HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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YEAR ENDED DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hidden Valley Farm Metropolitan District No. 4
Weld County, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Hidden Valley Farm Metropolitan District No. 4 (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 accompanying financial statements 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, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

The District's 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 one year after the date that the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

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

Prior Period Financial Statements

The financial statements of the District as of December 31, 2024, were audited by other auditors whose report dated September 25, 2025, expressed an unmodified opinion on those statements. Accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or provide 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 other information otherwise appears to be materially misstated. If based on work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

ATLAS CPAs & Advisors PLLC

Colorado Springs, Colorado
June 30, 2026

BASIC FINANCIAL STATEMENTS

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Due from Other Districts	$ 24,219
Property Tax Receivable	1,272,282
Total Assets	1,296,501
LIABILITIES	
Accrued Interest	77,950
Noncurrent Liabilities:	
Due in More Than One Year	17,566,268
Total Liabilities	17,644,218
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1,272,282
Total Deferred Inflows of Resources	1,272,282
NET POSITION	
Unrestricted	(17,619,999)
Total Net Position	$ (17,619,999)

The accompanying notes are an integral part of the Financial Statements.

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 213,695	$ -	$ -	$ -	$ (213,695)
Interest on Long-Term Debt and Related Costs	706,034	-	-	-	(706,034)
Total Governmental Activities	$ 919,729	$ -	$ -	$ -	(919,729)
GENERAL REVENUES					
Property Taxes					1,230,885
Specific Ownership Taxes					49,792
Interest Income					9,026
Total General Revenues					1,289,703
CHANGES IN NET POSITION					369,974
Net Position - Beginning of Year					(17,989,973)
NET POSITION - END OF YEAR					$ (17,619,999)

The accompanying notes are an integral part of the Financial Statements.

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Due from Other Districts	$ -	$ 24,219	$ 24,219
Property Tax Receivable	212,041	1,060,241	1,272,282
Total Assets	$ 212,041	$ 1,084,460	$ 1,296,501
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	$ 212,041	$ 1,060,241	$ 1,272,282
Total Deferred Inflows of Resources	212,041	1,060,241	1,272,282
FUND BALANCES			
Restricted for:			
Debt Service	-	24,219	24,219
Total Fund Balances	-	24,219	24,219
Total Deferred Inflows of Resources and Fund Balances	$ 212,041	$ 1,084,460	
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued Interest			(77,950)
Bonds Payable			(17,566,268)
Net Position of Governmental Activities			$ (17,619,999)

The accompanying notes are an integral part of the Financial Statements.

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	$ 205,137	$ 1,025,748	$ 1,230,885
Specific Ownership Taxes	8,298	41,494	49,792
Interest Income	260	8,766	9,026
Total Revenues	213,695	1,076,008	1,289,703
EXPENDITURES			
Current:			
County Treasurer's Fee	3,081	15,406	18,487
Intergovernmental Expenditures	210,614	-	210,614
Debt Service:			
Bond Interest	-	1,030,667	1,030,667
Bond Principal	-	20,575	20,575
Total Expenditures	213,695	1,066,648	1,280,343
NET CHANGE IN FUND BALANCES	-	9,360	9,360
Fund Balances - Beginning of Year	-	14,859	14,859
FUND BALANCES - END OF YEAR	$ -	$ 24,219	$ 24,219

The accompanying notes are an integral part of the Financial Statements.

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 9,360
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Bond Principal	20,575
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable - Change in Liability	340,039
Changes in Net Position of Governmental Activities	$ 369,974

The accompanying notes are an integral part of the Financial Statements.

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 204,836	$ 205,137	$ 301
Specific Ownership Taxes	8,193	8,298	105
Interest Income	-	260	260
Other Revenue	6,971	-	(6,971)
Total Revenues	220,000	213,695	(6,305)
EXPENDITURES			
County Treasurer's Fee	3,073	3,081	(8)
Intergovernmental Expenditures	209,956	210,614	(658)
Contingency	6,971	-	6,971
Total Expenditures	220,000	213,695	6,305
NET CHANGE IN FUND BALANCES	-	-	-
Fund Balances - Beginning of Year	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ -	$ -

The accompanying notes are an integral part of the Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Hidden Valley Farm Metropolitan District No. 4 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, which was organized by order and decree of the Weld County District Court on January 8, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes) and the service plan approved by the Town of Severance, Colorado on August 26, 2013. The District, along with Hidden Valley Farm Metropolitan District Nos. 2 and 3, operate as the Financing Districts along with Hidden Valley Farm Metropolitan District No. 1 serving as the Coordinating District. The Districts' service area is located in the Town of Severance within Weld County (the County), Colorado.

The Districts were established to provide financing for the construction, installation, and operation of public improvements, including water, sanitation, streets, safety protections, storm drainage, covenant enforcement and design review services, and parks and recreation facilities.

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

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

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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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 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.

Separate financial statements are provided for the 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 property taxes. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

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 inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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 CASH EQUIVALENTS AND INVESTMENTS

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.

As of December 31, 2025, the District had no cash deposits.

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 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.

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

NOTE 4 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
Bonds Payable:					
Series 2020 - Limited Tax:					
General Obligation Bonds	$ 17,586,843	$ -	$ 20,575	$ 17,566,268	$ -
Total Long-Term Obligations	$ 17,586,843	$ -	$ 20,575	$ 17,566,268	$ -

$17,586,843 Limited Tax General Obligation Bonds, Series 2020

The Supplemental Indenture authorized the District to issue Limited Tax General Obligation Bonds, Series 2020 (Series 2020 Bonds) in the par amount of $17,586,843. The Series 2020 Bonds will be issued on a "drawdown" basis, so that advances of the purchase price of the Series 2020 Bonds will be made by the Bond Purchaser to the Trustee in multiple installments in accordance with the terms and provisions of the Supplemental Indenture.

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

$17,586,843 Limited Tax General Obligation Bonds, Series 2020 (Continued)

The initial drawdown amount on the closing date of July 1, 2020 was $9,156,843. On May 31, 2023, the District completed a drawdown of the remaining amount of $8,430,000. The Series 2020 Bonds were issued for the purposes of financing certain Public Improvements related to the Development. The Series 2020 Bonds bear interest at the rate of 5.325% per annum and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Series 2020 Bonds prior to their maturity date of December 1, 2059. Instead, interest is payable on June 1 and December 1, commencing December 1, 2020, until the principal amount of the Series 2020 Bonds is paid. To the extent interest on the Series 2020 Bonds is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Series 2020 Bonds.

The Series 2020 Bonds are subject to redemption prior to maturity, at the option of the District, on any business day on and after December 1, 2030 at a redemption price equal to the principal amount of the Series 2020 Bonds called for redemption plus accrued interest to such date. The Series 2020 Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue.

The outstanding principal and interest due on the Bonds are not currently determinable since the Bonds are paid from cash flows when drawn down. Because of the uncertainty of the timing of the principal and interest payments on the Series 2020 Bonds, no schedule of principal and interest payments is presented.

Authorized Debt

On November 5, 2013 a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $640,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2025, the District has authorized but unissued indebtedness of $630,843,157.

As set forth in the District’s 2013 Operating Plan, the City has limited the amount of debt to be issued by the District to a total of $40,000,000 without future approval by the County. The District may levy up to 50.000 mills for debt service and up to 10.000 mills for general operations and administrative expenses due to the ongoing operations and maintenance to be undertaken by the District. At December 31, 2025, the District has $22,413,157 remaining of authorized but unissued debt.

NOTE 5 FACILITIES FEES

The District adopted a resolution imposing facilities fees on the property within the District in the amount of $1,500 for lots. Facilities fees are due at the earlier occurrence of the issuance of a building permit or the sale or transfer of ownership of a platted lot to a third party. During the year ended December 31, 2025, the District did not receive any facilities fees.

NOTE 6 NET POSITION

The District has net position consisting of one component – unrestricted.

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of debt obligations.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District are Eagle Development Company and Tralon Homes, LLC, and Affirmed Financial Services, LLC. The members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS

Master Intergovernmental Agreement (IGA)

On November 30, 2017, the District entered into a Master Intergovernmental Agreement (IGA) with Hidden Valley Metropolitan District Nos. 1, 2, and 3. The IGA provides that the District No. 1 will serve as the service district and will be responsible for managing the construction and operation of the facilities and improvements for the Districts. District Nos. 2-4 will serve as the financing districts and are responsible for providing the funding and tax base needed to support the capital improvements. For the year ended December 31, 2025, the District transferred $210,614 to fund the operations and maintenance provided by District No. 1.

Capital Pledge Agreement

On December 28, 2018, the District entered into a Capital Pledge Agreement (Agreement) with Hidden Valley Metropolitan District Nos. 1, 2, and 3. The Agreement provides that District No. 1 will serve as the service district and will be responsible for managing the construction and operation of the facilities and improvements for the Districts. The District along with District Nos. 2 and 3 will serve as the financing districts and are responsible for providing the funding and tax base needed to support the capital improvements. For the year ended December 31, 2025, the District did not transfer any infrastructure costs to District No. 1.

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 (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 property liability. 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 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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 has not provided for an emergency reserve fund equal to 3% fiscal year spending, as defined under TABOR, because net tax revenue is transferred to District No. 1, which provides for the required reserve amount.

On November 5, 2013, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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

Annual operating 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.

NOTE 11 SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated transactions for potential disclosure through June 30, 2026, the date the financial statements were available to be issued. Management has determined there are no events that have occurred subsequent to December 31, 2025 that would require disclosure.

SUPPLEMENTARY INFORMATION

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 1,024,243	$ 1,025,748	$ 1,505
Specific Ownership Taxes	40,970	41,494	524
Interest Income	11,000	8,766	(2,234)
Total Revenues	1,076,213	1,076,008	(205)
EXPENDITURES			
County Treasurer's Fee	15,364	15,406	(42)
Bond Interest	1,055,433	1,030,667	24,766
Bond Principal	-	20,575	(20,575)
Contingency	9,203	-	9,203
Total Expenditures	1,080,000	1,066,648	13,352
NET CHANGE IN FUND BALANCES	(3,787)	9,360	13,147
Fund Balances - Beginning of Year	10,399	14,859	4,460
FUND BALANCES - END OF YEAR	$ 6,612	$ 24,219	$ 17,607

OTHER INFORMATION

HIDDEN VALLEY FARM METROPOLITAN DISTRICT NO. 4
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

			Total Mills Levied			Total Property Taxes		
Year Ended December 31,	Assessed Valuation	Percent Change	General Operations	Debt Service	Total	Levied	Collected	Percent Collected to Levied
2020/2021	$ 4,746,270	31.1%	10.363	51.817	62.180	$ 295,123	$ 295,114	100.00 %
2021/2022	6,567,110	38.4%	10.721	53.604	64.325	422,429	422,430	100.00 %
2022/2023	9,922,620	51.1%	11.018	55.090	66.108	655,965	644,964	98.32 %
2023/2024	13,760,670	38.7%	12.390	61.952	74.342	1,022,996	1,028,071	100.50 %
2024/2025	15,992,810	16.2%	12.808	64.044	76.852	1,229,079	1,230,885	100.15 %
Estimated for Year Ending December 31, 2026	$ 17,169,330	7.4%	12.350	61.752	74.102	$ 1,272,282		

NOTE: Property taxes shown as collected in any one year include collection of delinquent abatements of property taxes assessed in prior years.This presentation does not attempt to specific years of assessments.