2000 HOLLY METROPOLITAN DISTRICT
City and County of Denver, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2025

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
2000 Holly Metropolitan District
City and County of Denver, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the 2000 Holly Metropolitan District (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2025, and the respective changes in financial position and the budgetary comparisons for the General Fund and the Operations and Maintenance Special Revenue 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 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.

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112
303-905-0809 • info@dazziocpa.com
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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 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is 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 purposes 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, as listed in the table of contents, 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.

Dassio & Associates, P.C.

September 15, 2026

BASIC FINANCIAL STATEMENTS

2000 HOLLY METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2025

ASSETS	
Cash deposits and investments - unrestricted	$ 133,537
Cash deposits and investments - restricted	44,588
Receivable from County Treasurer	1,343
Property taxes receivable	409,578
Accounts receivable	9,913
Prepaid expenses	450
Prepaid bond insurance	229,484
Capital assets, not being depreciated	3,963,732
Capital assets, net of accumulated depreciation	281,539
Total assets	5,074,164
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding, net	153,360
Total deferred outflows of resources	153,360
LIABILITIES	
Accounts payable	45,099
Prepaid customer accounts	21,246
Accrued interest payable	28,908
Noncurrent liabilities:	
Due within one year	17,612
Due in more than one year	6,381,834
Total liabilities	6,494,699
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	409,578
Total deferred inflows of resources	409,578
NET POSITION	
Net investment in capital assets	(397,972)
Restricted for emergencies	8,900
Restricted for debt service	9,875
Unrestricted	(1,297,556)
Total net position	$ (1,676,753)

These financial statements should be read only in connection with the accompanying notes to financial statements.

2000 HOLLY METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
General government	$ 262,796	$ 222,392	$ 200	$ 800	$ (39,404)
Interest and fiscal charges	705,896	-	-	62,860	(643,036)
	$ 968,692	$ 222,392	$ 200	$ 63,660	(682,440)
General revenues:					
Property taxes					334,855
Specific ownership taxes					15,481
Net investment income					24,938
Total general revenues					375,274
Change in net position					(307,166)
Net position - Beginning					(1,369,587)
Net position - Ending					$ (1,676,753)

These financial statements should be read only in connection with the accompanying notes to financial statements.

2000 HOLLY METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Operations and Maintenance	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash deposits and investments - unrestricted	$ 17,377	$ 116,160	$ -	$ -	$ 133,537
Cash deposits and investments - restricted	-	-	37,709	6,879	44,588
Receivable from County Treasurer	269	-	1,074	-	1,343
Property tax receivable	81,913	-	327,665	-	409,578
Accounts receivable - fees	-	9,913	-	-	9,913
Prepaid expense	450	-	-	-	450
TOTAL ASSETS	$ 100,009	$ 126,073	$ 366,448	$ 6,879	$ 599,409
LIABILITIES					
Accounts payable	$ 8,718	$ 29,502	$ -	$ 6,879	$ 45,099
Prepaid customer accounts	-	21,246	-	-	21,246
Total liabilities	8,718	50,748	-	6,879	66,345
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	81,913	-	327,665	-	409,578
Total deferred inflows of resources	81,913	-	327,665	-	409,578
FUND BALANCES					
Nonspendable for prepaid items	450	-	-	-	450
Spendable:					
Restricted for emergencies	2,200	6,700	-	-	8,900
Restricted for debt service	-	-	38,783	-	38,783
Committed for operations and maintenance	-	68,625	-	-	68,625
Assigned for subsequent year's expenditures	4,607	-	-	-	4,607
Unassigned	2,121	-	-	-	2,121
Total fund balances	9,378	75,325	38,783	-	123,486
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 100,009	$ 126,073	$ 366,448	$ 6,879	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.	
Capital assets	4,245,271
Other long-term asses are not available to pay for current period expenditures and, therefore, are not reported in the Balance Sheet - Governmental Funds.	
Prepaid bond insurance	229,484
Deferred loss on refunding, net	153,360
Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.	
Bonds payable - 2025 Refunding Bonds	(5,930,000)
Bond premium - 2025 Refunding Bonds	(179,530)
Accrued interest payable - 2025 Refunding Bonds	(28,908)
Developer advances	(231,444)
Accrued interest on developer advances	(58,472)
Net position of governmental activities	$ (1,676,753)

These financial statements should be read only in connection with the accompanying notes to financial statements.

2000 HOLLY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General	Operations and Maintenance	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property tax	$ 66,971	$ -	$ 267,884	$ -	$ 334,855
Specific ownership tax	3,096	-	12,385	-	15,481
Operations and maintenance fees	-	218,410	-	-	218,410
Late fees and penalties	-	3,982	-	-	3,982
Facilities Fees	-	-	62,860	-	62,860
Payment in lieu of taxes	200	-	800	-	1,000
Net investment income	524	18	24,396	-	24,938
Total revenues	70,791	222,410	368,325	-	661,526
EXPENDITURES					
Administration					
Legal	23,715	-	-	-	23,715
Management	3,791	-	-	-	3,791
Accounting	25,793	-	-	-	25,793
Audit	5,500	-	-	-	5,500
Election	3,811	-	-	-	3,811
Insurance and dues	10,301	-	-	-	10,301
Printing and administration	1,440	-	-	-	1,440
Treasurer's fees	671	-	2,684	-	3,355
Denver review fee	3,000	-	-	-	3,000
Cost certification fees	563	-	-	8,908	9,471
Operations					
Legal	-	6,297	-	-	6,297
Management	-	15,165	-	-	15,165
Accounting	-	6,448	-	-	6,448
Water	-	9,863	-	-	9,863
Electricity	-	954	-	-	954
Lift Station maintenance	-	29,472	-	-	29,472
Storm drainage	-	827			827
Sidewalk fees		4,713			4,713
Grounds maintenance	-	59,371	-	-	59,371
Snow removal	-	22,447	-	-	22,447
Debt service					
Bond principal	-	-	577,335	-	577,335
Bond interest	-	-	388,438	-	388,438
Debt service fees	-	-	4,700	-	4,700
Bond issuance costs	-		588,036	-	588,036
Developer advance repayment	-	-	-	6,878	6,878
Total expenditures	78,585	155,557	1,561,193	15,786	1,811,121
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,794)	66,853	(1,192,868)	(15,786)	(1,149,595)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	5,930,000	-	5,930,000
Bond premium	-	-	179,530	-	179,530
Payment to refunding escrow	-	-	(5,422,010)		(5,422,010)
Transfers in	-	-	-	15,786	15,786
Transfers out	-	-	(15,786)	-	(15,786)
Total other financing sources (uses)	-	-	671,734	15,786	687,520
NET CHANGE IN FUND BALANCES	(7,794)	66,853	(521,134)	-	(462,075)
FUND BALANCES - BEGINNING OF YEAR	17,172	8,472	559,917	-	585,561
FUND BALANCES - END OF YEAR	$ 9,378	$ 75,325	$ 38,783	$ -	$ 123,486

These financial statements should be read only in connection with the accompanying notes to financial statements.

2000 HOLLY METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	$ (462,075)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation	(17,062)
	(17,062)
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Cost of bond refunding - 2025 Refunding Bonds	153,360
Prepaid bond insurance	229,484
	382,844
Long-term debt (e.g. bonds, notes) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and gains/losses on refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Bond proceeds	(5,930,000)
Bond premium	(179,530)
Principal payment on bonds- 2022C Bonds	577,335
Principal payment on bonds - 2020A and 2020B Bonds	5,112,000
Repayment of developer advances - principal	6,392
	(413,803)
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.	
Change in accrued interest payable	(10,012)
Change in unpaid interest payable	227,901
Change in accrued interest payable - advances	(14,959)
	202,930
Change in net position - Governmental activities	$ (307,166)

These financial statements should be read only in connection with the accompanying notes to financial statements.

2000 HOLLY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUES			
Property tax	$ 66,981	$ 66,971	$ (10)
Specific ownership taxes	2,679	3,096	417
Payment in lieu of taxes	200	200	-
Developer advances	74,000	-	(74,000)
Net investment income	100	524	424
Total Revenues	143,960	70,791	(73,169)
EXPENDITURES			
Administration			
Legal	28,875	23,715	5,160
Management	5,242	3,791	1,451
Accounting	23,668	25,793	(2,125)
Audit	6,050	5,500	550
Election	30,000	3,811	26,189
Insurance and dues	10,767	10,301	466
Printing and administration	1,000	1,440	(440)
Bank fees	250	-	250
Treasurer's fees	10,047	671	9,376
Denver review fee	3,000	3,000	-
Cost certification fees	10,000	563	9,437
Total Expenditures	128,899	78,585	50,314
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,061	(7,794)	(22,855)
OTHER FINANCING SOURCES (USES)			
Transfers out	(14,000)	-	14,000
Total other financing sources (uses)	(14,000)	-	14,000
NET CHANGE IN FUND BALANCE	1,061	(7,794)	(8,855)
FUND BALANCE - BEGINNING OF YEAR	2,854	17,172	14,318
FUND BALANCE - END OF YEAR	$ 3,915	$ 9,378	$ 5,463

These financial statements should be read only in connection with the accompanying notes to financial statements.

2000 HOLLY METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUES			
Operations and maintenance fees	$ 250,470	$ 218,410	$ (32,060)
Late fees and penalties	1,000	3,982	2,982
Net investment income	-	18	18
Total Revenues	251,470	222,410	(29,060)
EXPENDITURES			
Operations			
Legal	7,500	6,297	1,203
Management	20,966	15,165	5,801
Accounting	5,917	6,448	(531)
Covenant control	14,000	-	14,000
Water	20,000	9,863	10,137
Electricity	5,500	954	4,546
Lift Station maintenance	24,000	29,472	(5,472)
Sludge removal	18,000	-	18,000
Storm drainage	6,500	827	5,673
Sidewalk fees	-	4,713	(4,713)
Grounds maintenance	70,800	59,371	11,429
Detention pond repairs and maintenance	2,500	-	2,500
Snow removal	35,000	22,447	12,553
Street sweeping	2,500	-	2,500
Road repairs and maintenance	10,000	-	10,000
Concrete repairs and maintenance	5,000	-	5,000
Miscellaneous	8,650	-	8,650
Contingency	6,820	-	6,820
Total Expenditures	263,653	155,557	108,096
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,183)	66,853	79,036
OTHER FINANCING SOURCES (USES)			
Transfers in	14,000	-	(14,000)
Total other financing sources (uses)	14,000	-	(14,000)
NET CHANGE IN FUND BALANCE	1,817	66,853	65,036
FUND BALANCE - BEGINNING OF YEAR	-	8,472	8,472
FUND BALANCE - END OF YEAR	$ 1,817	$ 75,325	$ 73,508

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 – DEFINITION OF REPORTING ENTITY

2000 Holly Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Order and Decree of the District Court of Denver County on November 14, 2018 and is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in City and County of Denver, Colorado. The District was established to provide for the design, acquisition, construction, installation and financing of water, sanitation, streets, traffic, safety control and park and recreation facilities.

The District's Service Plan allows the District to impose an operating mill levy of up to 50.000 mills until the District imposes a debt mill levy. Once the District imposes a debt mill levy, the District's operating mill levy cannot exceed 10.000 mills which, however, may be adjusted for changes in the State's method of calculating assessed valuation after September 10, 2018.

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

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.

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and assessment revenues.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or

privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 government 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 taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 Operations and Maintenance Fund (a special revenue fund) accounts for the revenues from the operations and maintenance fees charged to residents and expenditures of certain services within the District, including without limitation, landscape maintenance, snow removal, design review and covenant enforcement.

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

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

Budgets

In accordance with the Local Government Budget Law of Colorado, 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. The budget includes each fund on its basis of accounting unless otherwise indicated. The District approved supplemental appropriations for the Debt Service Fund for the year ended December 31, 2025.

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 funds' average equity balance in total cash.

Capital Assets

Capital assets, which include construction in progress, are reported 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 estimated fair value at the date of donation.

Improvements not conveyed either to the City and County of Denver, Denver Water or other governmental entities for ownership and maintenance, will be owned and maintained by the District.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives.

Retaining wall	20 years

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is 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 30 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 inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Cost of Bond 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 refunded bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources

Debt Issue Costs, Original Issue Discount/Premium and Prepaid Bond Insurance

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the percentage of current principal payments to total debt issue. Debt issuance costs are expensed when incurred. Prepaid debt insurance is being amortized over the term of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred loss on bond refunding,* is deferred and recognized as an outflows of resources in the period that the amount is incurred.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Operations Fees

The District imposes an Operations Fee in the amount of $345 per quarter due on the last day of January, April, July and October. The Operations Fees are charged on all residential units

and is used to offset operations and maintenance expenses of the District such as landscape maintenance, snow removal, design review and covenant enforcement. Delinquent Operations Fees constitute a perpetual lien on and against the property serviced by the District.

Estimates

The preparation of financial statements in conformity with generally accepted account principles in the United States requires the District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaid items) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

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

Cash deposits and investments – Unrestricted	$ 133,537
Cash deposits and investments – Restricted	44,588
	$ 178,125

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

Deposits with financial institutions	$ 125,040
Investments	53,085
	$ 178,125

Cash Deposits – Custodial Credit Risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. 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 ($250,000) 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 equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank balance of $124,005 and carrying balance of $125,040, respectively, which were fully insured by federal depository insurance.

Investments

The District’s investment policy is to follow Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

. Guaranteed investment contracts
. Local government investment pools

The District generally limits its concentration of investments to Local Government Investment Pools which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk.

COLOTRUST

At December 31, 2025, the District has $53,085 invested in the Colorado Local Government Liquid Asset Trust (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 operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAm by Standard and Poor's and the EDGE portfolio is rated AAAf/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com. The District holds all its investments in the COLOTRUST Plus+ portfolio.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: 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.

However, the investments held by the District are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments such as COLOTRUST.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to $1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a $10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than $10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

Restricted Cash and Investments

At December 31, 2025, cash deposits and investments in the amount of $44,588 are restricted for debt service. $31,014 of the restricted cash and investments are held in trust with UMB Bank.

NOTE 4 - CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Capital assets, not being depreciated:				
Construction in progress	$ 3,963,732	$ -	$ -	$ 3,963,732
Total capital assets, not being depreciated	3,963,732	-	-	3,963,732
Capital assets, being depreciated:				
Retaining wall	341,258	-	-	341,258
Total capital assets, being depreciated	341,258	-	-	341,258
Less accumulated depreciation for:				
Retaining wall	(42,657)	(17,062)	-	(59,719)
Total capital assets, being depreciated, net	298,601	(17,062)	-	281,539
Capital assets, net	$ 4,262,333	$ (17,062)	$ -	$ 4,245,271

Depreciation is charged to the general government function in the Statement of Activities.

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NOTE 5 – LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2024	New Issues	Retirements	Balance at December 31, 2025	Due Within One Year
General Obligation Bonds:					
G.O. Refunding Bonds, 2025	$ -	$ 5,930,000	$ -	5,930,000	10,000
G.O. Refunding Bonds, 2025 Premium	-	179,530		179,530	7,612
Limited Tax G.O. Bonds - 2020A	4,535,000	-	4,535,000	-	-
Subordinate Limited Tax G.O. Bonds - 2020B	577,000	-	577,000	-	-
Jr. Lien Taxable G.O. Bonds, 2022C Bonds	577,335	-	577,335	-	-
Unpaid accrued interest on 2020B Bonds	201,965	55,024	256,989	-	-
Unpaid accrued interest on 2022C Bonds	25,936	35,413	61,349	-	-
Developer Advances:					
Developer advances - operations	231,444	-	-	231,444	-
Accrued interest on advances	43,429	15,043	-	58,472	-
Developer advances - capital	6,392	-	6,392	-	-
Accrued interest on advances - capital	84	402	486	-	-
	$ 6,198,585	$ 6,215,412	$ 6,014,551	$ 6,399,446	$ 17,612

Limited Tax (Convertible to Unlimited) General Obligation Refunding Bonds, Series 2025

On November 26, 2025 the District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2025 (2025 Bonds) in the principal amount of $5,930,000. The 2025 Bonds were issued to 1) refund the outstanding 2020A Bonds and the 2020B Bonds; 2) fund a Reserve Fund for the 2025 Bonds; and 3) pay the costs of issuance of the 2025 Bonds, including the payment of premiums to the Bond Insurer for the policies.

The 2025 Bonds bear interest at 3.25% - 5.25% from the date of issuance until paid, payable on June 1 and December 1, commencing June 1, 2026. The 2025 Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part, upon payment of par and accrued interest plus a redemption premium on December 1, 2030, and on any date thereafter. The redemption premium varies based on the date of redemption from 3.0% to 0.0%. The 2025 Bonds are subject to mandatory sinking fund redemption prior to maturity on December 1, 2026 and each December 1 thereafter to December 1, 2059 in varying amounts. The final maturity on the 2025 Bonds is December 1, 2059.

The 2025 Bonds will convert from Limited Tax Obligations to Unlimited Tax Obligations at such time as (a) the debt to assessed ratio is 50% or less, and (b) no amounts of principal or interest on the Series 2025 Bonds are due but unpaid.

Pledged revenue on the 2025 Bonds consists of 1) all property tax revenues by the imposition of the Required Mill Levy; 2) all specific ownership tax revenues generated from the Required Mill Levy; and, 3) any other legally available moneys which the District determines, in its absolute discretion, to the payment of the 2025 Bonds. Prior to the conversion date, the Required Mill Levy is in an amount equal to 40.000 mills, as adjusted, to pay the principal, premium if any and

interest on the 2025 Bonds as they become due and payable and any Bond Insurer Reimbursement Amounts not included in the foregoing. On and after the conversion date, the District is to levy ad valorem taxes, without limitation as to rate, in an amount sufficient to pay principal and interest on the 2025 Bonds and any Bond Insurer Reimbursement Amounts not included in the foregoing. In addition to the limitations discussed above, the District's Service Plan currently limits the term which the District may impose the Required Mill Levy to 2058 for collection in 2059.

The District purchased the Municipal Bond Debt Service Reserve Insurance Policy issued by Assured Guaranty, Inc. to meet the Reserve Fund Requirement on the 2025 Bonds which means the least of (i) 10% of the proceeds of the 2025 Bonds, (ii) the maximum annual principal and interest payable with respect to the 2025 Bonds, or (iii) 125% of the average annual principal and interest payable with respect to the 2025 Bonds. In the case of the 2025 Bonds, the Reserve Fund Requirement is $409,638, and is being satisfied with the Reserve Fund Insurance Policy. The Reserve Fund secures only the Bonds, and any Parity Bonds hereafter issued may or may not be secured by a separate reserve fund as required by a resolution or indenture authorizing the issuance of such Parity Bonds.

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the 2025 Bond Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or 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 2025 Bond Indenture;
(b) On and after the Unlimited Tax Receipt Date, the District fails to pay the principal of, premium if any, or interest on the 2025 Bonds 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 2025 Bond Indenture or the 2025 Bond Resolution and fails to remedy the same after notice thereof pursuant to Section 8.12 hereof; 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.

On November 26, 2025, proceeds from the 2025 Bonds were placed in escrow to refund the outstanding Limited Tax General Obligation Bonds, Series 2020A and the Subordinate Limited Tax General Obligation Bonds, Series 2020B. The 2020A Bonds were called and paid from the escrow on December 1, 2025 and the 2020B Bonds were called and paid from the escrow on December 15, 2025. The District incurred a cost on refunding in the amount of $153,360, which has been deferred and is being amortized over the life of the new bonds. The District has not calculated the economic gain/loss on the refunding transaction.

Limited Tax General Obligation Bonds, Series 2020A

On November 5, 2020 the District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A (2020A Bonds) in the principal amount of $4,535,000. The 2020A Bonds were issued to 1) fund the costs of public improvements for the benefit of the

District and 2) fund a portion of the initial interest to accrue on the Series 2020A Bonds through December 1, 2022; 3) fund the Surplus fund in the amount of $415,567; and 4) pay the costs of issuing the 2020A Bonds.

The 2020A Bonds bear interest at 5.0% from the date of issuance until paid, payable on June 1 and December 1, commencing June 1, 2021. The 2020A Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part, upon payment of par and accrued interest plus a redemption premium on December 1, 2025, and on any date thereafter. The redemption premium varies based on the date of redemption from 3.0% to 0.0%. The 2020A Bonds are subject to mandatory sinking fund redemption prior to maturity on December 1, 2026 and each December 1 thereafter to December 1, 2049 in varying amounts. The final maturity on the 2020A Bonds is December 1, 2050.

The 2020A Bonds were called and paid from the refunding escrow on December 1, 2025.

Subordinate Limited Tax General Obligation Bonds, Series 2020B

On November 5, 2020 the District issued Subordinate Limited Tax General Obligation Bonds, Series 2020B (2020B Bonds) in the principal amount of $577,000. The 2020B Bonds were issued to 1) fund the costs of public improvements for the benefit of the District; and 2) pay the costs of issuing the 2020B Bonds.
The 2020B Bonds bear interest at 7.5% from the date of issuance until paid, payable annually on December 15, commencing December 15, 2021. The 2020B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. To the extent interest on the 2020B Bonds is not paid when due, such interest shall compound annually on each interest payment date, at the interest rate then borne by the 2020B Bonds. The 2020B Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part, on any date, upon payment of par and accrued interest plus a redemption premium on December 15, 2025, and on any date thereafter. The redemption premium varies based on the date of redemption from 3.0% to 0.0%. The 2020B Bonds are subject to mandatory sinking fund redemption prior to maturity commencing on December 15, 2021, to the extent of moneys on deposit, if any, in the Subordinate Mandatory Redemption Account.

The 2020B Bonds were called and paid from the refunding escrow on December 15, 2025.

Junior Lien Taxable General Obligation Bonds, Series 2022C

On April 25, 2022, the District issued Junior Lien Taxable Limited Tax General Obligation Bonds, Series 2022C (2022C Bonds) in the principal amount of $1,500,000. The 2022C Bonds were issued to 1) fund the costs of public improvements for the benefit of the District and 2) pay the costs of issuing the 2022C Bonds.

The 2022C Bonds shall bear interest at 6.5% per annum, such interest to be calculated on the basis of a 360-day year, commencing on December 16, 2022. The 2022C Bonds mature on December 16, 2052. To the extent interest on the 2022C Bonds is not paid when due, such interest shall compound annually on each December 16.

The 2022C Bonds are issued as draw-down Bonds registered in the name of Gray's Development Company, Inc. or its designee. The principal amount of the 2022C Bonds shall be increased by the amount of any Principal Amount Increases (which amount shall include any Developer Advances not theretofore taken into account in determining the principal amount of the Bonds), in integral multiples of $1,000 and limited to the authorized maximum principal amount of $1,500,000. Each Principal Amount Increase shall be subject to and conditioned upon delivery to the Trustee of a fully executed Junior Lien Draw-Down Requisition, and upon satisfaction of such condition, shall be deemed to be effective as of the date that the Board of Directors of the District adopts a resolution to approve and accept the Developer Advance for which the Principal Amount Increase is requested. The Trustee shall notify the Owner of each Principal Amount Increase, provided, however, that the failure to record or to accurately record any such Principal Amount Increases shall not affect the actual Principal Amount due on the Bonds, which in all cases shall be conclusively determined by the Trustee's records relating to the outstanding Principal Amount of the Bonds. In the event that any amount of principal or interest on the 2022C Bonds remains unpaid after the application of all Junior Lien Pledged Revenue available, the 2022C Bonds will be discharged on December 16, 2059.

The 2022C Bonds were called and paid from the District's available funds on November 26, 2025.

The District's long-term obligations for the 2025 Bonds will mature as follows:

	Principal	Interest	Total
2026	$ 10,000	$ 304,724	$ 314,724
2027	40,000	300,225	340,225
2028	45,000	298,925	343,925
2029	50,000	297,463	347,463
2030	60,000	295,837	355,837
2031-2035	365,000	1,443,813	1,808,813
2036-2040	565,000	1,338,062	1,903,062
2041-2045	830,000	1,171,563	2,001,563
2046-2050	1,105,000	930,562	2,035,562
2051-2055	1,425,000	609,001	2,034,001
2056-2059	1,435,000	193,199	1,628,199
	$ 5,930,000	$ 7,183,374	$ 13,113,374

Funding and Reimbursement Agreement – Grays Development Company, Inc.

The District and Grays Development Company, Inc. (Grays) entered into a Funding and Reimbursement Agreement (Operations and Maintenance) on October 13, 2020 which was amended November 7, 2022 and on November 4, 2024. The Funding and Reimbursement Agreement, as amended, acknowledges prior costs paid on behalf of the District and provides for Grays to advance funds for ongoing operating expenses incurred by the District through December 31, 2026 in the aggregate of $175,000 per annum in 2025 and 2026, up to $350,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 6.5% per annum, simple interest, from the date any such advance is made. The Loan Obligation Termination Date will automatically be extended for one additional year unless Grays provides

written notice to the District at least 30 days prior to December 31st of each year. Upon each automatic one-year extension of the Loan Obligation Termination Date, Grays agrees to advance the District one or more sums of money up to the Annual Loan Cap, and the Maximum Loan Amount shall automatically be increased upon each one-year extension by the Annual Loan Cap. Any obligation of the District to reimburse Grays shall expire on October 13, 2050.

As of December 31, 2025, the District had outstanding advances for operations payable to Grays under the Funding and Reimbursement Agreement in the total amount of $289,915 of which $231,444 of principal and $58,472 of interest.

Public Improvements Acquisition and Reimbursement Agreement – Grays Development Company, Inc.

The District and Grays Development Company, Inc. entered into a Public Improvements Acquisition and Reimbursement Agreement on October 13, 2020. The Public Improvements Acquisition and Reimbursement Agreement provides for Grays to incur costs related to financing, construction and installation of public improvements that may be lawfully funded by the District and establishes the terms and conditions for the acquisition of certain public improvements financed and constructed or caused to be constructed by Grays that are to be owned by the District. Interest shall accrue at 6.5% per annum, simple interest, from the date of the acceptance resolution. Any obligation of the District to reimburse Grays shall expire on October 13, 2050.

As of December 31, 2025, the District had no outstanding advances for capital payable to Grays under the Public improvements Acquisition and Reimbursement Agreement.

NOTE 6 – DEBT AUTHORIZATION

On November 6, 2018, a majority of the qualified electors of the District authorized the issuance of indebtedness in accordance with State Law.

In the future, the District may issue a portion or all of the authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, the amount and timing of any debt issuances in not determinable.

NOTE 7 – AGREEMENTS

On July 13, 2020, a Declaration of Restrictions and Covenants was executed with KRF Holly, LLC and KRF 965, LLC (Declarant). The Declarant is the owner and developer of the property located at 5640 E. Atlantic Place (the Property). In order to ensure the Property contributes fairly to the payment of the costs of public improvements, the Declarant will remit an annual payment in lieu of taxes in the amount of $1,000. The payment in lieu of taxes is due annually beginning at such time as the regional storm drainage improvements are constructed and operational and continuing so long as the Property is not subject to the mill levy imposed by the District. During 2025, the District received the payment in lieu of taxes of $1,000.

NOTE 8 - FUND EQUITY

At December 31, 2025, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of $450 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of $2,200 and the restricted fund balance in the Operations and Maintenance Fund in the amount of $6,700 are comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (NOTE 12).

The restricted fund balance in the Debt Service Fund in the amount of $38,783 is to be used exclusively for debt service requirements (NOTE 5).

Committed Fund Balance

The committed fund balance in the Operations and Maintenance Fund of $68,625 is comprised of the unspent operations and maintenance fees charged to residents to be used for certain services within the District, including without limitation, landscape maintenance, snow removal, design review and covenant enforcement.

NOTE 9 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets of $(397,972).

Restricted net position includes items 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 in the following amounts:

Restricted net position:

Emergency reserves (see Note 12)	$	8,900
Debt Service (see Note 5)		9,875
	$	18,775

The District's unrestricted net position at December 31, 2025 totaled ($1,297,556). This deficit amount was a result of the District being dependent on developer advances for payment of operations and organizational costs.

NOTE 10 – RELATED PARTIES

A majority of the members of the Board of Directors are owners, officers or employees associated directly or indirectly with Lokal Communities, LLC (Lokal) and may have conflicts of interest in dealing with the District. Lokal is a party to an option agreement to purchase platted lots in the District and is acting as the contractor undertaking the construction of the public improvements. Grays Development is an affiliate of Lokal and is financing, managing and promoting development in the District.

NOTE 11 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S. the District may be 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 (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, public officials' liability and workers compensation 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 12 - 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 that 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.

Property Tax Limitations

Part 17 of Article 1 of Title 29 of the Colorado Revised Statutes contains limitations on the amount of revenues that can be generated from property taxes that apply to certain local governments within the State of Colorado. Subject to certain exclusions and exemptions, property tax revenue is limited to a 5.25% increase (or 10.50% over a two-year assessment period). The District's management believes the District is in compliance with the provisions of the statute; however, the statute is complex and subject to interpretation.

On November 6, 2018, the District's electors approved the following ballot issues:

Operations, Administration and Maintenance Mill Levy

Shall District taxes be increased $500,000 annually and by such additional amounts raised annually thereafter by the imposition of an ad valorem property tax levy imposed in any year without limitation as to rate and in an amount sufficient to generate ad valorem property taxes necessary to pay the District's administration, covenant enforcement, design review, operations, maintenance, and other similar expenses and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2018 and in each fiscal year thereafter as voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Capital Costs Mill Levy

Shall District taxes be increased $1,000,000 annually and by such lesser amount as necessary to pay for capital costs of public improvements, by the imposition of an ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, to pay such costs and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2018 and in each fiscal year thereafter as voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Operations, Administration and Maintenance Fees

Shall District taxes be increased $500,000 annually and by such lesser amount as necessary to pay the District's administration, covenant enforcement, design review, operations, and

maintenance expenses, by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition, to pay such expenses and shall the proceeds of such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2018 and in each fiscal year thereafter as voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Capital Costs Fees

Shall District taxes be increased $500,000 annually and by such lesser amount as necessary for the purpose of paying the costs of any public improvements, facilities, systems, programs, or projects which the District may lawfully provide, by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition, to pay such costs and shall the proceeds of such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2018 and in each fiscal year thereafter as voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Multiple Fiscal Year IGA Mill Levy

Shall District taxes be increased $500,000 annually and by such lesser amount as necessary for the payment of amounts due pursuant to one or more intergovernmental agreements or other contracts, by the imposition of an ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2018 and in each fiscal year thereafter as voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Multiple Fiscal Year Private Agreement Mill Levy

Shall District taxes be increased $500,000 annually and by such lesser amount as necessary for the payment of amounts due pursuant to one or more agreements or other contracts with private parties, by the imposition of an ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2018 and in each fiscal year thereafter as voter-approved revenue change without regard to any

spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

De-TABOR

Shall the District be authorized to collect, retain, and spend the full amount all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, gifts, grants, investment earnings or any other fee, rate, toll, penalty, charge or other income authorized by law or contract to be imposed or collected by the District in fiscal year 2018 and in each fiscal year thereafter, such amounts to constitute a voter approved revenue change and be collected, retained 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, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other lay which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected and spent by the District?

SUPPLEMENTAL INFORMATION

2000 HOLLY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUES				
Property taxes	$ 267,924	$ 267,924	$ 267,884	$ (40)
Specific ownership taxes	10,717	12,392	12,385	(7)
Facilities Fees	54,000	62,860	62,860	-
Payment in lieu of taxes	800	800	800	-
Net investment income	25,000	24,297	24,396	99
Total Revenues	358,441	368,273	368,325	52
EXPENDITURES				
County treasurer's fees	4,019	2,711	2,684	27
Bond principal - 2020A Bonds	10,000	-	-	-
Bond interest - 2020A Bonds	226,500	113,375	113,375	-
Bond interest - 2020B Bonds	-	-	213,714	(213,714)
Bond principal - 2022C Bonds	-	-	577,335	(577,335)
Bond interest - 2022C Bonds	-	-	61,349	(61,349)
Debt service fees	15,000	9,230	4,700	4,530
Bond issuance costs		602,836	588,036	14,800
Contingency	5,000	3,286	-	3,286
Total Expenditures	260,519	731,438	1,561,193	(829,755)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	97,922	(363,165)	(1,192,868)	(829,703)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	5,930,000	5,930,000	-
Bond premium	-	179,530	179,530	-
Payment to refunding escrow	-	(6,274,409)	(5,422,010)	852,399
Transfers out	-	(16,000)	(15,786)	214
Total other financing sources (uses)	-	(180,879)	671,734	852,613
NET CHANGE IN FUND BALANCE	97,922	(544,044)	(521,134)	22,910
FUND BALANCE - BEGINNING OF YEAR	549,332	559,917	559,917	-
FUND BALANCE - END OF YEAR	$ 647,254	$ 15,873	$ 38,783	$ 22,910

2000 HOLLY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget -
REVENUE			
Developer advances	$ -	$ -	$ -
	-	-	-
EXPENDITURES			
Developer advance repayment	-	6,878	(6,878)
Capital outlay	1,384,000	-	1,384,000
Cost certification fees	-	8,908	(8,908)
Total Expenditures	1,384,000	15,786	1,368,214
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,384,000)	(15,786)	1,368,214
OTHER FINANCING SOURCES (USES)			
Bond Proceeds	1,384,000	-	(1,384,000)
Transfers in		15,786	15,786
Total other financing sources (uses)	1,384,000	15,786	(1,368,214)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

OTHER INFORMATION

2000 HOLLY METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Percentage Change in AV	Mills Levied		Property Taxes			Percentage Collected to Levied
			General	Debt	Levied	Collected		
2019	$ 398,320	0.0%	0.000	0.000	$ -	$ -		N/A
2020	$ 1,540,980	286.9%	0.000	0.000	$ -	$ -		N/A
2021	$ 1,553,910	0.8%	10.000	40.000	$ 77,695	$ 70,457		90.68%
2022	$ 1,599,180	2.9%	10.000	40.000	$ 79,959	$ 79,959		100.00%
2023	$ 1,624,110	1.6%	10.067	40.269	$ 81,751	$ 81,670		99.90%
2024	$ 2,385,570	46.9%	12.039	48.154	$ 143,595	$ 143,595	*	100.00%
2025	$ 5,714,120	139.5%	11.722	46.888	$ 334,905	$ 334,855		99.99%
Estimated for year ending December 31, 2026	$ 6,538,400	14.4%	12.528	50.114	$ 409,578			

* Excludes funds received during the year from SB22-238/ 23B-001 of $1,064

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

2000 HOLLY METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

Year Ending December 31,	$5,930,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2025 Interest Rate of 3.250% - 5.250% Principal Due on December 1 Interest Due on June 1 and December 1		
	Principal	Interest	Total
2026	$ 10,000	$ 304,724	$ 314,724
2027	40,000	300,225	340,225
2028	45,000	298,925	343,925
2029	50,000	297,463	347,463
2030	60,000	295,837	355,837
2031	60,000	293,888	353,888
2032	70,000	291,937	361,937
2033	70,000	289,663	359,663
2034	80,000	286,162	366,162
2035	85,000	282,163	367,163
2036	95,000	277,912	372,912
2037	100,000	273,162	373,162
2038	115,000	268,163	383,163
2039	120,000	262,413	382,413
2040	135,000	256,412	391,412
2041	140,000	249,663	389,663
2042	155,000	242,662	397,662
2043	165,000	234,913	399,913
2044	180,000	226,662	406,662
2045	190,000	217,663	407,663
2046	200,000	208,162	408,162
2047	210,000	197,663	407,663
2048	220,000	186,637	406,637
2049	230,000	175,088	405,088
2050	245,000	163,012	408,012
2051	255,000	150,150	405,150
2052	270,000	136,763	406,763
2053	285,000	122,588	407,588
2054	300,000	107,625	407,625
2055	315,000	91,875	406,875
2056	330,000	75,338	405,338
2057	350,000	58,012	408,012
2058	370,000	39,637	409,637
2059	385,000	20,212	405,212
	$ 5,930,000	$ 7,183,374	$ 13,113,374

2000 HOLLY METROPOLITAN DISTRICT
CONTINUING DISCLOSURE INFORMATION
DECEMBER 31, 2025
(UNAUDITED)

SELECTED DEBT RATIOS OF THE DISTRICT

Bonds outstanding	$	5,930,000
Overlapping Debt		874,745
Total District Debt and Overlapping Debt		6,804,745
2025 Certified Assessed Valuation	$	6,538,400
Total District Debt to 2025 Certified Assessed Valuation		90.7%
Total District Debt plus Overlapping Debt to 2025 Certified Assessed Valuation		104.1%

Source: Information obtained from City and County of Denver and Denver School District No. 1