AVION METROPOLITAN DISTRICT
City and County of Denver, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

AVION METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Evan's Place Metropolitan District
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Evan's Place 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 comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

Supplementary 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 Supplementary 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 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, 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.

July 17, 2026

BASIC FINANCIAL STATEMENTS

AVION METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 3,442,053
Cash and Investments - Restricted	1,170,057
Prepaid Expense	30,247
Accounts Receivable	785,688
Property Taxes Receivable	2,211,310
Receivable from County Treasurer	8,505
Capital Assets Not Being Depreciated	7,883,451
Capital Assets Being Depreciated	4,473,575
Total Assets	20,004,886
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Refunding	201,765
Total Deferred Outflows of Resources	201,765
LIABILITIES	
Accounts Payable	661,118
Retainage Payable	129,085
Accrued Interest Payable	45,830
Noncurrent Liabilities:	
Due Within One Year	271,000
Due in More Than One Year	14,030,258
Total Liabilities	15,137,291
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	2,211,310
Total Deferred Inflows of Resources	2,211,310
NET POSITION	
Net Investment in Capital Assets	7,424,372
Restricted for:	
Emergency Reserves	36,200
Debt Service	1,857,913
Unrestricted	(6,460,435)
Total Net Position	$ 2,858,050

See accompanying Notes to Basic Financial Statements.

AVION METROPOLITAN DISTRICT
STATEMENT OF 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 Revenue (Expenses) and Changes in Net Position: Governmental Activities
Government Activities:					
General Government	$ 1,135,769	$ 52,684	$ -	$ -	$ (1,083,085)
Reimbursed Expenditures	-	-	2,574	2,098,778	2,101,352
Interest and Related Costs on Long-Term Debt	606,954	-	-	-	(606,954)
Total Governmental Activities	$ 1,742,723	$ 52,684	$ 2,574	$ 2,098,778	411,313
GENERAL REVENUES					
Property Taxes					2,053,886
Specific Ownership Taxes					98,051
Interest Income					171,176
Other Revenue					5,090
Total General Revenues					2,328,203
CHANGES IN NET POSITION					2,739,516
Net Position - Beginning of Year					118,534
NET POSITION - END OF YEAR					$ 2,858,050

See accompanying Notes to Basic Financial Statements.

AVION METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Capital Projects Reserve	Total Governmental Funds
ASSETS					
Cash and Investments	$ 695,406	$ -	$ 2,442,081	$ 304,566	$ 3,442,053
Cash and Investments - Restricted	36,200	1,133,857	-	-	1,170,057
Due from Other Funds	-	4,619	-	-	4,619
Accounts Receivable	22,884	762,804	-	-	785,688
Receivable from County Treasurer	6,042	2,463	-	-	8,505
Property Taxes Receivable	1,150,700	1,060,610	-	-	2,211,310
Prepaid Expenses	30,247	-	-	-	30,247
Total Assets	$ 1,941,479	$ 2,964,353	$ 2,442,081	$ 304,566	$ 7,652,479
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 149,138	$ -	$ 511,980	$ -	$ 661,118
Due to Other Fund	-	-	4,619	-	4,619
Deferred Covenant Fees	22,884	-	-	-	22,884
Retainage Payable	-	-	129,085	-	129,085
Total Liabilities	172,022	-	645,684	-	817,706
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	1,150,700	1,060,610	-	-	2,211,310
Total Deferred Inflows of Resources	1,150,700	1,060,610	-	-	2,211,310
FUND BALANCES					
Nonspendable:					
Prepaid Expenses	30,247	-	-	-	30,247
Restricted for:					
Emergency Reserves	36,200	-	-	-	36,200
Debt Service	-	1,903,743	-	-	1,903,743
Assigned to:					
Capital Projects	-	-	1,796,397	304,566	2,100,963
Subsequent Year's Expenditures	84,165	-	-	-	84,165
Unassigned	468,145	-	-	-	468,145
Total Fund Balances	618,757	1,903,743	1,796,397	304,566	4,623,463
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,941,479	$ 2,964,353	$ 2,442,081	$ 304,566	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds.					
Capital Assets, Net					12,357,026
Revenue deferred in the fund statements because it is not available to pay for the current period expenditures is earned in the government-wide statements					22,884
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					
Deferred Loss on Refunding					201,765
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.					
Loans Payable					(14,301,258)
Accrued Interest on Loan Payable-2022A-1					(31,623)
Accrued Interest on Loan Payable-2022A-2					(4,203)
Accrued Interest on Loan Payable-2024					(10,004)
Net Position of Governmental Activities					$ 2,858,050

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Capital Projects Reserve	Total Governmental Funds
REVENUES					
General:					
Property Taxes	$ 1,109,457	$ 944,429	$ -	$ -	$ 2,053,886
Specific Ownership Tax	52,965	45,086	-	-	98,051
Interest Income	34,503	28,254	98,685	9,734	171,176
Covenant Fines and Fees	7,850	-	-	-	7,850
Other Revenue	5,090	-	-	-	5,090
HUB Rental Fees	16,450	-	-	-	16,450
Closing Fees	5,500	-	-	-	5,500
Reimbursed Expenditures	2,574	-	2,098,778	-	2,101,352
Total Revenues	1,234,389	1,017,769	2,197,463	9,734	4,459,355
EXPENDITURES					
General and Administrative:					
Accounting	85,000	-	-	-	85,000
Auditing	6,200	-	-	-	6,200
County Treasurer's Fee	11,099	9,447	-	-	20,546
Director's Fees	7,900	-	-	-	7,900
District Management	220,224	-	7,094	-	227,318
Dues and Licenses	4,049	-	-	-	4,049
Election	2,852	-	-	-	2,852
Insurance and Bonds	29,823	-	-	-	29,823
Legal Services	96,899	-	3,767	-	100,666
Miscellaneous	1,335	-	-	-	1,335
Payroll Taxes	604	-	-	-	604
Website	13,291	-	-	-	13,291
Operations and Maintenance Clubhouse and Community	147,436	-	-	-	147,436
Landscaping	176,444	-	-	-	176,444
Pool	116,583	-	-	-	116,583
Repairs and Maintenance	17,662	-	-	-	17,662
Utilities	70,508	-	-	-	70,508
Debt Service:					
Loan Interest - Series 2022 A-1	-	388,388	-	-	388,388
Loan Principal - Series 2022 A-1	-	245,000	-	-	245,000
Loan Interest - Series 2022 A-2	-	50,657	-	-	50,657
Loan Principal - Series 2022 A-2	-	6,000	-	-	6,000
Loan Interest - Series 2024	-	148,379	-	-	148,379
Loan Principal - Series 2024	-	754,348	-	-	754,348
Capital Outlay:					
Engineering	-	-	113,586	-	113,586
Parks and Landscaping	-	-	2,652,320	-	2,652,320
Total Expenditures	1,007,909	1,602,219	2,776,767	-	5,386,895
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	226,480	(584,450)	(579,304)	9,734	(927,540)
OTHER FINANCING SOURCES (USES)					
Transfer to/from Other Funds	(66,000)	2,098,778	(2,098,778)	66,000	-
NET CHANGE IN FUND BALANCES	160,480	1,514,328	(2,678,082)	75,734	(927,540)
Fund Balances - Beginning of Year	458,277	389,415	4,474,479	228,832	5,551,003
FUND BALANCES - END OF YEAR	$ 618,757	$ 1,903,743	$ 1,796,397	$ 304,566	$ 4,623,463

See accompanying Notes to Basic Financial Statements.

AVION 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

Net Changes in Fund Balances - Total Governmental Funds	$	(927,540)
Amounts reported for governmental activities in the statement of activities are different because:		
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.		
Change in Deferred Assessments		22,884
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful life of the asset. During the current period, this is the net amount of capital outlay.		
Depreciation Expense		(107,552)
Capital Outlay		2,765,906
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 governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred Loss on Refunding Amortization		(15,066)
Current Year Loan Principal Payment - 2022 and 2024 Loans		1,005,348
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 on Loan - Change in Liability		(4,464)
Change in Net Position of Governmental Activities	$	2,739,516

See accompanying Notes to Basic Financial Statements.

AVION 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	$ 1,109,455	$ 1,109,457	$ 2
Specific Ownership Tax	55,473	52,965	(2,508)
Interest Income	15,000	34,503	19,503
Other Revenue Covenant	200	5,090	4,890
Fines and Fees	-	7,850	7,850
HUB Rental Fees	15,000	16,450	1,450
Closing Fees Reimbursed	10,000	5,500	(4,500)
Expenditures	5,000	2,574	(2,426)
Total Revenues	1,210,128	1,234,389	24,261
EXPENDITURES			
General and Administrative:			
Accounting	85,000	85,000	-
Auditing	6,200	6,200	-
Contingency	9,970	-	9,970
County Treasurer's Fee	11,095	11,099	(4)
Director's Fees	11,000	7,900	3,100
District Management	237,000	220,224	16,776
Dues and Licenses	10,000	4,049	5,951
Election	10,000	2,852	7,148
Insurance and Bonds	35,000	29,823	5,177
Legal Services	120,000	96,899	23,101
Language Translation	5,000	-	5,000
Mediation	5,000	-	5,000
Miscellaneous	4,000	1,335	2,665
Payroll Taxes	735	604	131
Website	10,000	13,291	(3,291)
Total General and Administrative	560,000	479,276	80,724
Operations and Maintenance Clubhouse and Community:			
Clubhouse Operations/Supplies	60,000	53,566	6,434
Legal - Covenant Collection	9,000	18,585	(9,585)
Repairs and Maintenance	30,000	29,469	531
Security	20,000	23,554	(3,554)
Social Committee	25,000	22,262	2,738
Total Operations and Maintenance Clubhouse and Community	144,000	147,436	(3,436)
Landscaping:			
Irrigation Repair	20,000	24,115	(4,115)
Landscape Enhancements	80,000	675	79,325
Landscaping Maintenance	121,000	93,665	27,335
Plant Material Replacements	25,000	2,187	22,813
Snow Removal - Common Area	90,000	55,802	34,198
Total Landscaping	336,000	176,444	159,556
Pool:			
Pool Chemicals	7,500	10,425	(2,925)
Pool Equipment/Furniture	5,000	6,124	(1,124)
Pool Maintenance	30,000	30,608	(608)
Pool Repairs	6,500	22,335	(15,835)
Pool Staffing	50,000	47,091	2,909
Total Pool	99,000	116,583	(17,583)
Repairs and Maintenance:			
Dog Park Stations	5,000	4,589	411
Pest Control	1,000	-	1,000
Repairs and Maintenance - Common Areas	10,000	11,100	(1,100)
Utility Locates	1,000	1,973	(973)
Total Repairs and Maintenance	17,000	17,662	(662)
Utilities:			
Water/Sewer	20,000	20,636	(636)
Electricity	25,000	19,472	5,528
Storm Drainage	15,000	30,400	(15,400)
Total Utilities	60,000	70,508	(10,508)
Total Operations and Maintenance	656,000	528,633	127,367
Total Expenditures	1,216,000	1,007,909	208,091
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,872)	226,480	232,352
OTHER FINANCING SOURCES			
Transfer to Other Funds	(66,000)	(66,000)	-
NET CHANGE IN FUND BALANCES	(71,872)	160,480	232,352
Fund Balances - Beginning of Year	396,126	458,277	62,151
FUND BALANCES - END OF YEAR	$ 324,254	$ 618,757	$ 294,503

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Avion Metropolitan District (formerly Denver Connection West Metropolitan District) (the "District"), is a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by Order and Decree of the District Court for the City and County of Denver and recorded on December 1, 2016, 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 City and County of Denver, Colorado.

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

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.

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 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 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.

The Capital Projects Reserve Fund is used to account for financial resources to be used for replacing and/or maintaining community center and capital improvements.

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.

The District has amended its annual budget 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 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

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 following estimated economic useful lives:

Buildings and Improvements	50 Years
Furniture and Equipment	5 to10 Years

Deferred Inflow/Outflow 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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item Cost of Debt 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 assets 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

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

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

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	$ 3,442,053
Cash and Investments - Restricted	1,170,057
Total Cash and Investments	$ 4,612,110

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

Deposits with Financial Institutions	$ 2,967,461
Investments	1,644,649
Total Cash and Investments	$ 4,612,110

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 $2,967,461.

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 Revised 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:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted-Average Under 60 Days	$ 1,644,649
Total Investments		$ 1,644,649

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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 CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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 AAAf/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.

NOTE 4 CAPITAL ASSETS

The following is 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 Parks and Open Space	$ 5,117,545	$ 2,765,906	$ -	$ 7,883,451
Total Capital Assets Not Being Depreciated	5,117,545	2,765,906	-	7,883,451
Capital Assets, Being Depreciated:				
Furniture and Equipment	45,357	-	-	45,357
Community Center - HUB	5,053,629	-	-	5,053,629
Total Capital Assets Being Depreciated	5,098,986	-	-	5,098,986
Less Accumulated Depreciation for:				
Furniture and Equipment	(12,494)	(6,479)	-	(18,973)
Community Center - HUB	(505,365)	(101,073)	-	(606,438)
Total Accumulated Depreciation	(517,859)	(107,552)	-	(625,411)
Total Capital Assets, Being Depreciated, Net	4,581,127	(107,552)	-	4,473,575
Governmental Activities - Capital Assets, Net	$ 9,698,672	$ 2,658,354	$ -	$ 12,357,026

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	$ 107,552

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	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
G.O. Refunding Loan Series 2022A-1	$ 10,670,000	$ -	$ 245,000	$ 10,425,000	$ 265,000
G.O. Refunding Loan Series 2022A-2	1,391,606	-	6,000	1,385,606	6,000
Special Revenue Loan Series 2024	3,245,000	-	754,348	2,490,652	-
Total	$ 15,306,606	$ -	$ 1,005,348	$ 14,301,258	$ 271,000

Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan Series 2022A-1 (the 2022A-1 Loan) and Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan Series 2022A-2 (the 2022A-2 Loan and together with the 2022A-1 Loan, the 2022 Loans). The District issued the 2022 Loans pursuant to a Loan Agreement between the District and NBH Bank on March 29, 2022, in the amount of $11,350,000 for the 2022A-1 Loan and up to $1,400,000 for the 2022A-2 Loan.

Proceeds from the issuance of the Series 2022A-1 General Obligation Refunding Loan (discussion follows) were placed in an irrevocable trust under an escrow agreement. The funds were used to pay the outstanding principal and interest on the Series 2017A Bonds on December 1, 2022, and the Series 2017B on December 15, 2022.

Details of the 2022 Loans

A portion of the 2022A-2 Loan (the Initial Advance) was advanced by the Lender to the District on the Closing Date in the amount of $105,000 solely for the purpose of paying costs of issuance of the 2022A-2 Loan. The unfunded portion of the 2022A-2 Loan, equal to the Maximum Advance Amount of $1,400,000 less the Initial Advance, was advanced by the Lender and applied by the District to finance or reimburse a portion of the costs of acquiring, constructing, and installing public improvements.

Unused Lines of Credit

The 2022 Loans do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the 2022 Loans.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Details of the Loans (Continued)

Events of Default

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures.

Termination Events

The 2022 Loans do not have a termination provision.

Acceleration

The 2022 Loans are not subject to acceleration.

The 2022A-1 Loan was issued at the Taxable Fixed Rate of 4.03% per annum. On September 19, 2022, the Tax-Exempt Reissuance Date, the District reissued the 2022A-1 Loan to bear interest at the Tax-Exempt Fixed Rate of 3.64% per annum. The 2022A-2 Loan bears interest at the Tax-Exempt Fixed Rate of 3.64% per annum to maturity.

Interest on the 2022 Loans is payable on each June 1 and December 1, beginning on June 1, 2022. Annual principal payments are due on each December 1, beginning December 1, 2022. Interest not paid when due shall remain due and owing until paid but shall not compound or bear additional interest. The 2022 Loans mature on December 1, 2041.

The 2022 Loans may be prepaid prior to the Maturity Date, at the option of the District, at a prepayment price equal to the sum of the principal amount of the 2022 Loans so prepaid plus accrued interest thereon to the date of such prepayment, with no prepayment fee, as follows: (a) in whole, on or after March 29, 2027; or (b), in part, at any time, from any available revenues of the District other than Pledged Revenues.

Pledged Revenue

The 2022 Loans are secured by and payable solely from and to the extent of Pledged Revenue, which means the moneys derived from the following sources, net of any costs of collection:

(a) the Required Mill Levy;

(b) Specific Ownership Taxes as a result of the imposition of the Required Mill Levy; and

(c) any other legally available moneys which the District determines to apply as Pledged Revenue.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Required Mill Levy

The District has covenanted to levy the "Required Mill Levy," generally meaning:

(a) Prior to the Conversion Date (defined below) an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal and interest on the 2022 Loans, as the same become due and payable, but not in excess of 40 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2016).

(b) On and after the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, without limitation of rate, to pay the principal and interest on the 2022 Loans, as the same become due and payable.

The Conversion Date is the first date on which the Debt to Assessed Ratio is 50% or less. The Debt to Assessed Ratio as of any date of calculation, is the ratio derived by dividing the then-outstanding principal of all debt of the District by the most recent final assessed valuation of the District.

Events of Default

Events of default occur if the District fails to impose the Required Mill Levy or to apply the Pledged Revenue as required by the 2022 Loan Agreement, fails to pay principal and interest on the Notes when due, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Special Revenue Loan Series 2024. The District issued the Loan pursuant to a Loan Agreement between the District and NBH Bank on December 20, 2024, in the amount of $3,805,000 (the 2024 Loan). The 2024 Loan is issued to provide the necessary capital for the District to meet its financial obligations and to fund various capital projects, including the Avion Park Project (See Avion Park Funding Agreement, discussed below).

The 2024 Loan bears an interest rate of 4.820%, with interest payments due semi-annually on June 1 and December 1. Principal payments are due annually on December 1, starting in 2025. The 2024 Loan may be prepaid at any time without a prepayment fee, payments must be made in immediately available funds. The District has created and established the Loan Payment Fund, the Project Fund, and the Mill Levy Stabilization Fund (MLSF). The MLSF requirement is $183,401.

Moneys in the Project Fund are used to pay the costs of the project. Pledged Revenue is transferred to the Loan Payment Fund. This fund is used to pay the principal and interest on the loan. The 2024 Loan is secured by the Mill Levy Stabilization Fund and is funded to the MLSF requirements. The District covenants imposed a mill levy to generate property tax revenues sufficient to fund the Mill Levy Stabilization Fund and pay the Annual Debt Requirements.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The annual debt service requirements on the 2024 Loan are not currently determined since it is payable only from available Pledged Revenue. The District's long-term obligations with respect to the 2022 Loans will mature as follows:

Year Ending December 31,	Principal	Interest (1)	Total
2026	$ 271,000	$ 429,904	$ 700,904
2027	283,000	420,040	703,040
2028	337,000	409,740	746,740
2029	349,000	397,473	746,473
2030	376,000	384,770	760,770
2031-2035	2,193,241	1,704,219	3,897,460
2036-2040	2,840,434	1,259,771	4,100,205
2041-2045	3,481,358	816,940	4,298,298
2046-2047	1,679,573	101,532	1,781,105
Total	$ 11,810,606	$ 5,924,389	$ 17,734,995

(1) Assumes 4.5% rate from 12/01/2041 to maturity.

Authorized Debt

The limit on the District's ability to issue Debt is set forth in its Service Plan as $20,000,000 (the Service Plan Debt Limit). In no event is the District authorized to issue Debt in excess of the Service Plan Debt Limit, except that refunding debt shall not be applied to the Service Plan Debt Limit.

The District's voters have authorized the District to issue Debt in accordance with the Service Plan Debt Issuance Limit.

As of December 31, 2025, the amount of debt authorization remaining within the Service Plan Debt Issuance Limit is $2,566,000.

The issuance of the 2022A-1 Loan did not use any debt authorization because the financing constitutes a refinancing of District bonded debt at a lower interest rate.

NOTE 6 NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets that will be owned by the District, 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 improvements of those assets. As of December 31, 2025, the District's net investment in capital assets was calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 12,357,026
Current Portion of Outstanding Long-Term Obligations	116,885
Outstanding Long-Term Obligations	(5,049,539)
Net Investment in Capital Assets	$ 7,424,372

The restricted component of 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 Reserves	$ 36,200
Debt Service	1,857,913
Total Restricted Net Position	$ 1,894,113

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets. The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 AGREEMENTS

Letter Agreement With William Lyons Homes, Inc.

On September 26, 2023, the District and Developer entered into a Letter Agreement (the "District and Developer Letter Agreement") regarding a park to be installed or constructed on Tract A (the Tract A Park (now known as Amache Prowers Memorial Park)). The District and Developer Letter Agreement recognizes that the Developer had entered into a separate letter agreement with the City (the City Letter Agreement) acknowledging the Developer's obligation to contribute $2,100,000 toward the installation or construction of the Tract A Park (the "Developer Contribution").

Under the District and Developer Letter Agreement, the District agreed to construct or install the Tract A Park, provided that the Developer contributed the Developer Contribution to the District and provided that the City contributed additional funding under a future intergovernmental agreement between the City and District (Avion Park Funding Agreement discussed below).

Pursuant to the District and Developer Letter Agreement, the District and the Developer agree that the Developer Contribution shall be paid to the District as follows:

1. Additional entitlement work related to the real property on Tract A was necessary before installation or construction of the Tract A Park could commence and Developer agreed to forward $100,000 to be used by the District to fund the costs associated with the necessary entitlements.
2. Within fifteen (15) days of the earlier to occur of (i) the full execution of the Avion Park Funding Agreement (discussed below) or (ii) a letter from the City to the Developer and District releasing Developer from the terms of the City Letter Agreement the Developer shall deposit with the District the following:
    a. The amount of $1,900,000 to be contributed towards the Tract A Park project costs; and
    b. The amount of $200,000 to be contributed to the City's public art program as required by the City.

The District and Developer Letter Agreement was amended on October 16, 2024, to acknowledge (i) the City's and District's agreement that construction of the Tract A Park could commence prior to the conveyance of Tract A from the Developer to the District in accordance with the obligations outlined in the Avion Park Funding Agreement (discussed below); and (ii) that the Developer shall forward the remaining Developer Contribution simultaneously with the conveyance of Tract A from the Developer to the District.

Avion Park Funding Agreement

On November 22, 2024, the District, the City and County of Denver ("City"), and William Lyon Homes, Inc. ("Developer") entered into the Avion Park Funding Agreement regarding the construction and funding of the Avion Park to be constructed on Tract A. Under the Avion Park Funding Agreement, the District agreed to construct the Avion Park on Tract A in accordance with City standards and to initially finance the construction with the proceeds of the 2022 Loans and 2024 Loan. The City agreed to reimburse the District for the costs to construct the Avion Park, in an amount not to exceed $4,000,000.

NOTE 7 AGREEMENTS (CONTINUED)

Avion Park Funding Agreement (Continued)

The Developer agreed to convey Tract A to the District, to provide access to Tract A for construction to take place prior to conveyance of Tract A from the Developer to the District, and to provide the Developer Contribution to the District pursuant to a separate agreement between the District and the Developer (Letter Agreement with William Lyon Homes, Inc. described above).

Upon completion and City acceptance of the park improvements, the District will convey Tract A to the City.

The District is required to submit reimbursement requests to the City no more than once per month, and no less than once per year, supported by cost verification reports and proof that construction invoices were paid. The District also has periodic reporting requirements to the City regarding the status of construction.

As of December 31, 2025, the District has received $2,098,778 from the City and County of Denver from reimbursement requests submitted by the District to the City under the Avion Park Funding Agreement.

Gateway Improvement Funding Agreement

The District and the City and County of Denver, Colorado (the City) entered into the Gateway Improvements Funding Agreement (Denver Connection West) dated September 19, 2019 (Gateway IGA). The Gateway IGA recognizes that the District is located within the Gateway Impact Fee Assessment Area (Assessment Area), as defined in the City's Gateway Impact Fee Ordinance 863, Series 2000 (Impact Fee Ordinance). The Impact Fee Ordinance provides for the collection of an Impact Fee to finance regional infrastructure within the Assessment Area.

Under the Gateway IGA, the District intends to exercise its authority to construct, provide for or finance certain regional infrastructure for the Green Valley Ranch Boulevard expansion improvements and the Memphis Street traffic signal improvements (collectively, the Gateway Improvements), both of which are impact fee projects. In 2019, the City reimbursed the District for certain funds expended by the District for constructing the Gateway Improvements in the amount of $1,543,979.67. The City initially accepted the Gateway Improvements in 2019, and accepted responsibility for the operations and maintenance of the Gateway Improvements as of January 1, 2019. The initial acceptance letter from the City provided that the District would be informed in writing of any required repairs to the Gateway Improvements following a three-year warranty period.

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Capital Projects Reserve Fund was done to fund the Capital Projects Reserve Fund. The transfer from Capital Projects Fund to Debt Service Fund was to transfer pledged revenues for the 2024 Loan.

NOTE 9 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, workers' compensation, 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 10 COMMITMENTS AND CONTINGENCIES

Construction Commitments
As of December 31, 2025, the District had unexpended construction related contract commitments of $2,158,042.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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.

At the election on November 8, 2016, voters of the District approved an election question allowing the District to collect and expend each year all revenues without regard to the revenue and spending limitations of TABOR.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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.

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 property tax revenue is limited to a 5.25% increase (10.5% increase over a two year period), 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.

SUPPLEMENTARY INFORMATION

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

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 944,428	$ 944,429	$ 944,429	$ -
Specific Ownership Tax	47,221	45,000	45,086	86
Interest Income	14,000	20,000	28,254	8,254
Total Revenues	1,005,649	1,009,429	1,017,769	8,340
EXPENDITURES				
County Treasurer's Fees	9,444	9,444	9,447	(3)
Paying Agent Fees	6,000	6,000	-	6,000
Loan Interest - Series 2022 A-1	388,388	388,388	388,388	-
Loan Principal - Series 2022 A-1	245,000	245,000	245,000	-
Loan Interest - Series 2022 A-2	50,654	50,654	50,657	(3)
Loan Principal - Series 2022 A-2	6,000	6,000	6,000	-
Loan Interest - Series 2024	-	1,048,589	148,379	900,210
Loan Principal - Series 2024	481,689	333,100	754,348	(421,248)
Contingency	-	12,825	-	12,825
Total Expenditures	1,187,175	2,100,000	1,602,219	497,781
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(181,526)	(1,090,571)	(584,450)	506,121
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	-	900,000	2,098,778	1,198,778
NET CHANGE IN FUND BALANCES	(181,526)	(190,571)	1,514,328	1,704,899
Fund Balances - Beginning of Year	364,927	389,415	389,415	-
FUND BALANCES - END OF YEAR	$ 183,401	$ 198,844	$ 1,903,743	$ 1,704,899

AVION METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 85,000	$ 98,685	$ 13,685
Developer Contribution	1,900,000	-	(1,900,000)
Reimbursed Expenditures	-	2,098,778	2,098,778
Total Revenues	1,985,000	2,197,463	212,463
EXPENDITURES			
Contingency	5,000	-	5,000
District Management	-	7,094	(7,094)
Engineering	50,000	113,586	(63,586)
Legal Services	250,000	3,767	246,233
Parks and Landscaping	5,848,349	2,652,320	3,196,029
Public Art	250,000	-	250,000
Total Expenditures	6,403,349	2,776,767	3,626,582
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,418,349)	(579,304)	3,839,045
OTHER FINANCING SOURCES (USES)			
Transfer to Other Funds	-	(2,098,778)	(2,098,778)
NET CHANGE IN FUND BALANCES	(4,418,349)	(2,678,082)	1,740,267
Fund Balances - Beginning of Year	4,418,349	4,474,479	56,130
FUND BALANCES END OF YEAR	$ -	$ 1,796,397	$ 1,796,397

AVION METROPOLITAN DISTRICT
CAPITAL PROJECTS RESERVE 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			
Interest Income	$ 9,000	$ 9,734	$ 734
Total Revenues	9,000	9,734	734
EXPENDITURES			
Reserve Study	10,000	-	10,000
Total Expenditures	10,000	-	10,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,000)	9,734	10,734
OTHER FINANCING SOURCES (USES)			
Transfer from Other Funds	66,000	66,000	-
NET CHANGE IN FUND BALANCE	65,000	75,734	10,734
Fund Balance - Beginning of Year	227,763	228,832	1,069
FUND BALANCE - END OF YEAR	$ 292,763	$ 304,566	$ 11,803

OTHER INFORMATION

AVION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

	$11,350,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan Series 2022A-1 March 29, 2022 Principal due December 1 Interest Rates 4.03% taxable through 9/17/22, tax-exempt to 12/01/2041 Assumes 4.50% thereafter, Payable June 1 and December 1			$1,400,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan Series 2022A-2 March 29, 2022 Principal due December 1 Interest Rates 3.64% tax exempt through 12/01/2041 Assumes 4.50% thereafter, Payable June 1 and December 1		
Year Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 265,000	$ 379,470	$ 644,470	$ 6,000	$ 50,434	$ 56,434
2027	275,000	369,824	644,824	8,000	50,216	58,216
2028	295,000	359,814	654,814	42,000	49,926	91,926
2029	310,000	349,076	659,076	39,000	48,397	87,397
2030	330,000	337,792	667,792	46,000	46,978	92,978
2031	345,000	325,780	670,780	45,000	45,303	90,303
2032	370,000	313,222	683,222	49,241	43,666	92,907
2033	380,000	299,754	679,754	55,000	41,873	96,873
2034	410,000	285,922	695,922	56,000	39,869	95,869
2035	425,000	270,998	695,998	58,000	37,832	95,832
2036	455,000	255,528	710,528	60,434	35,721	96,155
2037	470,000	238,966	708,966	65,000	33,522	98,522
2038	500,000	221,858	721,858	70,000	31,156	101,156
2039	520,000	203,658	723,658	71,000	28,608	99,608
2040	550,000	184,730	734,730	79,000	26,024	105,024
2041	570,000	164,710	734,710	82,000	23,147	105,147
2042	575,000	177,975	752,975	78,358	24,927	103,285
2043	600,000	152,100	752,100	83,000	21,400	104,400
2044	640,000	125,100	765,100	90,000	17,665	107,665
2045	670,000	96,300	766,300	93,000	13,616	106,616
2046	715,000	66,150	781,150	100,000	9,431	109,431
2047	755,000	22,650	777,650	109,573	3,301	112,874
Total	$ 10,425,000	$ 5,201,377	$ 15,626,377	$ 1,385,606	$ 723,012	$ 2,108,618

AVION METROPOLITAN DISTRICT
SCHEDULE 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	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2021	$ 15,795,120	11.133	44.531	$ 879,219	$ 878,511	99.92 %
2022	18,739,250	44.790	44.531	1,673,809	1,671,378	99.85
2023	17,932,490	46.858	45.767	1,660,997	1,664,717	100.22
2024	20,372,870	53.011	44.477	1,986,110	1,979,225	99.65
2025	20,171,900	55.000	46.819	2,053,883	2,053,886	100.00
Estimated for Year Ending December 31, 2026	$ 20,921,810	55.000	50.694	$ 2,211,310		

NOTES:

Property taxes collected in any one year 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.