	2,000
County Treasurer's Fees	11,571	11,571	11,668	(97)
Dues	890	890	1,083	(193)
Election	5,000	5,000	89	4,911
Insurance	7,410	7,410	6,264	1,146
Legal	27,600	27,600	3,565	24,035
Miscellaneous	-	-	21,269	(21,269)
Office Expenses	475	475	1,690	(1,215)
Purchase of Small Equipment	525	525	-	525
Repairs/Maint - Equipment	2,100	2,100	-	2,100
Repairs/Maint - Roads	63,000	63,000	56,903	6,097
Repairs/Maint - Infrastructure	31,500	31,500	-	31,500
Tree Removal	2,000	2,000	-	2,000
Utilities	86,100	86,100	89,492	(3,392)
Contingency	10,000	10,000	-	10,000
Total Operating Expenditures	461,301	461,301	394,376	66,925
Total Expenditures	461,301	461,301	394,376	66,925
Excess Revenue Over (Under) Expenditures	241,760	288,960	366,049	77,089
Fund Balance—Beginning of year	541,424	606,812	606,812	-
Fund Balance—End of Year	$ 783,184	$ 895,772	$ 972,861	$ 77,089

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

TAMARRON METROPOLITAN DISTRICT
Notes to Financial Statements
December 31, 2025

1. Definition of Reporting Entity

Tamarron Metropolitan District (the District), was established on November 11, 2003 as a quasi-municipal corporation and political subdivision of the State of Colorado. The District was formed primarily to finance, construct, operate, and maintain the basic public infrastructure for Tamarron VI, the Tamarron Golf-Courses and Clubhouse, and certain other commercial portions of Tamarron VI and the Lodge in an area of approximately 730 acres of land in La Plata County, Colorado.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

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

2. Summary of Significant Accounting Policies

This summary of the Tamarron Metropolitan District’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

2. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements do not include fiduciary funds nor component units that are fiduciary in nature. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and liabilities are included on the balance sheet, and the fund balance includes only spendable resources. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both “measurable and available”. Measurable means the amount of the transaction can be determined and “available” means 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. Expenditures are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures are reported only when payment is made. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

The District reports the following major governmental funds:

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

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

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

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Deposits and Investments

Colorado law authorizes the District to invest in obligations of the United States, State of Colorado, Colorado counties and school districts, repurchase agreements, financial institutions, and local government investment pools. House Bill 1056 expanded the list of investments that are legal for local governments.

Allowance for Uncollectibles

No allowance for uncollectibles has been provided because the District's receivables are property taxes, and the County Treasurer is empowered to file liens on properties where delinquencies exist. Accordingly, the District believes any delinquencies will eventually be paid.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the government-wide financial statements. The District defines capital assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Capital assets are depreciated over their estimated useful lives on the straight-line basis.

Facility Fees

The District collects a Facility Fee of $2,500 from Glacier Development Corporation (the "Developer") upon the sale or transfer of any platted lots within the District's boundaries as prescribed in the District's service plan.

Budget

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

2. Summary of Significant Accounting Policies (continued)

Budgetary Accounting

Tamarron Metropolitan District adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

The Board of Directors adopts an annual legal budget, which covers the general fund and the debt service fund. Budgets are prepared on the modified accrual basis. Statements comparing budget and actual amounts for these governmental funds include adjustments to the budgetary basis for the differences noted above and for certain other items which are reported in the District's budget differently than they are reported for accounting principles generally accepted in the United States, The District Manager is authorized to transfer budgeted amounts for departmental line items; however any revisions that alter total expenditures for any of the funds must be approved by the Board of Directors.

On or before October 15th of each year, the District Manager submits to the Board of Directors a proposed budget for the fiscal year. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. State law requires that the District adopt a budget prior to the certification of its mill levy to the county and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption. Failure to do so can result in the County Treasurer withholding future property tax revenues pending compliance by the District. The District filed the certified copy of its budget timely for 2025.

The District uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budget. Expenditure estimates in the annual budget are enacted into law by the passage of appropriation resolutions. Budgetary control exists at the total fund level and encumbrance accounting is not employed as a part of the budgetary process.

Budget appropriations lapse at the end of each year.

Restrictions

The District records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. The fol1owing is a list of reserves used by the District and a description of each:

Restricted for Emergencies - An account used to reflect equity of the District which is restricted for emergency purposes by the TABOR Amendment of the State of Colorado Constitution. "Emergency" excludes economic conditions, revenue shortfalls, or District salary and fringe benefit increases.

2. Summary of Significant Accounting Policies (continued)

Restricted for Debt Service – An account used to reflect equity of the District which is restricted for debt service on general long-term debt.

Restricted resources are used first to fund appropriations for which both restricted and unrestricted net position are available.

Revenue Recognition – Property Taxes

In the governmental fund financial statements property tax revenue is accounted for using the modified accrual basis of accounting. Property tax receivable is recognized on the levy or lien date. This receivable represents taxes certified by the county to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied in the governmental fund statements.

The District's Property taxes, levied by December 15, on assessed valuation as of the preceding January 1, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28, and the remaining one-half on or before June 15. All unpaid taxes levied for the preceding year become delinquent June 16.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

2. Summary of Significant Accounting Policies (continued)

Debt Authorization

On November 4, 2003, the District's voters approved an increase in debt up to $150,000,000 and a related increase in taxes up to $17,570,000, annually, or by such lesser annual amounts as may be necessary to pay the District's debt. The debt is to be incurred for the acquisition, construction, or otherwise providing infrastructure, including but not limited to streets, roads, sidewalks, bridges, traffic controls, water supply and distribution system, sewage collection system, park and recreation facilities, open space, television relay and translation system improvements and mosquito control. Additionally, the District's voters approved an increase in debt of $500,000 and taxes to be increased $570,000 annually, or by such lesser amount as may be necessary to pay for the District's operations, maintenance, and other expenses.

Additionally, the District's voters approved taxes to be increased $445,000 annually, or such lesser amounts as necessary to pay the District's administration, operating and landscape maintenance, and other expenses.

All debt and tax increases constitute voter-approved revenue changes and are to be collected and spent by the District without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

TABOR Amendment

On November 4, 2003, the District's voters approved a ballot question exempting the District from certain provisions of TABOR. The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

2. Summary of Significant Accounting Policies (continued)

- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provision, or enabling legislation.

- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by 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* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

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

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

The District considers all unassigned fund balances to be available for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado.

3. Cash and Investments

Deposits consist of checking accounts, which are stated at cost. The District considers all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents. The District maintains one account specific to the debt service fund and two other accounts which represent a cash pool which is allocated between the general fund and debt service fund. Cash is allocated to the debt service fund to offset capital facilities fees on an as-needed basis.

Investments are stated at fair value. Any differences between the market value and cost of investments are reflected in investment income.

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

Deposits with financial institutions	$ 954,811

3. Cash and Investments (continued)

Deposits with Financial Institutions

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

The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be 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.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's policy requires all deposits to be held in PDPA approved financial institutions. At December 31, 2025, none of the District's deposits were exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2025, the District's cash deposits had a bank balance of $942,076 and a carrying balance of $954,811, of which $250,000 was FDIC insured and $692,076 was not insured by FDIC.

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to three or five years or less (depending upon the type of investment) unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities

3. Cash and Investments (continued)

- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the District had no investments.

4. Net Position Deficit

The District has a deficit balance in net position for the year ended December 31, 2025. This deficit is the result of recording infrastructure assets and the related debt. The infrastructure assets have been depreciated, which reduces their balance without a corresponding decrease in the bond payable. Additionally, the bond balance has increased annually as a result of the accrual for interest. The deficit will be remedied as bond liabilities are paid in the future.

During 2025, the District was not able to meet the full debt service payment obligation per the Series 2006 General Obligation Bond Indenture. The District has levied a debt service tax of 42.384 mills as required in the Bond Indenture, so there was no default under the Bond Indenture. The District will continue to make debt service payments on the bonds to the extent that tax revenue from the required debt service mill levy and other pledged revenues are received. In May 2023, the District and the Bond Trustee with the consent of the bondholder amended the Bond Indenture to (i) eliminate the limited mill levy cap release provision and retain the debt service mill levy cap of 50.000 (less a maximum operating levy of 13.000 mills) subject to increase or decrease in the number of mills, based upon legislative or constitutionally imposed adjustments, limitations or requirements having the effect of reducing the amount of property tax revenues collected or retain by the District and (ii) establish a final bond discharge date of December 2, 2046, at which time the District's obligation to repay any outstanding bonds and accrued interest thereon and to impose a debt service mill levy will terminate.

5. Capital Assets

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

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Equipment	$ 149,993	$ -	$ -	$ 149,993
Infrastructure	18,020,741	-	-	18,020,741
Total	18,170,734	-	-	18,170,734
Less Accumulated Depreciation	(17,321,401)	(49,441)		(17,370,842)
Total Capital Assets, Net	$ 849,333	$ (49,441)	$ -	$ 799,892

Depreciation expense was $49,441 for the year ending December 31, 2025, and was charged to governmental activities.

6. Related Party Transactions

One of five members of the District's Board of Directors are employees of and/or have a direct financial interest in the Developer.

Snow plowing and landscape maintenance services are being provided to the District by a company controlled by the Developer. During 2025, the District incurred costs of $133,930 for these services. As of December 31, 2025, $35,768 of these costs remained outstanding and payable to the Developer. Further, revenues of $47,400 were charged for properties owned by the company controlled by the Developer. As of December 31, 2025, $45,400 remained outstanding and a receivable by the Developer.

7. Long-Term Debt

During 2006, the District issued $23,127,000 Conversion Date Accreted Value (General Obligation Limited Tax Convertible Capital Appreciation Bonds) Series 2006. The face amount of the bonds was $18,778,088, and the proceeds were used to pay for the infrastructure built by the Developer. The bond payment schedule did not require payments until 2010. Until that date, interest was accrued at 7% and added to the fair value of the bond.

Starting in 2010, payments were interest only. Payments are scheduled to be made on June 1 and December 1. Unpaid interest is shown as accrued interest payable on the statement of net position.

7. Long-Term Debt (continued)

Payments of principal will be made when funds are available and began being due on December 1, 2013. Since there were not sufficient funds for the $882,000 principal payment required in 2025, that amount has been added to the prior years' principal due, totaling $7,184,000 due. See Note 4 for further information.

Changes in governmental activities Long-Term Debt:

	Balance December 31, 2024	Additions	Payments	Balance December 31, 2025	Due Within One Year
Series 2006, General Obligation Bonds	$ 23,127,000	$ -	$ -	$ 23,127,000	$ 7,184,000

Schedule of payments due in the next five years and thereafter:

	Interest Rate	Principal	Interest	Total
2026	7.00%	$ 7,184,000	$ 25,204,477	$ 32,388,477
2027	7.00%	1,056,000	1,116,010	2,172,010
2028	7.00%	1,173,000	1,042,090	2,215,090
2029	7.00%	1,255,000	959,980	2,214,980
2030	7.00%	1,387,000	872,130	2,259,130
2031-2035	7.00%	8,831,000	2,737,910	11,568,910
2036	7.00%	2,241,000	156,870	2,397,870
		$ 23,127,000	$ 32,089,467	$ 55,216,467

8. Joint Venture

The District is a participant in the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is a joint venture between the Special District Association of Colorado and various special districts in Colorado. The Pool provides property and general liability, automobile physical damage and liability, public officials' liability, inland marine, money and security and boiler and machinery coverage to its members.

Tamarron Metropolitan District has not had losses of a material amount in any of the preceding three years. The District does not know its percentage share of the joint venture.

8. Joint Venture (continued)

The Pool has contracted with other third parties to operate, administer and manage the Pool. The Pool is responsible for its own budgets. In the event aggregated losses incurred by the Pool exceeds amounts recoverable from the reinsurance contracts and capital and surplus accumulated by the Pool, the Pool may require additional contributions from the Pool members.

The Pool issues a publicly available annual financial report that includes financial statements and supplementary information. That report may be obtained by calling the Colorado Special District Association at 303-863-1733 in the Denver Metro area and 1-800-886-1733 from outside the Metro area.

9. Subsequent Events

The District has evaluated subsequent events through July 21, 2026, the date the financial statements were available to be issued.

TAMARRON METROPOLITAN DISTRICT

Supplementary Information

TAMARRON METROPOLITAN DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance—Actual and Budget Governmental Fund Type—Debt Service Fund For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes				
Property taxes	$ 1,097,752	$ 1,097,752	1,104,164	$ 6,412
Specific ownership taxes	87,820	87,820	99,665	11,845
Facility fees	42,500	30,000	20,000	(10,000)
Interest income	12,500	22,510	14,853	(7,657)
Total Revenues	1,240,572	1,238,082	1,238,682	600
Expenditures				
Debt Service				
Interest and fiscal charges	1,195,139	1,270,736	1,186,333	84,403
Bond agent fees	2,500	2,500	2,500	-
Contingency	10,000	10,000	-	10,000
Treasurer fees	32,933	32,933	33,209	(276)
Total Expenditures	1,240,572	1,316,169	1,222,042	94,127
Excess Revenue Over (Under) Expenditures	-	(78,087)	16,640	94,727
Fund Balance—Beginning of year	-	78,097	78,097	-
Fund Balance—End of Year	$ -	$ 10	$ 94,737	$ 94,727

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