Elevation Park Metropolitan District

Financial Statements

December 31, 2025

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McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Elevation Park Metropolitan District
Durango, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Elevation Park Metropolitan District (the “District”), as of and for the year ended December 31, 2025, which collectively comprise the District’s basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

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 thereof and the respective budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“U.S. 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 opinions.

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 U.S. GAAP, 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 issued.

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 U.S. 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 U.S. 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

U.S. GAAP require that the Management's Discussion and Analysis in Section B 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 Management's Discussion and Analysis in Section B in accordance with U.S. GAAS, 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.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Elevation Park Metropolitan District
Durango, Colorado

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 16, 2026

Elevation Park Metropolitan District

Management's Discussion and Analysis
December 31, 2025

As management of Elevation Park Metropolitan District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

Financial Highlights

- The liabilities and deferred inflows of resources exceeded its assets of the District by $3,883,492 (net position) at the close of the most recent fiscal year end.
- The District's total net position decreased by $117,522.
- At the end of the current fiscal year, total fund balance for the General Fund was $1,748. The General Fund provides administrative functions for the District.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: Government-wide financial statements, Fund financial statements, and Notes to the Financial Statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activity of the District is to support public infrastructure of a residential planned development. There are currently no business-type activities of the District.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District accounts for its administrative costs in the General Fund and debt service costs in the Debt Service Fund.

Overview of the Financial Statements (continued)

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on in Section D of this report.

Government-wide Financial Analysis:

Elevation Park Metropolitan District's Condensed Statement of Net Position

	2025	2024
Assets:		
Current and other assets	$ 450,292	$ 440,104
Total Assets	450,292	440,104
Liabilities:		
Current liabilities	12,529	11,353
Long-Term obligations:		
Due within one year	35,000	-
Due in More than One Year	4,147,806	3,969,542
Total Liabilities	4,195,335	3,980,895
Deferred Inflows of Resources:		
Unavailable property taxes	138,449	99,100
Total Deferred Inflows of Revenue	138,449	99,100
Net Position:		
Restricted	217,643	858
Unrestricted	(4,101,135)	(3,766,828)
Total Net Position	$ (3,883,492)	$ (3,765,970)

Three percent of the governmental activities fiscal year revenue is restricted for use in the event of an emergency. Cash held with a bond trustee for debt service is restricted for debt service.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis (continued)

Elevation Park Metropolitan District's Condensed Statement of Activities

	2025	2024
Revenues:		
General Revenues:		
Property taxes	$ 103,719	$ 100,326
Specific ownership taxes	9,475	9,009
Interest earnings	13,890	16,922
Program Revenues		
Capital grants and contributions	10,000	20,000
Total Revenues	137,084	146,257
Expenses:		
General government	43,518	31,426
Interest expense	211,088	222,297
Total Expenses	254,606	253,723
Change in Net Position	(117,522)	(107,466)
Beginning Net Position	(3,765,970)	(3,658,504)
Ending Net Position	$ (3,883,492)	$ (3,765,970)

During 2025, approximately 76% of the District's revenue was from property taxes. In 2025, revenues increased $3,393 due to increases in assessed property valuations, and development fees decreased $10,000 due to less units sold in 2025 than the prior year.

Overall expenses of the District remained flat compared to the prior year.

Financial Analysis of the District's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District showed the following in its General Fund for the years 2024 and 2025:

The District's General Fund's balance was $1,748. General Fund expenditures, including other financing uses, were $39,287. The District's General Fund expenditures consist primarily of administration services such as accounting, auditing, and legal fees, as well as election expenses. Property taxes make up the largest source of revenue for the District.

Financial Analysis of the District's Funds (continued)

Budget variances in the General Fund: There were no significant budget variances in the General Fund in 2025.

Long-Term Debt Obligations: The District issued bonds in 2021 in the amount of $2,455,000. The District began paying principal payments in 2025. The District also has operating and capital developer advances in order to fund infrastructure and administrative needs. Additional information can be found in the Notes to the Financial Statements in Section D of this report.

Next year's budget and rates: The District's 2026 budget anticipates a December 31, 2026 ending fund balance of $1,603.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Elevation Park Metropolitan District, Elevation Drive, Durango, CO 81303 or you may call 970-508-0596.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Elevation Park Metropolitan District
Statement of Net Position
December 31, 2025

Assets:	
Cash and investments	92,563
Restricted cash and investments	216,490
Due from County Treasurer	668
Property taxes receivable	138,449
Prepaid expenses	2,122
Total Assets	450,292
Liabilities:	
Current liabilities:	
Accounts payable	3,888
Accrued interest	8,641
Non-current liabilities:	
Developer Advances	1,742,806
Bonds payable - due within one year	35,000
Bonds payable - due in more than one year	2,405,000
Total Liabilities	4,195,335
Deferred Inflows of Resources:	
Property tax revenue	138,449
Total Deferred Inflows of Resources	138,449
Net Position:	
Restricted for debt service	216,490
Restricted for emergencies	1,153
Unrestricted	(4,101,135)
Total Net Position	(3,883,492)

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

Elevation Park Metropolitan District
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Functions/Programs:					
Governmental activities:					
General government	43,518	-	-	10,000	(33,518)
Interest	211,088	-	-	-	(211,088)
Total primary government	254,606	-	-	10,000	(244,606)
General revenues:					
Taxes:					
Property tax					103,719
Specific ownership tax					9,475
Interest income					13,890
Total General Revenues					127,084
Change in Net Position					(117,522)
Net Position - Beginning					(3,765,970)
Net Position - Ending					(3,883,492)

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

FUND FINANCIAL STATEMENTS

Elevation Park Metropolitan District
Balance Sheet
Governmental Funds
December 31, 2025

	General	Debt Service	Total Governmental Funds
Assets:			
Cash and investments	3,345	89,218	92,563
Restricted cash and investments	-	216,490	216,490
Due from County Treasurer	169	499	668
Property taxes receivable	33,555	104,894	138,449
Prepaid expenditures	2,122	-	2,122
Total Assets	39,191	411,101	450,292
Liabilities:			
Accounts payable	3,888	-	3,888
Total Liabilities	3,888	-	3,888
Deferred Inflows of Resources:			
Unavailable property tax revenue	33,555	104,894	138,449
Total Deferred Inflows of Resources	33,555	104,894	138,449
Fund Balances:			
Nonspendable	2,122	-	2,122
Restricted for debt service	-	306,207	306,207
Restricted for emergencies	1,153	-	1,153
Unassigned	(1,527)	-	(1,527)
Total Fund Balances	1,748	306,207	307,955
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	39,191	411,101	450,292

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

Elevation Park Metropolitan District
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2025

Governmental Funds Total Fund Balance		307,955
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of District long-term liabilities. Details of these amounts are as follows:		
Bonds payable	(2,440,000)	
Developer advances	(1,742,806)	
Accrued interest payable	(8,641)	
		(4,191,447)
Net Position of Governmental Activities		(3,883,492)

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

Elevation Park Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Debt Service	Total Governmental Funds
Revenues:			
Property and specific ownership taxes	28,697	84,497	113,194
Developer impact fee	-	10,000	10,000
Interest	-	13,890	13,890
Total Revenues	28,697	108,387	137,084
Expenditures:			
General government:			
Treasurer fees	789	2,323	3,112
Accounting	6,572	-	6,572
Audit fee	5,250	-	5,250
Insurance and bonds	2,118	-	2,118
Legal fees	14,723	-	14,723
Elections	8,139	-	8,139
Other	854	2,750	3,604
Debt service			
Principal	-	15,000	15,000
Interest	-	104,338	104,338
Total Expenditures	38,445	124,411	162,856
Net Change in Fund Balances	(9,748)	(16,024)	(25,772)
Fund Balances - Beginning of Year	11,496	322,231	333,727
Fund Balances - End of Year	1,748	306,207	307,955

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

Elevation Park Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances for total governmental funds		(25,772)
The repayment of the principal of long-term debt consumes current financial resources of governmental funds. This transaction, however, has no effect on net position.		
Principal repayments - Bonds payable	15,000	
		15,000
The change in accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.		(106,750)
Change in Net Position of Governmental Activities		(117,522)

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

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

Elevation Park Metropolitan District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under an Amended Order and Decree of the La Plata County District Court dated December 4, 2019, and recorded in the records of the La Plata County Clerk and Recorder on December 5, 2019. Formation of the District was preceded by the approval by the Board of County Commissioners of La Plata County, Colorado of a Service Plan dated July 2, 2019. The District is being developed in two phases. When complete, the District will have 40 single family detached homes, 14 townhomes and 84 apartment units, complete with a community park with dog park. The infrastructure for Phase I was completed in 2019. At the end of 2025, phase 1 of Elevation Park had 28 single family homes completed and sold, 6 single family residences permitted and under construction, and 3 single family vacant lots. It also had 14 townhome units permitted and under construction, with none sold. One of the single family homes under construction was by a builder other than the developer. Phase 2 infrastructure was approved in August 2025 and was under contract and had commenced work by year-end. The District has no employees and all operations and administrative functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including the City.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

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

B. Government-wide and Fund Financial Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, all balances are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide focus is on the sustainability of the District as an entity and the change in the District’s net position resulting from the current year’s activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following governmental funds:

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

The *Debt Service Fund* accounts for the payment of principal and interest on the District's long-term liabilities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and interest income.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

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

Investments are stated at net asset value. The change in value of investments is recognized as an increase or decrease to investment assets and investment income.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. There was no allowance as of December 31, 2025.

3. Property Taxes

Property taxes are levied by the Board. 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 are recorded initially as deferred inflows of resources in the year they are levied and measurable. The property tax revenue is recorded as revenue in the year they are available or collected.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability. Bond premiums are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium.

5. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable property tax revenue is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

6. Fund Balance

Net position is reported in the governmental activities and is classified as restricted or unrestricted. Restrictions of net position represent amounts that are not available for appropriation or are legally restricted. As of December 31, 2025, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board.

Assigned – amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the General Fund.

Unassigned - represents the residual classification for the District’s General Fund and could report a surplus or deficit.

E. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Local Government Budget Law of Colorado. The budgets for the funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

As required by Colorado statutes, the District followed the following timetable in approving and enacting a budget for 2025:

(1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2024, the County Assessor sent the final recertified assessed valuation to the District.
(2) On or before October 15, 2024, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
(3) A public hearing on the proposed budget and capital program was held by the Board no later than 45 days prior to the close of the fiscal year.
(4) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
(5) For the 2025 budget, the final budget and appropriating resolution was adopted prior to December 31, 2024.

After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) it may approve emergency appropriations; and d) it may reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

C. TABOR Amendment

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.

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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. As of December The District has reserved $1,153 .

On November 5, 2019, the District's voters approved the retention of all property taxes and all other District revenue in 2020 and annually thereafter without limitation under TABOR or other laws. The

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.

III. Detailed Notes on all Funds

A. Deposits and Investments

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

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

III. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

Interest Rate Risk. The District limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the District avoids interest rate risk.

Credit Risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District's general investment policy is to apply the prudent-person rule; prudence and protection of District funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy.

Concentration of Credit Risk. The District invests most fund in 2a7-like pools and thus avoids the concentration of credit risk.

	Standard & Poors Rating	Carrying Amounts	Term to Maturity: Less than one year	Term to Maturity: More than one year
Deposits:				
Checking and savings	Not rated	3,345	3,345	-
Investments:				
Colotrust	AAAm	89,218	89,218	-
Money market funds	AAAm	216,490	216,490	-
		309,053	309,053	-
Consists of:				
Restricted		216,490		
Unrestricted		92,563		
		309,053		

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2025, the District had the following recurring fair value measurements:

Investments Measured at Net Asset Value	Total
Colotrust	89,218

III. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

The investment pool Colotrust represents an investment in the Colorado Government Liquid Asset Trust (the “Trust”) which is a 2a7-like pool. The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to $1.00. Investments consist of U.S. Treasury bills, notes strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The District also invests in State Street Institutional Treasury money markets funds in cash accounts restricted for debt service. State Street invests in U.S. Treasury bills, notes and bonds. It stresses maintaining a stable $1.00 NAV. State Street has no unfunded commitments, redemption restrictions or redemption notice periods. State Street is rated AAAm by S&P Fund Ratings, Aaa-mf by Moodys and AAAmmf by Fitch Fund Ratings.

B. Long-term Obligations

The District had the following long-term debt outstanding during the fiscal year:

1. Developer Advances

Effective January 1, 2020, the District entered into a funding and reimbursement agreement with Woodbridge Durango, LLC (the "Developer"), pursuant to which the Developer agreed to advance the District for eligible costs as defined by the District. The developer advances under the agreement carry interest an annual rate of the published Wall Street Journal prime rate plus two percent per annum. Total accrued interest payable on the advances were $627,204 at year end.

2. Series 2021 Bonds

The District issued the 2021 Limited Tax General Obligation Bonds on September 16, 2021 for an amount of $2,455,000. The bonds will mature on December 1, 2051 and bear interest at a rate of 4.25% payable semiannually June 1 and December1. Principal payments are due on December 1 of each year beginning on December 1, 2025.

III. Detailed Notes on all Funds (continued)

B. Long-term Obligations (continued)

2. Series 2021 Bonds (continued)

The following summarizes the debt services requirements to maturity for the Series 2021 Bonds:

Year Ending December 31,	Principal	Interest	Total
2026	35,000	103,700	138,700
2027	40,000	102,213	142,213
2028	45,000	100,513	145,513
2029	45,000	98,600	143,600
2030	50,000	96,688	146,688
2031 - 2035	310,000	447,950	757,950
2036 - 2040	425,000	372,938	797,938
2041 - 2045	570,000	270,725	840,725
2046 - 2050	745,000	135,363	880,363
2051	175,000	7,438	182,438
Total	2,440,000	1,736,128	4,176,128

3. Authorized but Unissued Debt

On November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $5,000,000 at an interest rate not to exceed 12% per annum. As of December 31, 2025, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

	Total Authorized	Remaining at December 31, 2025
Street improvements	5,000,000	3,634,024
Traffic and safety controls	5,000,000	4,932,993
Park and recreation facilities	5,000,000	4,922,198
Water supply improvements	5,000,000	4,533,647
Sanitary sewer system	5,000,000	4,522,138
Operations and maintenance	5,000,000	5,000,000
Intergovernmental agreements	5,000,000	5,000,000
Debt refunding	5,000,000	5,000,000
	40,000,000	37,545,000

III. Detailed Notes on all Funds (continued)

B. Long-term Obligations (continued)

The District had the following changes in long-term debt for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Limited					
Tax Bonds:					
Series 2021	2,455,000	-	(15,000)	2,440,000	35,000
Developer advances - operating	107,633	-	-	107,633	-
Accrued interest payable	26,630	10,225	-	36,855	
Developer advances - capital	1,016,610	-	-	1,016,610	-
Accrued interest payable	485,130	96,578	-	581,708	
	4,091,003	106,803	(15,000)	4,182,806	35,000

IV. Other Information

A. Related Parties

Two members of the Board of Directors are affiliated with the Developer. Information on developer advances and accrued interest balances are described in Note B. The other two Board members are qualified to serve on the Board as owner/residents in the District. Three members of the Board are members of the Homeowners Association.

B. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and general liability. The District is a member of the Colorado Special District Property and Liability Pool ("Pool") for property and liability insurance. The Pool was formed by an intergovernmental agreement to provide public officials, property, general and automobile liability coverage for claims up to $1,000,000, except if the claim falls within the government immunity statute, then the coverage is $150,000 per person and a $600,000 aggregate claim. The Pool is reinsured for 80% of the first $250,000 of all claims and 100% for claims in excess of $250,000. The District may be required to make additional contributions in the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts. 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. Any settled claims are not expected to exceed coverage. A summary of audited statutory basis financial information for the Pool can be found here: https://www.csdpool.org/financials

REQUIRED SUPPLEMENTARY INFORMATION

Elevation Park Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds - General Fund
For the Year Ended December 31, 2025

	2025			
	Original Budget	**Final Budget**	**Actual**	**Final Budget Variance Positive (Negative)**
Revenues:				
Property taxes	26,295	26,295	26,295	-
Specific ownership taxes	1,800	1,800	2,402	602
Total Revenues	28,095	28,095	28,697	602
Expenditures:				
General government:				
Treasurer fees	789	789	789	-
Accounting	7,000	7,000	6,572	428
Audit fee	5,250	5,250	5,250	-
Insurance and bonds	2,200	2,118	2,118	-
Legal fees	15,000	15,000	14,723	277
Elections	1,500	8,139	8,139	-
Other	600	991	854	137
Contingency	2,350	-	-	-
Total Expenditures	34,689	39,287	38,445	842
Excess (Deficiency) of Revenues over Expenditures	(6,594)	(11,192)	(9,748)	1,444
Other Financing Sources (Uses):				
Developer advance	5,000	-	-	-
Total Other Financing (Uses)	5,000	-	-	-
Net Change in Fund Balance	(1,594)	(11,192)	(9,748)	1,444
Fund Balance - Beginning of Year	5,788	11,497	11,496	(1)
Fund Balance - Ending	4,194	305	1,748	1,443

Elevation Park Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds - Debt Service Fund
For the Year Ended December 31, 2025

	2025		
	Original and Final Budget	**Actual**	**Final Budget Variance Positive (Negative)**
Revenues:			
Property taxes	77,424	77,424	-
Specific ownership taxes	5,200	7,073	1,873
Developer impact fees	24,000	10,000	(14,000)
Interest	14,000	13,890	(110)
Total Revenues	120,624	108,387	(12,237)
Expenditures:			
General government:			
Treasurer fees	2,323	2,323	-
Other	4,000	2,750	1,250
Debt service:			
Principal	15,000	15,000	-
Interest	104,338	104,338	-
Total Expenditures	125,661	124,411	1,250
Net Change in Fund Balance	(5,037)	(16,024)	(10,987)
Fund Balance - Beginning of Year	318,334	322,231	3,897
Fund Balance - End of Year	313,297	306,207	(7,090)