

**ERIE FARM METROPOLITAN DISTRICT
Boulder County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

**ERIE FARM METROPOLITAN DISTRICT
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Independent Auditor's Report

To the Board of Directors
Erie Farm Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Erie Farm 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 the major funds of Erie Farm 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Erie Farm Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Erie Farm Metropolitan District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, including omissions, 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 Erie Farm 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 Erie Farm 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Erie Farm Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The 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 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 supplementary 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 section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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.



Littleton, Colorado
April 6, 2026

BASIC FINANCIAL STATEMENTS

**ERIE FARM METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 100,194
Cash and Investments - Restricted	1,613,334
Receivable from County Treasurer	5,292
Prepaid Insurance	2,079
Property Tax Receivable	1,416,986
Total Assets	3,137,885
 DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding, Net	182,300
Total Deferred Outflows of Resources	182,300
 LIABILITIES	
Accounts Payable	9,982
Accrued Interest	48,221
Noncurrent Liabilities:	
Due Within One Year	195,000
Due in More Than One Year	14,169,315
Total Liabilities	14,422,518
 DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	1,416,986
Total Deferred Inflows of Resources	1,416,986
 NET POSITION	
Restricted for:	
Emergency Reserve	2,200
Debt Service Reserve	1,568,586
Net Position - Unrestricted	(14,090,105)
Total Net Position	\$ (12,519,319)

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Expenses				
Primary Government: Governmental Activities: General Government Interest on Long-Term Debt and Related Costs	\$ 52,383	\$ -	\$ -	\$ (52,383)
	500,569	-	-	(500,569)
Total Governmental Activities	\$ 552,952	\$ -	\$ -	(552,952)

GENERAL REVENUES

Property Taxes	1,396,431
Specific Ownership Taxes	63,660
Interest Income	73,144
Total General Revenues	1,533,235

CHANGES IN NET POSITION

Net Position - Beginning of Year, as Restated	980,283
NET POSITION - END OF YEAR	\$ (12,519,319)

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

ASSETS	General	Debt Service	Total Governmental Funds
Cash and Investments	\$ 100,194	\$ -	\$ 100,194
Cash and Investments - Restricted	2,200	1,611,134	1,613,334
Receivable from County Treasurer	-	5,292	5,292
Due from Other Funds	-	381	381
Prepaid Insurance	2,079	-	2,079
Property Tax Receivable	62,838	1,354,148	1,416,986
Total Assets	\$ 167,311	\$ 2,970,955	\$ 3,138,266
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 9,982	\$ -	\$ 9,982
Due to Other Funds	381	-	381
Total Liabilities	10,363	-	10,363
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	62,838	1,354,148	1,416,986
Total Deferred Inflows of Resources	62,838	1,354,148	1,416,986
FUND BALANCES			
Nonspendable:			
Prepaid Expense	2,079	-	2,079
Restricted for:			
Emergency Reserves	2,200	-	2,200
Debt Service	-	1,616,807	1,616,807
Unassigned:	89,831	-	89,831
Total Fund Balances	94,110	1,616,807	1,710,917
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 167,311	\$ 2,970,955	

Amounts reported for governmental activities in the statement of net position are different because:

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Cost of Refunding, Net 182,300

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable (12,370,000)
Bond Premium (1,890,033)
Bond Insurance Premium (104,282)
Accrued Interest on Bonds Payable (48,221)

Net Position of Governmental Activities \$ (12,519,319)

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025**

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 66,711	\$ 1,329,720	\$ 1,396,431
Specific Ownership Taxes	-	63,660	63,660
Interest Income	5,407	67,737	73,144
Total Revenues	72,118	1,461,117	1,533,235
EXPENDITURES			
Current:			
Accounting	21,980	-	21,980
Auditing	7,600	-	7,600
County Treasurer's Fee	1,004	20,007	21,011
District Management	6,714	-	6,714
Dues and Membership	324	-	324
Election	2,297	-	2,297
Insurance	2,076	-	2,076
Legal	10,372	-	10,372
Miscellaneous	16	-	16
Debt Service:			
Bond Interest	-	587,400	587,400
Bond Principal	-	175,000	175,000
Paying Agent Fees	-	4,000	4,000
Total Expenditures	52,383	786,407	838,790
NET CHANGE IN FUND BALANCES	19,735	674,710	694,445
Fund Balances - Beginning of Year	74,375	942,097	1,016,472
FUND BALANCES - END OF YEAR	\$ 94,110	\$ 1,616,807	\$ 1,710,917

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Net Change in Fund Balances - Total Governmental Funds	\$	694,445
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal		175,000
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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.

Accrued Interest Payable - Change in Liability		729
Amortization of Deferred Cost of Refunding		(14,613)
Amortization of Bond Premium		118,200
Amortization of Bond Insurance Premium		6,522
		980,283

Changes in Net Position of Governmental Activities	\$	980,283
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**ERIE FARM METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 67,638	\$ 66,711	\$ (927)
Interest Income	2,200	5,407	3,207
Total Revenues	<u>69,838</u>	<u>72,118</u>	<u>2,280</u>
EXPENDITURES			
Accounting	33,600	21,980	11,620
Auditing	8,000	7,600	400
Contingency	2,675	-	2,675
County Treasurer's Fee	1,015	1,004	11
District Management	6,700	6,714	(14)
Dues and Membership	525	324	201
Election	3,000	2,297	703
Insurance	2,500	2,076	424
Legal	13,500	10,372	3,128
Miscellaneous	1,000	16	984
Website	3,000	-	3,000
Total Expenditures	<u>75,515</u>	<u>52,383</u>	<u>23,132</u>
NET CHANGE IN FUND BALANCE	(5,677)	19,735	25,412
Fund Balance - Beginning of Year	<u>64,224</u>	<u>74,375</u>	<u>10,151</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 58,547</u></u>	<u><u>\$ 94,110</u></u>	<u><u>\$ 35,563</u></u>

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY

Erie Farm Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Boulder County on November 16, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Erie, Boulder County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets, water, storm, sanitation, safety protection, and parks and recreation facilities.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (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. 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.

Separate financial statements are provided for governmental funds. 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 related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are District property taxes, specific ownership taxes, and interest. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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 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. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

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 single bank account. 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.

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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

Cost of Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applied to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports 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 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. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

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.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

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 provisions, 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 practice to use the most restrictive classification first.

New Accounting Pronouncement

Certain Risk Disclosures

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (Statement No. 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.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 100,194
Cash and Investments - Restricted	1,613,334
Total Cash and Investments	<u>\$ 1,713,528</u>

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

Deposits with Financial Institutions	\$ 5,970
Investments	1,707,558
Total Cash and Investments	<u>\$ 1,713,528</u>

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 at least 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.

At December 31, 2025, the District's cash deposits had a bank balance and a carrying balance of \$5,970.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less 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
- . 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 the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,532,107
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	175,451
Total		<u>\$ 1,707,558</u>

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable					
G.O. Limited Tax Refunding and Improvement Bonds - Series 2021A	\$ 12,545,000	\$ -	\$ 175,000	\$ 12,370,000	\$ 195,000
Bond Premium - 2021A	2,008,233	-	118,200	1,890,033	-
Bond Insurance Premium - 2021A	110,804	-	6,522	104,282	-
Total Long-Term Obligations	\$ 14,664,037	\$ -	\$ 299,722	\$ 14,364,315	\$ 195,000

General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021

On October 21, 2021, the District issued \$13,000,000 of General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021 (the 2021 Bonds) for the purposes of (i) paying the costs of refunding the 2016A and 2016B Bonds, (ii) paying project costs, (iii) funding the Reserve Fund, and (iv) paying bond issue costs.

The 2021 Bonds bear interest at the rate of 4.00% - 5.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The 2021 Bonds mature on December 1, 2051 and are subject to optional redemption and mandatory sinking fund redemption as described in the Indenture.

The 2021 Bonds are secured by and payable solely from Pledged Revenue, net of any costs of collection, which includes (i) property taxes generated by the imposition of the Required Mill Levy, (ii) Capital Fees, if any, (iii) Specific Ownership Taxes attributable to the Required Mill Levy, and (iv) any other legally available amounts that the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. The Bonds are also secured by amounts on deposit in the Reserve Fund. Available Pledged Revenue, if any, is to be accumulated in the Reserve Fund in accordance with the Indenture up to the Required Reserve Amount of \$903,000.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

**General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021
(Continued)**

Events of Default

The occurrence of any one or more of the following events or the existence of any one of more of the following conditions shall constitute an Event of Default under the Indenture, and there shall be no default of Event of Default hereunder except as provided in this Section:

- (a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;
- (b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture of the Bond Resolution; or
- (c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

No assets have been pledged as collateral on the 2021 Bonds. The 2021 Bonds are not subject to acceleration. The 2021 Bonds are not subject to early termination. The 2021 Bonds do not have any unused lines of credit.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31.</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 195,000	\$ 578,650	\$ 773,650
2027	200,000	568,900	768,900
2028	225,000	558,900	783,900
2029	235,000	547,650	782,650
2030	255,000	535,900	790,900
2031-2035	1,555,000	2,470,250	4,025,250
2036-2040	2,140,000	2,026,250	4,166,250
2041-2045	2,890,000	1,420,000	4,310,000
2046-2050	3,810,000	651,500	4,461,500
2051	865,000	34,600	899,600
Total	<u>\$ 12,370,000</u>	<u>\$ 9,392,600</u>	<u>\$ 21,762,600</u>

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 3, 2015, a majority of the qualified electors of the District who voted in the election authorized the issuance of District indebtedness. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$13,000,000 at a maximum interest rate of 18.00% and the maximum underwriting discount is 5.00%. The Service Plan also limits the total mill levy (debt service and operations combined) to 50.000 mills, as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement.

In the future, 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 5 NET POSITION

The District's net position consists of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	\$ 2,200
Debt Service Reserve	1,568,586
Total Restricted Net Position	\$ 1,570,786

The District has a deficit in unrestricted net position. This deficit amount is primarily a result of the District being responsible for the repayment of bonds issued, and accrued interest, for the construction of public improvements that will be conveyed to other governments.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 7 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 7, 2006, 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 TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% 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.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 TAX SPENDING AND DEBT LIMITATIONS (CONTINUED)

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

NOTE 8 RESTATEMENT

A prior period adjustment was made to correct for the conveyance of assets in prior years. A reconciliation of the prior period ending net position to the current year beginning net position is as follows:

Governmental Activities	
Beginning Net Position Balance, as Previously Reported	\$ (4,792,508)
Adjustment to Correct for Asset Conveyance	<u>(8,707,094)</u>
Beginning Net Position Balance, as Restated	<u><u>\$ (13,499,602)</u></u>

SUPPLEMENTARY INFORMATION

**ERIE FARM METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,348,196	\$ 1,329,720	\$ (18,476)
Specific Ownership Taxes	53,928	63,660	9,732
Interest Income	45,000	67,737	22,737
Total Revenues	<u>1,447,124</u>	<u>1,461,117</u>	<u>13,993</u>
EXPENDITURES			
County Treasurer's Fee	20,223	20,007	216
Paying Agent Fees	4,000	4,000	-
Bond Interest	587,400	587,400	-
Bond Principal	175,000	175,000	-
Contingency	5,377	-	5,377
Total Expenditures	<u>792,000</u>	<u>786,407</u>	<u>5,593</u>
NET CHANGE IN FUND BALANCE	655,124	674,710	19,586
Fund Balance - Beginning of Year	<u>925,610</u>	<u>942,097</u>	<u>16,487</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,580,734</u></u>	<u><u>\$ 1,616,807</u></u>	<u><u>\$ 36,073</u></u>

OTHER INFORMATION

**ERIE FARM METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025**

\$13,000,000 General Obligation
Limited Tax Refunding and
Improvement Bonds
Series 2021A
Dated October 21, 2021
Interest Rate 4.00% - 5.00%
Due June 1 and December 1
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 195,000	\$ 578,650	\$ 773,650
2027	200,000	568,900	768,900
2028	225,000	558,900	783,900
2029	235,000	547,650	782,650
2030	255,000	535,900	790,900
2031	270,000	523,150	793,150
2032	295,000	509,650	804,650
2033	305,000	494,900	799,900
2034	335,000	479,650	814,650
2035	350,000	462,900	812,900
2036	380,000	445,400	825,400
2037	395,000	426,400	821,400
2038	430,000	406,650	836,650
2039	450,000	385,150	835,150
2040	485,000	362,650	847,650
2041	510,000	338,400	848,400
2042	545,000	312,900	857,900
2043	575,000	285,650	860,650
2044	615,000	256,900	871,900
2045	645,000	226,150	871,150
2046	690,000	193,900	883,900
2047	725,000	159,400	884,400
2048	765,000	130,400	895,400
2049	795,000	99,800	894,800
2050	835,000	68,000	903,000
2051	865,000	34,600	899,600
Total	<u>\$ 12,370,000</u>	<u>\$ 9,392,600</u>	<u>\$ 21,762,600</u>

**ERIE FARM METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025**

Year Ended December 31,	Assessed Valuation	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2020/2021	\$ 12,415,583	4.359	51.305	\$ 691,101	\$ 691,524	100.06 %
2021/2022	16,714,762	3.888	46.897	848,859	848,777	99.99 %
2022/2023	19,070,430	3.476	47.309	968,492	968,498	100.00 %
2023/2024	25,314,586	2.645	53.120	1,411,668	1,408,170	99.75 %
2024/2025	25,380,190	2.665	53.120	1,415,834	1,396,431	98.63 %
Estimated for Year Ending December 31, 2026	\$ 25,492,243	2.465	53.120	\$ 1,416,986		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Boulder County Assessor and Treasurer.

**CONTINUING DISCLOSURE OF ANNUAL FINANCIAL
INFORMATION (UNAUDITED)**

**ERIE FARM METROPOLITAN DISTRICT
TEN LARGEST TAXPAYERS IN THE DISTRICT
(UNAUDITED)
DECEMBER 31, 2025**

Ten Largest Taxpayers in the District

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Public Service CO of Colorado - Xcel	\$ 505,943	1.98%
Homeowner #1	223,176	0.88%
S&R Trust	192,079	0.75%
Homeowner #2	191,227	0.75%
Homeowner #3	190,483	0.75%
Homeowner #4	188,341	0.74%
Homeowner #5	182,955	0.72%
Homeowner #6	182,610	0.72%
Homeowner #7	180,362	0.71%
Homeowner #8	179,909	0.71%
Total	<u>\$ 2,217,085</u>	<u>8.70%</u>

Source: Boulder County Assessor.