EAST BEND METROPOLITAN DISTRICT

Arapahoe County, Colorado

FINANCIAL STATEMENTS

With Independent Auditors' Report

December 31, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
East Bend Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of East Bend 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 accompanying 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 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 Auditors' 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.

Emphasis of Matter – Correction of an Error

As described in Note 11 to the financial statements, the District identified errors in previously issued financial statements related to understated accrued interest and overstated capital assets. Accordingly, beginning net position of governmental activities has been restated as of January 1, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules for the General and Special Revenue Funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 an opinion on the financial statements that collectively comprise the District's financial statements. The supplemental information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, as listed in the table of contents, included in the report. 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.

Sincerely,



Littleton, Colorado
September 10, 2026

BASIC FINANCIAL STATEMENTS

EAST BEND METROPOLITAN DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
December 31, 2025

	Governmental Activities
ASSETS	
Cash and investments - unrestricted	$ 6,492
Cash and investments - restricted	2,123
Accounts receivable	66,132
Due from other funds	9,225
Property taxes receivable	220,601
County treasurer receivable	980
Prepaid expenditures	7,534
Capital assets, net of accumulated depreciation	2,758,255
Total assets	3,071,342
LIABILITIES	
Accounts payable	22,357
Due to City of Aurora	7,412
Due to other funds	9,225
Accrued interest payable	675,461
Noncurrent liabilities:	
Due in more than one year	3,454,225
Total liabilities	4,168,680
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	220,601
Total deferred inflows of resources	220,601
NET POSITION (DEFICIT)	
Restricted for:	
Emergency reserves	2,700
Unrestricted	(1,320,639)
Total net position (deficit)	$ (1,317,939)

See accompanying Notes to Basic Financial Statements.

EAST BEND 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 (Expense) Revenue and Change in Net Position: Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 205,208	$ 190,467	$ -	$ -	$ (14,741)
Depreciation	180,964	-	-	-	(180,964)
Interest and expenses on long-term debt	270,105	-	-	-	(270,105)
	$ 656,277	$ 190,467	$ -	-	(465,810)
General revenues:					
Property taxes					205,091
Property taxes - ARI					3,305
Specific ownership taxes					11,327
Interest					2,677
Total general revenues					222,400
Change in net position					(243,410)
Net position (deficit) - beginning of year, restated					(1,074,529)
Net position (deficit) - end of year					$ (1,317,939)

See the accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS				
Cash and investments - unrestricted	$ 6,492	$ -	$ -	$ 6,492
Cash and investments - restricted	-	-	2,123	2,123
Accounts receivable	-	66,132	-	66,132
Due from other funds	9,225	-	-	9,225
County treasurer receivable	203	-	777	980
Property taxes receivable	44,506	-	176,095	220,601
Prepaid expenditures	7,534	-	-	7,534
Total assets	$ 67,960	$ 66,132	$ 178,995	$ 313,087
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	16,042	6,315	-	22,357
Due to other funds	-	9,225	-	9,225
Due to City of Aurora	7,412	-	-	7,412
Total liabilities	23,454	15,540	-	38,994
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	44,506	-	176,095	220,601
Total deferred inflows of resources	44,506	-	176,095	220,601
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	7,534	-	-	7,534
Restricted:				
Emergency reserves	2,700	-	-	2,700
Debt service	-	-	2,900	2,900
Capital projects	-	50,592	-	50,592
Unassigned	(10,234)	-	-	(10,234)
Total fund balances	-	50,592	2,900	53,492
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 67,960	$ 66,132	$ 178,995	
Amounts reported for governmental activities in the statement of net position (deficit) are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				2,758,255
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds:				
Bonds payable				(2,600,000)
Accrued interest payable - bonds				(439,682)
Developer advances payable				(854,225)
Accrued interest payable -developer advances				(235,779)
Net position (deficit) of governmental activities				$ (1,317,939)

See the accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General	Special Revenue	Debt Service	Total Governmental Funds
REVENUES				
Annual district fees	$ -	$ 190,467	$ -	$ 190,467
Property taxes	39,817	-	165,274	205,091
Property taxes - ARI	3,305	-	-	3,305
Specific ownership taxes	2,344	-	8,983	11,327
Interest	-	-	2,677	2,677
Total revenues	45,466	190,467	176,934	412,867
EXPENDITURES				
General and Administrative:				
Accounting	32,987	-	-	32,987
Audit	7,600	-	-	7,600
County teasurer's fee	645	-	2,481	3,126
Dues and mmbership	432	-	-	432
ARI payment	3,255	-	-	3,255
Election	1,290	-	-	1,290
Engineering	7,376	-	-	7,376
Insurance	6,552	-	-	6,552
Legal	26,916	-	-	26,916
Miscellaneous	188	-	-	188
Website	-	4,920	-	4,920
Operations and Maintenance:				
District management	-	42,864	-	42,864
Billing services	-	10,372	-	10,372
Covenant control	-	1,703	-	1,703
Irrigation repairs	-	4,634	-	4,634
Landscape maintenance	-	14,010	-	14,010
Maintenance & repairs	-	8,563	-	8,563
Plant material replacements	-	13,397	-	13,397
Snow removal - streets	-	14,259	-	14,259
Utilities	-	3,245	-	3,245
Debt Service				
Loan interest	-	-	169,000	169,000
Paying agent fees	-	-	4,057	4,057
Total expenditures	87,241	117,967	175,538	380,746
EXCESS OF EXPENDITURES OVER REVENUES	(41,775)	72,500	1,396	32,121
OTHER FINANCING SOURCES				
Developer advances	5,000	-	-	5,000
Transfer from other funds	49,796	(49,796)	-	-
Total other financing sources	54,796	(49,796)	-	5,000
NET CHANGE IN FUND BALANCES	13,021	22,704	1,396	37,121
FUND BALANCES (DEFICIT)- BEGINNING OF YEAR	(13,021)	27,888	1,504	16,371
FUND BALANCES - END OF YEAR	$ -	$ 50,592	$ 2,900	$ 53,492

See accompanying Notes to Basis Financial Statements.

EAST BEND 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

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

Net change in fund balance - Total governmental funds		$ 37,121
Long-term debt (e.g., issuance of bonds, the receipt of developer advances) 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 position.		
Developer advances - operations		(5,000)
Capital assets costs are capitalized over the estimated useful life and depreciated over their estimated useful lives as annual depreciation.		
Depreciation expense		(180,964)
Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:		
Accrued interest on bonds - change in liability	(26,264)	
Accrued interest on developer advance - change in liability	(68,303)	(94,567)
Change in net position of governmental activities		$ (243,410)

See the accompanying Notes to Basic Financial Statements .

EAST BEND METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - DEFINITION OF REPORTING ENTITY

East Bend Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the Arapahoe County District Court on December 2, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statues). The District operates under a Service Plan approved by the City of Aurora (City) on August 9, 2021. The District's service area is located in the City, Arapahoe County (County), Colorado. The District was established to provide the following services: streets, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements, irrigation system improvements, and all necessary equipment and appurtenances.

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 District organization nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The Special Revenue Fund is used to account for Annual District Fees earned and expenditures incurred in connection with the operations and maintenance of District facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Budgets

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

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 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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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.

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. The revenue continues to be recognized when earned in the government-wide statements. 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.

EquityNet 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 Balances – Governmental Funds

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 purpose for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned, and unassigned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Because circumstances differ among governments, not every government or every government fund will resent all of these components. The following classifications describe the relative strength of the spending constraints:

Non-spendable Fund Balance - the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

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

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

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

Unassigned Fund Balance - amounts that are available for any purpose.

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 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 – unrestricted	$ 6,492
Cash and investments – restricted	2,123
Total cash and investments	$ 8,615

Cash and investments as of December 31, 2025, consist of the following:	
Deposits with financial institutions	$ 8,563
Investments	52
Total cash and investments	$ 8,615

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

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 equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, the District's cash deposits had a bank balance of $10,859 and carrying balance of $8,563.

Investments
The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer, however, the District invests primarily in local government investment pools, which are not subject to concentration of credit risk.

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

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

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The District generally limits its concentration of investments to those noted with an asterisk (*) above, 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 disclosure requirements or subject to investment custodial risk 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.

As of December 31, 2025, the District had the following investment:

Investment	Maturity	Carrying Value
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	$ 52
		$ 52

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

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. 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 approximately 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 is AAAm

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

by Standard and Poor's. COLOTRUST records its investments 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.

The District held all its investments in the COLOTRUST PLUS+ portfolio.

NOTE 4 – CAPITAL ASSETS

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

Governmental Activities	Balance December 31, 2024 Restated	Increases	Decreases	Balance December 31, 2025
Capital assets, being depreciated:				
Water distribution system	$ 312,557	$ -	$ -	$ 312,557
Sanitary sewer improvements	230,459	-	-	230,459
Storm sewer improvements	268,444	-	-	268,444
Roadway improvements	1,925,414	-	-	1,925,414
Parks & Rec Improvements	383,309	-	-	383,309
Total capital assets being depreciated	3,120,183	-	-	3,120,183
Less accumulated depreciation	(180,964)	(180,964)	-	(361,928)
Total capital assets being depreciated, net	2,939,219	(180,964)	-	2,758,255
Total capital assets, general government	$ 2,939,219	$ (180,964)	$ -	$ 2,758,255

NOTE 5 - LONG-TERM OBLIGATIONS

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

	Balance December 31, 2024	Additions	Retirements/ Adjustments	Balance December 31, 2025	Due Within One Year
Bonded debt:					
General Obligation Bonds, Series 2022	$ 2,600,000	$ -	$ -	$ 2,600,000	$ -
	2,600,000	-	-	2,600,000	-
Other long-term liabilities					
Developer advances					
Operations and maintenance	100,071	5,000	-	105,071	-
Capital improvements	749,154	-	-	749,154	-
Total other long-term liabilities	849,225	5,000	-	854,225	-
Total	$ 3,449,225	$ 5,000	$ -	$ 3,454,225	$ -

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

Limited Tax General Obligation Bonds

Limited Tax General Obligation Bonds, Series 2022 (the Bonds) were issued as a single term bond on June 14, 2022, in the amount of $2,600,000, maturing on December 1, 2052. Proceeds from the sale of the Bonds were used to finance or reimburse the costs of public improvements and pay costs in connection with the issuance of the Bonds.

Bond Details

The Bonds bear interest at a 6.50%, payable annually on each December 1, beginning on December 1,2023, to the extent of available Pledged Revenue. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest.

To the extent principal of any Bond is not paid on or prior to the maturity date of such Bonds, principal shall remain outstanding until paid, subject to termination on December 2, 2052. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond. Accrued interest as of December 31, 2025 is $439,682.

The Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged after the application on December 1, 2062, of all Pledged Revenue, regardless of the principal and interest amounts remaining unpaid.

The Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Indenture. The Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

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 does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. Acceleration of the Bond shall not be an available remedy for any Event of Default.

Optional Redemption of Bonds

The bonds are subject to redemption prior to the maturity, at the option of the District, on June 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Date of Redemption	Redemption Premium
June 1, 2027, to May 31, 2028	3.00%
June 1, 2028, to May 31, 2029	2.00%
June 1, 2029, to May 31, 2030	1.00%
June 1, 2030, and thereafter	0.00%

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue derived by the District from the following sources: (a) the Required Mill Levy, net of the collection costs of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

The Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 50.00 mills (as adjusted for changes in the method of calculation assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2024) or such lesser mill levy will pay all of the principal of, premium, if any, and interest on the Bonds in full.

Bonds Debt Service

The minimum annual principal and interest payments required to retire the Bonds based upon the original projection, not considering actual payments, are as follows:

Year	Principal	Interest	Total
2026	-	172,683	$ 172,683
2027	-	172,683	172,683
2028	-	183,284	183,284
2029	-	183,284	183,284
2030	-	194,521	194,521
2031-2035	-	1,045,501	1,045,501
2036-2040	99,000	1,120,385	1,219,385
2041-2045	667,000	736,710	1,403,710
2046-2050	1,179,000	458,510	1,637,510
2051-2052	655,000	65,130	720,130
	$ 2,600,000	$ 4,332,691	$ 6,932,691

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 2, 2021, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $55,000,000 at an interest rate not to exceed 18.00% per annum. At December 31, 2025, the District had an authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 2, 2021	Authorization Used 2022 Bonds	Remaining December 31, 2025
Streets	$ 5,000,000	$ 1,604,418	$ 3,395,582
Parks and Recreation	5,000,000	319,406	4,680,594
Water	5,000,000	260,449	4,739,551
Sanitation/Storm Water	5,000,000	415,727	4,584,273
Public Transportation	5,000,000	-	5,000,000
Mosquito Control	5,000,000	-	5,000,000
Safety Protection	5,000,000	-	5,000,000
Security	5,000,000	-	5,000,000
Operations and Maintenance	5,000,000	-	5,000,000
Refunding of Debt	5,000,000	-	5,000,000
Intergovernmental Agreements	5,000,000	-	5,000,000
Total	$ 55,000,000	$ 2,600,000	$ 52,400,000

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $5,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area within the limitations of the District's Service Plan.

Developer Advances

The District has entered into Funding and Reimbursement Agreements with Richmond American Homes of Colorado, Inc. (the Developer) as follows:

Operation Funding Agreement
On December 10, 2021, the District and the Developer entered into the 2021-2022 Operation Funding Agreement (the OFA), pursuant to which the Developer agreed to advance funds up to

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

$50,000 for the fiscal years 2021, 2022 and 2023 (the OFA Shortfall Amount) to the District to fund operation, maintenance and administrative expenses.

The District agreed to repay the Developer for such OFA Shortfall Amount plus accrued interest at the rate of 8.00%. As of December 31, 2025, outstanding advances under the OFA totaled $100,071, and accrued interest totaled $22,778.

Facilities Funding and Acquisition Agreement
The District and the Developer executed a 2021-2025 Facilities Funding and Acquisition Agreement (the FFAA) on December 10, 2021. The Developer agreed to advance funds up to $5,000,000 at an interest rate of 8.00% for the fiscal years 2021 through 2025. As of December 31, 2025, outstanding advances under the FFAA totaled $754,154 and accrued interest totaled $213,002.

NOTE 6 – NET POSITION

The District has a net position consisting of two components – restricted and unrestricted.

Restricted net position consists of 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 a restricted net position as of December 31, 2025, as follows:

	Governmental Activities
Restricted net position:	
TABOR emergency reserve (Note 10)	$ 2,700
	$ 2,700

Unrestricted net position consists of all other net position that does not meet the definition of the above components and is available for general use by the District. The District has a deficit in unrestricted net position of ($1,320,639). This deficit amount is mainly due to the Bonds' issuance costs and operating expenses funded from Developer Advances.

NOTE 7 – RELATED PARTY

During 2025, one of the members of the Board of Directors is an employee or otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 8 – AGREEMENTS

Intergovernmental Agreement with the City of Aurora

On December 10, 2021, the District and the City entered into an Intergovernmental Agreement (the IGA). The IGA defines and clarifies the services which the District may provide, as well as those services which the District is prohibited from providing.

Pursuant to its Service Plan, the District is required to impose the Aurora Regional Improvement (ARI) Mill Levy upon the District's residents. This mill levy is 1.000 mill for 20 years, which for this purpose begins the first year that the District certifies a debt service mill levy. The levy increases to 5.000 mills for years 21 through 40 or the date of repayment of the debt incurred for public improvements, other than regional improvements, whichever occurs first. For the 10 years subsequent to the period where the 5.000 mills is imposed, the ARI mill levy is the average of the debt service mill levy for the previous 10 years. The District first imposed a mill levy for debt service for the collection year 2023.

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 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 form 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, except Enterprise.

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

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

excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

NOTE 11 – CORRECTION OF ERRORS

During 2025, the District identified an error in the calculation of interest on its outstanding bond obligation. Interest had been calculated using the simple interest method rather than the compound interest method required by the bond agreement. Therefore, the accrued interest liability was understated by $190,559 in prior years.

During 2025, the District also identified an error in the classification of certain capital assets that had been reported as non-depreciable assets. These assets should have been depreciated beginning in a prior year. As a result, depreciation expense for 2024 was understated by $180,964 and capital assets, net of accumulated depreciation, were overstated.

The combined effect of correcting those errors is shown in the table below.

	12/31/2024 Net Position (Deficit) as Previously Stated	Error Corrections	12/31/2024 Net Position (Deficit) as Restated
Government-Wide			
Governmental Activities	$ (703,006)	$ (371,523)	$ (1,074,529)
Total Primary Government	$ (703,006)	$ (371,523)	$ (1,074,529)

REQUIRED SUPPLEMENTARY INFORMATION

EAST BEND METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 39,817	$ 39,817	$ 39,817	$ -
Property taxes - ARI	3,305	3,305	3,305	-
Specific ownership taxes	2,389	2,344	2,344	-
Interest	27,389	-	-	-
Total revenues	72,900	45,466	45,466	-
EXPENDITURES				
Accounting	30,000	32,987	32,987	-
Audit	7,500	7,600	7,600	-
County treasurer fees	645	645	645	-
ARI Payment	3,255	3,255	3,255	-
Dues and Membership	500	432	432	-
Insurance	4,000	6,552	6,552	-
Legal	20,000	26,916	26,916	-
Miscellaneous	1,500	188	188	-
Election	2,000	1,290	1,290	-
Engineering	-	7,376	7,376	-
Contingency	2,600	-	-	-
Total expenditures	72,000	87,241	87,241	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	900	(41,775)	(41,775)	-
OTHER FINANCING SOURCES				
Developer advances	-	5,000	5,000	-
Transfer from other funds	-	49,796	49,796	-
Total other financing sources	-	54,796	54,796	-
NET CHANGE IN FUND BALANCE	900	13,021	13,021	-
FUND BALANCE (DEFICIT)- BEGINNING OF YEAR	1,300	(13,021)	(13,021)	-
FUND BALANCE - END OF YEAR	$ 2,200	$ -	$ -	$ -

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

EAST BEND METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
Year Ended December 31, 2025

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Annual district fees	$ 186,928	$ 190,028	$ 190,467	$ 439
Total revenues	186,928	190,028	190,467	439
EXPENDITURES				
General and administrative				
Billing	15,000	10,372	10,372	-
Legal - covenant control	5,000	-	-	-
Fees collections	5,000	-	-	-
District management	55,500	42,864	42,864	-
Covenant enforcement	20,000	1,703	1,703	-
Events	1,000	-	-	-
Parking management	5,000	-	-	-
Contingency	2,600	-	-	-
Operations and maintenance				-
Irrigation repairs	3,000	4,634	4,634	-
Landscape maintenance	22,000	14,010	14,010	-
Locates	500	-	-	-
Repairs and maintenance	10,000	8,563	8,563	-
Mosquito control	500	-	-	-
Pest control	500	-	-	-
Plant material replacements	14,000	13,397	13,397	-
Snow removal	10,000	14,259	14,259	-
Street sweeping	1,500	-	-	-
Website	5,000	4,920	4,920	-
Utilities				-
Electricity	900	667	667	-
Water	3,000	2,578	2,578	-
Storm drainage	500	-	-	-
Winter watering	2,500	-	-	-
Total expenditures	183,000	117,967	117,967	-
EXCESS OF REVENUES OVER (EXPENDITURES	3,928	72,061	72,500	439
OTHER FINANCING USES				
Transfer from other funds	-	(49,796)	(49,796)	-
Total other financing uses	-	(49,796)	(49,796)	-
NET CHANGE IN FUND BALANCE	3,928	22,265	22,704	439
FUND BALANCE - BEGINNING OF YEAR	25,128	27,888	27,888	-
FUND BALANCE - END OF YEAR	$ 29,056	$ 50,153	$ 50,592	$ 439

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

SUPPLEMENTARY INFORMATION

EAST BEND METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2025

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 165,274	$ 165,274	$ 165,274	$ -
Specific ownership taxes	9,916	8,983	8,983	-
Interest	-	2,677	2,677	-
Total revenues	175,190	176,934	176,934	-
EXPENDITURES				
Bond interest	168,711	169,000	169,000	-
County treasurer fees	2,479	2,481	2,481	-
Paying agent fees	4,000	4,058	4,057	1
Total expenditures	175,190	175,539	175,538	1
NET CHANGE IN FUND BALANCE	-	1,395	1,396	1
FUND BALANCE - BEGINNING OF YEAR	-	1,504	1,504	-
FUND BALANCE - END OF YEAR	$ -	$ 2,899	$ 2,900	$ 1

OTHER INFORMATION

EAST BEND METROPOLITAN DISTRICT
PROJECTED SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

$2,600,000 Series 2022
Limited Tax General Obligation Bonds
Dated June 14, 2022
Interest Rate of 6.50%
Principal and Interest Payable Annually
Due December 1

Year	Principal	Interest	Total
2026	$ -	$ 172,683	$ 172,683
2027	-	172,683	172,683
2028	-	183,284	183,284
2029	-	183,284	183,284
2030	-	194,521	194,521
2031	-	194,521	194,521
2032	-	206,432	206,432
2033	-	206,432	206,432
2034	-	219,058	219,058
2035	-	219,058	219,058
2036	-	232,442	232,442
2037	-	232,442	232,442
2038	-	246,628	246,628
2039	6,000	240,263	246,263
2040	93,000	168,610	261,610
2041	99,000	162,565	261,565
2042	121,000	156,130	277,130
2043	129,000	148,265	277,265
2044	154,000	139,880	293,880
2045	164,000	129,870	293,870
2046	193,000	119,210	312,210
2047	205,000	106,665	311,665
2048	238,000	93,340	331,340
2049	253,000	77,870	330,870
2050	290,000	61,425	351,425
2051	308,000	42,575	350,575
2052	347,000	22,555	369,555
	$ 2,600,000	$ 4,332,691	$ 6,932,691

EAST BEND 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	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected		Percentage Collected to Levied
2022	$ 183,367	65.664	$ 12,041	$ 12,041		100.00%
2023	$ 1,743,414	66.664	$ 116,223	$ 100,934	(A)	86.85%
2024	$ 1,997,018	85.398	$ 170,542	$ 170,542		100.00%
2025	$ 2,449,955	85.061	$ 208,396	$ 205,091		98.41%
Estimated for the year ending December 31, 2026	$ 2,610,356	84.510	$ 220,601			

NOTE:
Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

(A) County reported a rebate to taxpayers in the amount of $15,231.