EAST VIRGINIA VILLAGE METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

East Virginia Village Metropolitan District

Arapahoe County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2025, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The Supplemental Information, as listed in the table of contents, is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Castle Pines, Colorado
September 17, 2026

EAST VIRGINIA VILLAGE METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	$ 47,737	$ -	$ 47,737	$ -	$ 47,737
Cash and investments - restricted	7,101	20,667	27,768	-	27,768
Receivable - County Treasurer	5,242	5,574	10,816	-	10,816
Property taxes receivable	170,657	157,318	327,975	-	327,975
Receivable - Fees	3,322	-	3,322	-	3,322
Prepaid expenses	6,186	-	6,186	-	6,186
Capital assets not being depreciated	-	-	-	3,404,415	3,404,415
Total Assets	$ 240,245	$ 183,559	$ 423,804	3,404,415	3,828,219
LIABILITIES					
Accounts payable	$ 37,511	$ -	$ 37,511	-	37,511
Homeowner deposits	14,800	-	14,800	-	14,800
Accrued interest	-	-	-	73,372	73,372
Long-term liabilities:					
Due within one year	-	-	-	18,000	18,000
Due in more than one year	-	-	-	3,644,621	3,644,621
Total Liabilities	52,311	-	52,311	3,735,993	3,788,304
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	170,657	157,318	327,975	-	327,975
Total Deferred Inflows of Resources	170,657	157,318	327,975	-	327,975
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepaids	6,186	-	6,186	(6,186)	-
Restricted:					
Emergencies	7,101	-	7,101	(7,101)	-
Debt service	-	26,241	26,241	(26,241)	-
Unassigned	3,990	-	3,990	(3,990)	-
Total Fund Balances	17,277	26,241	43,518	(43,518)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 240,245	$ 183,559	$ 423,804		
Net Position:					
Restricted for:					
Emergencies				7,101	7,101
Debt service				(47,131)	(47,131)
Unrestricted				(248,030)	(248,030)
Total Net Position				$ (288,060)	$ (288,060)

The notes to the financial statements are an integral part of these statements.

EAST VIRGINIA VILLAGE METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES					
Accounting and Audit	$ 11,983	$ -	$ 11,983	$ -	$ 11,983
Election expense	460	-	460	-	460
Management	32,593	-	32,593	-	32,593
Insurance	4,304	-	4,304	-	4,304
Legal	43,427	-	43,427	-	43,427
Covenant Control	14,959	-	14,959	-	14,959
Trash Removal	15,048	-	15,048	-	15,048
Landscape maintenance	31,993	-	31,993	-	31,993
Miscellaneous expenses	18,386	-	18,386	(10,220)	8,166
Treasurer's fees	1,580	1,680	3,260	-	3,260
Water	53,414	-	53,414	-	53,414
Electric	846	-	846	-	846
Snow Removal	11,724	-	11,724	-	11,724
Cost verification costs	867		867	-	867
Interest expense	-	111,481	111,481	52,551	164,032
Trustee fees	-	8,000	8,000	-	8,000
Developer advances - interest	-	-	-	54,473	54,473
Total Expenditures	241,584	121,161	362,745	96,804	459,549
GENERAL REVENUES					
Property taxes	105,076	111,737	216,813	-	216,813
Specific ownership taxes	5,711	6,073	11,784	-	11,784
Interest income	5,829	1,368	7,197	-	7,197
Fees	55,110	-	55,110	-	55,110
Total General Revenues	171,726	119,178	290,904	-	290,904
NET CHANGES IN FUND BALANCES	(69,858)	(1,983)	(71,841)	71,841	
CHANGE IN NET POSITION				(168,645)	(168,645)
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	87,135	28,224	115,359	(234,774)	(119,415)
END OF YEAR	$ 17,277	$ 26,241	$ 43,518	$ (331,578)	$ (288,060)

The notes to the financial statements are an integral part of these statements.

EAST VIRGINIA VILLAGE METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 106,031	$ 106,000	$ 105,076	$ (924)
Specific ownership taxes	6,361	5,600	5,711	111
Fees	38,850	38,850	55,110	16,260
Interest income	100	16,000	5,829	(10,171)
Miscellaneous	-	200	-	(200)
Total Revenues	151,342	166,650	171,726	5,076
EXPENDITURES				
Accounting and Audit	12,500	17,000	11,983	5,017
Management	35,000	33,000	32,593	407
Election expense	3,000	3,000	460	2,540
Insurance	4,200	4,350	4,304	46
Legal	35,000	45,000	43,427	1,573
Covenant Control	-	21,000	14,959	6,041
Trash Removal	17,760	16,000	15,048	952
General admin	1,500	-	-	-
Miscellaneous expenses	2,000	2,000	18,386	(16,386)
Snow Removal	32,500	12,000	11,724	276
Landscaping	25,000	32,000	31,993	7
Pet waste Pick up	3,500	5,000	-	5,000
Electric	-	600	846	(246)
Water	38,850	55,000	53,414	1,586
Engineering	5,000	-	867	(867)
Treasurer's fees	1,590	1,590	1,580	10
Contingency	4,750	-	-	-
Emergency reserve	6,324	-	-	-
Total Expenditures	228,474	247,540	241,584	5,956
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(77,132)	(80,890)	(69,858)	11,032
OTHER FINANCING SOURCES (USES)				
Developer Advance	10,000	-	-	-
Total Other Financing Sources (Uses	10,000	-	-	-
NET CHANGE IN FUND BALANCE	(67,132)	(80,890)	(69,858)	11,032
FUND BALANCE:				
BEGINNING OF YEAR	67,132	81,567	87,135	5,568
END OF YEAR	$ -	$ 677	$ 17,277	$ 16,600

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the East Virginia Village Metropolitan District, located in Arapahoe County ("County"), Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

East Virginia Village Metropolitan District (the "District") was organized as a quasi-municipal corporation established under the State of Colorado Special District Act, in accordance with a service plan approved by the Board of County Commissioners of the County on February 23, 2021 (the "Service Plan"). The District was established to provide for the planning, design, financing, acquisition, construction, installation, relocation, redevelopment, operation and maintenance, repair and replacement of public improvements, including but not limited to, street, traffic and safety protection, water, sanitation, mosquito control, and park and recreation improvements within and without the boundaries of the District, subject to any limitations in the Service Plan. The District also has the power and authority to provide covenant enforcement and design review services, each subject to the limitations of the Service Plan and the Special District Act. The District's primary source of revenue is property tax revenue. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end. The General Fund and the Debt Service Fund were amended for 2025.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2025, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash-on-hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of $6,186 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $7,101 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $26,241 is restricted for the payment of the debt service costs (see Note 4).

Committed Fund Balance
The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

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

Unassigned Fund Balance
Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Adoption of New Accounting Standard

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

Note 2: Cash and Investments

As of December 31, 2025, cash and investments is classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 47,737
Cash and investments - restricted	27,768
Total	$ 75,505

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

Deposits with financial institutions	$ 42,333
Colotrust	33,172
	$ 75,505

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 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 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.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Credit Risk

The District has elected to follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method ("NAV") per share.

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of $1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. As of December 31, 2025, the District had $33,172 invested in COLOTRUST Plus+.

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Capital assets not being depreciated:				
Construction in progress	$3,404,415	$ -	$ -	$3,404,415
Total capital assets not being depreciated	3,404,415	-	-	3,404,415
Government type assets, net	$3,404,415	$ -	$ -	$3,404,415

Per the Service Plan, the District intends to dedicate certain facilities constructed or acquired, to the appropriate jurisdiction for operation and maintenance. Certain public improvements completed by the District may be owned, operated and/or maintained by the District, including, but not limited to, ownership and maintenance of the public stormwater improvements.

Note 4: Long-Term Debt

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

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Current Portion
General Obligation Bonds:					
Series 2024 Loan	$2,148,000	$ -	$ -	$ 2,148,000	$ 18,000
Series 2024B Bonds	767,000	-	-	767,000	-
	2,915,000	-	-	2,915,000	18,000
Other:					
Developer advance - capital	680,910	-	-	680,910	-
Developer advance interest - capital	12,238	54,473	-	66,711	-
Total	$3,608,148	$ 54,473	$ -	$ 3,662,621	$ 18,000

A description of the long-term obligations as of December 31, 2025, is as follows:

$2,148,000 General Obligation Limited (Convertible to Unlimited) Tax Loan Series 2024
On October 10, 2024, the District entered into a Loan Agreement (the "Loan Agreement") with Western Alliance Business Trust (the "Lender") in connection with the issuance of a loan in the principal amount of $2,148,000 (the "Series 2024 Loan"). Proceeds of the Series 2024 Loan were used for the purpose of funding and reimbursing a portion of the costs of certain public infrastructure and paying the costs of issuance of the Series 2024 Loan.

The Series 2024 Loan matures on December 1, 2034, and bears interest at 5.19% (Base Rate) from the closing date through maturity, payable on June 1 and December 1, commencing on December 1, 2024 (each an "Interest Payment Date"). Principal payments are due December 1st of each year, commencing December 1, 2026, with all remaining unpaid principal being due at maturity. With respect to the final principal payment on the Series 2024 Loan coming due at maturity, such principal amount will be assumed to equal $39,000 if the District provides a Refinancing Certificate to the Lender in accordance with the Loan Agreement. The District may, at its option, prepay the Series 2024 Loan in whole, or, with consent of the Lender, in part, on any Interest Payment Date occurring on or after December 1, 2026, upon payment to the Lender of the principal amount so prepaid, accrued interest thereon at the rate then borne by the Series 2024 Loan to date the Lender receives such prepayment, plus a prepayment fee equating to a percentage of the principal amount so redeemed, that ranges between 0% and 3%.

In the event that any amounts of principal or interest on the Series 2024 Loan remains unpaid at maturity, the Series 2024 Loan will bear interest at the Post-Maturity Default Rate (as defined in the Loan Agreement) commencing on maturity to and including the date upon which the Series 2024 Loan has been paid in full. Notwithstanding, all amounts due on the Series 2024 Loan shall be deemed discharged on December 2, 2064, regardless of the amount of principal and interest paid prior to such date.

The Series 2024 Loan is payable from the Pledged Revenue, which generally consists of moneys derived by the District from the following sources, less collection costs: (i) the Required Mill Levy (as defined in the Loan Agreement); (ii) the portion of specific ownership taxes allocable to the Required Mill Levy; (iii) any PILOT Revenue (as defined in the Loan Agreement); and (vi) any other legally available moneys which the District determines in its sole discretion to apply as Pledged Revenue. The Series 2024 Loan is also secured by a Surplus Fund (the "Series 2024A Senior Surplus Fund"), which will be funded by available Pledged Revenue up to the maximum amount of $85,575.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2024 Loan.

	Principal	Interest	Total
2026	$ 18,000	$ 111,481	$ 129,481
2027	19,000	110,547	129,547
2028	23,000	109,561	132,561
2029	24,000	108,367	132,367
2030	28,000	107,122	135,122
2031-2034	2,036,000	412,916	2,448,916
	$2,148,000	$ 959,994	$3,107,994

$767,000 Subordinate General Obligation Limited Tax Bonds, Series 2024B(3)

On October 10, 2024, the District issued its $767,000 Subordinate General Obligation Limited Tax Bonds, Series 2024B(3) (the "Series 2024B Bonds") for the purpose of funding and reimbursing a portion of the costs of certain public infrastructure and paying the costs of issuance of the Series 2024B Bonds. The Series 2024B Bonds bear interest at a rate of 6.75% payable annually on December 15 each year, commencing on December 15, 2024, and mature on December 15, 2054.

The Series 2024B Bonds are cash flow bonds meaning that no regularly scheduled principal payments are due prior to the maturity date. Principal payments are due each December 15 to the extent Subordinate Pledged Revenue is available therefore. The Series 2024B Bonds are also subject to redemption prior to maturity, at the option of the District, on any date, upon payment of par and accrued interest, with no redemption premium. The Series 2024B Bonds are secured by the Subordinate Pledged Revenue, which generally consists of moneys derived by the District from the following sources: (i) the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (iii) the amounts, if any, in the Series 2024A Senior Surplus Fund after the payment or defeasance of the Series 2024 Loan; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The Series 2024B Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 16, 2064, regardless of the amount of principal and interest paid prior to such date.

Because of the uncertainty of the timing of payments for the Series 2024B Bonds, summaries of the long-term debt principal and interest requirements are not presented.

Debt Authorization

The limit on the District's ability to issue Debt is set forth in its Service Plan as $10,000,000 (the "Service Plan Debt Issuance Limit"). In no event is the District authorized to issue Debt in an amount that exceeds the Service Plan Debt Issuance Limit.

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

The amount of debt authorization remaining of the Service Plan Debt Issuance Limit is $7,085,000.

In the future, the District may issue a portion or all of the remaining Service Plan Debt Issuance Limit for purposes of providing public improvements to support development as it occurs within the District's service area.

Note 5: Related Parties

In 2025, one member of the Board of Directors was an employee, owner or were otherwise associated with Century Land Holdings, LLC (the "Developer") and may have had conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Agreements

Operation Funding Agreement

On December 13, 2021, with an effective date of December 1, 2021, the District and the Developer entered into an Operation Funding Agreement, as amended by a First Amendment to Operation Funding Agreement dated November 7, 2024 (as amended, the "OFA") whereby the Developer agreed to advance funds to the District for certain operation and maintenance expenses as needed for fiscal years 2021 through 2025 up to the aggregate amount of $45,000. The District agreed to repay these advances, together with accrued interest at the rate of 8% per annum accruing from the date of deposit into the District's account or from the date of direct payment by the Developer until repaid. The District's repayment of the advances under the OFA does not constitute a debt and is subject to annual appropriation by the District. The District's obligation to repay advances expires on December 31, 2065.

Facilities Funding and Acquisition Agreement

On December 13, 2021, with an effective date of December 1, 2021, the District and the Developer entered into a Facilities Funding and Acquisition Agreement which was amended and restated in its entirety by an Amended and Restated Facilities Funding and Acquisition Agreement entered into on September 24, 2024, with an effective date of December 1, 2021 (as amended and restated, the "FFAA"), by and between the District, the Developer, and Century Communities Investments, LLC ("CCI"). Pursuant to the FFAA, the Developer agreed to make advances to the District for the purpose of funding construction of public improvements as needed for fiscal years 2021 through 2024 up to $3,600,000. The District agreed to repay the advances, as well as organizational expenses incurred by the Developer, to either the Developer or CCI, pursuant to the conditions set forth in the FFAA, together with accrued interest at the rate of 8% per annum. The FFAA further provides that the Developer may construct public improvements for subsequent acquisition by the District and reimbursement by the District to the Developer or CCI, subject to the conditions set forth in the FFAA, along with interest at a rate of 8% per annum. The FFAA does not constitute a debt, but is an annual appropriations agreement intended to be repaid through future bond issuances or other available revenue. The District's obligation to reimburse the Developer or CCI under the FFAA expires on December 31, 2061. As of December 31, 2025, there is an outstanding amount of $747,621 with $680,910 in principal and $66,711 in interest under the FFAA.

Water Service Contribution Agreement

On August 10, 2023, the District and the Developer entered into a Water Service Contribution Agreement (the "Contribution Agreement") whereby, in exchange for the District administering the billing relative to the water service to units within the District, the Developer agreed to pay the District $22,200 (the "Contribution") to enable the District to have sufficient funds to pay the associated water bills when due and payable. The District is to replenish the amount of the Contribution used to pay each water bill with water service charges billed and collected from the units, so the District maintains adequate funds to continually pay subsequent water bills. In accordance with the Contribution Agreement, following full build-out of the development, the District will make a good faith effort to reimburse the Developer for the Contribution, less three (3) months of estimated water bills. Notwithstanding, the Developer acknowledged in the Contribution Agreement that the District is not obligated to reimburse the Developer for any or all of the Contribution. The Contribution Agreement does not constitute a debt but is an annual appropriations agreement. The Contribution Agreement terminates upon the earlier of the District reimbursing the Developer for the Contribution or three (3) years from the date of the Contribution Agreement.

Fee Resolution

On June 22, 2023, the District adopted Resolution No. 2023-06-02 Amending and Restating the Imposition of District Fees (the "Fee Resolution"). Pursuant to the Fee Resolution, the District imposes an Operations Fee, a Working Capital Fee, an Account Set-Up Fee, and a Utility Fee on each lot and/or single-family residential dwelling unit ("Residential Unit"), as discussed below. The District imposes an Operations Fee for the purpose of operating and maintaining certain public improvements, providing covenant enforcement and design review services, and administering trash and recycling services (collectively, the "Services"). The Operations Fee is $60.00 per month per Residential Unit payable quarterly. The District imposes a Working Capital Fee to offset its expenses for the provision of the Services, in order to fund the administrative expenses incurred when a Residential Unit is sold, and in order to pay the administrative costs associated with the maintenance and transfer of the accounts to property administer the Operations Fee and the District's affairs. The Working Capital Fee is $180 per Residential Unit to be paid at the time of any sale or conveyance of such Residential Unit. The District imposes an Account Set-Up Fee to fund the District's administrative expenses associated with the establishment of accounts for each Residential Unit relative to the provision of Services and the associated billing for such services. The Account Set-up Fee is $100 per Residential Unit to be paid by each owner (other than the homebuilder constructing the initial Residential Unit) upon the sale or conveyance of such Residential Unit. The District imposes a Utility Fee on each Residential Unit to ensure the District is able to pay the water bill in the event an owner of a Residential Unit fails to pay or timely pay its water service charge to the District when due and payable. The Utility Fee is in the amount of $200 per Residential Unit to be paid when the homebuilder sells the Residential Unit to the initial owner and is subject to adjustment discussed in the Fee Resolution.

Note 7: Tax, Spending and Debt Limitations

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

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

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

The District'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.

At the November 1, 2021 election, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and

2) long-term liabilities such as bonds and developer advances payable and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;

2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;

3) governmental funds report developer advances and/or bond proceeds as revenue; and,

4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

EAST VIRGINIA VILLAGE METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 112,754	$ 112,500	$ 111,737	$ (763)
Specific ownership taxes	6,765	6,000	6,073	73
Interest income	100	75	$ 1,368	$ 1,293
Total Revenues	119,619	118,575	119,178	603
EXPENDITURES				
Interest expense	111,482	120,000	111,481	8,519
Trustee fees	-	5,000	8,000	(3,000)
Treasurer's fees	-	-	1,680	(1,680)
Total Expenditures	111,482	125,000	121,161	3,839
NET CHANGE IN FUND BALANCE	8,137	(6,425)	(1,983)	4,442
FUND BALANCE:				
BEGINNING OF YEAR	27,870	12,077	28,224	16,147
END OF YEAR	$ 36,007	$ 5,652	$ 26,241	$ 20,589

The notes to the financial statements are an integral part of these statements.

EAST VIRGINIA VILLAGE METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2025
(Audited)

December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Tax		Percent Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2023	$ 1,142,918	128.000	0.000	$ 146,294	$ 146,294	100.00%
2024	$ 1,274,454	133.733	0.000	$ 170,437	$ 179,325	105.22%
2025	$ 1,635,985	64.812	68.921	$ 218,785	$ 216,813	99.10%
Estimated for December 31, 2026	$ 2,473,289	69.000	63.607	$ 327,975		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.