

# **WATERVIEW I METROPOLITAN DISTRICT**

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c/o Public Alliance  
7555 E. Hampden Avenue, Suite 501  
Denver, CO 80231  
303-662-1999

<https://www.waterview1md.org/>

## **Annual District Report for 2025**

The Waterview I Metropolitan District (the “District”) is a Title 32 Special District that was established on July 22, 2005 for the purpose of financing public improvements for the use and benefit of the residents and taxpayers of the District. The District is located within the borders of El Paso County, CO (the “County”).

As required by Section VIII of the Amended and Revised Service Plan of the District, approved by El Paso County on July 22, 2005, the following report is hereby submitted.

There have been no recent changes to the District’s boundaries, nor are any inclusions or exclusions envisioned for the foreseeable future.

The District did not enter into an Intergovernmental Agreement during the reporting year.

The District is not currently involved in any legal actions or litigations involving public improvements, and management has no knowledge of any pending actions.

The Current Assessed Valuation of the District is \$22,100,630 and the District’s mill levy has been certified for 2025 at 40.000 mills.

The District currently consists of 797 occupied single-family homes, approximately 17 acres of land that is currently zoned for multi-dwelling development, 77 acres of land that is currently zoned for agricultural use, and approximately 15 acres of open space.

Copies of the following District documents are attached to this report:

- 2026 Budget
- 2025 Certification of Assessed Valuation
- 2026 Certification of Tax Levies
- 2025 Financial Audit

A copy of the District’s Rules and Regulations can be found at <https://www.waterview1md.org/>

Status of the construction of public improvements by the District: The District has not constructed any public improvements in the reporting year.

List of facilities or improvements constructed by the District that were conveyed to the County: The Districts did not construct any facilities or improvements that were conveyed or dedicated to the Town in 2025.

Notice of any uncured defaults: To our knowledge, there are no uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

Please direct any questions regarding the District or this report to the District's Manager, Dan Cordova, at [dan@publicalliance.com](mailto:dan@publicalliance.com) or 720-213-6621.

## **CERTIFICATION OF BUDGET**

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Waterview I Metropolitan District, for the budget year ending December 31, 2026, as adopted on November 18, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Waterview I Metropolitan District, El Paso County, Colorado, this 18<sup>th</sup> day of November, 2025.

DocuSigned by:  
  
E9F60B11455F477...

**WATERVIEW I METROPOLITAN DISTRICT**  
**RESOLUTION TO ADOPT 2026 BUDGET**

WHEREAS, the Board of Directors (the “**Board**”) of Waterview I Metropolitan District (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2026 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2025 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 18, 2025, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, Capital Projects, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Waterview I Metropolitan District:

1. That estimated expenditures for each fund are as follows:

|                    |    |         |
|--------------------|----|---------|
| General Fund:      | \$ | 134,170 |
| Debt Service Fund: | \$ | 862,700 |
| Total              | \$ | 996,870 |

2. That estimated revenues are as follows:

|                                              |                 |
|----------------------------------------------|-----------------|
| <u>General Fund:</u>                         |                 |
| From unappropriated surpluses                | \$51,624        |
| From fund transfers                          | \$0             |
| From sources other than general property tax | \$136,300       |
| From general property tax                    | \$0             |
| Total                                        | <hr/> \$187,924 |

|                                              |                   |
|----------------------------------------------|-------------------|
| <u>Debt Service Fund:</u>                    |                   |
| From unappropriated surpluses                | \$1,681,786       |
| From fund transfers                          | \$0               |
| From sources other than general property tax | \$120,000         |
| From general property tax                    | \$886,878         |
| Total                                        | <hr/> \$2,688,664 |

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2026 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

**TO SET MILL LEVIES**

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$886,878; and

WHEREAS, the 2025 valuation for assessment of the District, as certified by the County Assessor, is \$22,171,950.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Waterview I Metropolitan District:

1. That for the purpose of meeting all debt service expenses of the District during the 2026 budget year, there is hereby levied a property tax of 40.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$886,878.

2. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of El Paso County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

**TO APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

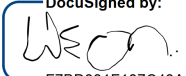
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Waterview I Metropolitan District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

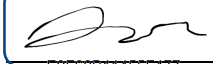
|                    |    |         |
|--------------------|----|---------|
| General Fund:      | \$ | 134,170 |
| Debt Service Fund: | \$ | 862,700 |
| Total              | \$ | 996,870 |

Adopted this 18<sup>th</sup> day of November, 2025.

WATERVIEW I METROPOLITAN DISTRICT

By:  DocuSigned by:  
F7BD331F187C43A...  
Chair

Attest:

 DocuSigned by:  
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Secretary

## **WATERVIEW I METROPOLITAN DISTRICT**

### **2026 BUDGET MESSAGE**

The Waterview I Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on July 22, 2005, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located within El Paso County, Colorado.

The District was established principally to provide streets, traffic and safety controls, street lighting, water, sanitary sewer, storm drainage, landscaping, parks and recreation, and mosquito control to areas within and without the boundaries of the District.

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

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

The District's budget was prepared 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.

The District has 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. Funds are provided by the collection of an annual Operations and Maintenance Fee of \$150.00 per address in the District. For the 2024 Budget Year the District certified a mill levy of 0.000 mills for the General Fund, yielding \$0 in property taxes.

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. For the 2026 Budget Year the District certified a mill levy of 40.000 mills, yielding \$884,025 in property taxes. The District also collects a Transportation Impact Fee and an Infrastructure Improvement Fee, as required by the current Bond agreement, on all new construction within the District’s boundaries. These Impact Fees are dedicated to paying down the principal amount owed on the District’s Limited Tax General Obligation Bonds.

**WATERVIEW | METROPOLITAN DISTRICT**

## ADOPTED 2026 BUDGET

## GENERAL FUND

|  |                                                |                                                 |  | 2024       | 2025       | 2025      | 2025       | ADOPTED    |
|--|------------------------------------------------|-------------------------------------------------|--|------------|------------|-----------|------------|------------|
|  |                                                |                                                 |  | ACTUAL     | ANNUAL     | YTD       | ESTIMATE   | 2026       |
|  |                                                |                                                 |  |            | BUDGET     | 8-31-25   | 12/31/2025 | BUDGET     |
|  |                                                |                                                 |  |            |            |           |            |            |
|  | REVENUES                                       |                                                 |  |            |            |           |            |            |
|  |                                                | 304 - O & M Fee Assessments (Aged)              |  | \$ 15,630  | \$ -       | \$ 13,033 | \$ 13,033  | \$ -       |
|  |                                                | 304.1 - O & M Fee Assessments Current Year      |  | 87,875     | 119,400    | 69,000    | 75,000     | 119,400    |
|  |                                                | 305 - Reimbursed Expenses                       |  | 0          | 0          | 0         |            |            |
|  |                                                | 305.1 - Status Letter Fees                      |  | 1,438      | 1,000      | 836       | 900        | 900        |
|  |                                                | 307 - Storm Water Fees (Aged FMIC)              |  | 2,047      | 0          | 2,537     | 2,537      | 0          |
|  |                                                | 307.1 - Storm Water Fees (FMIC) Current Year    |  | 8,833      | 16,000     | 7,450     | 8,000      | 16,000     |
|  |                                                | 308 - Returned Items                            |  | 0          | 0          | 0         |            |            |
|  |                                                | 309 - Late Fees                                 |  | 2,036      | 0          | 2,552     | 2,552      |            |
|  |                                                | 310 - Fines                                     |  | 255        | 0          | 1,038     | 1,038      |            |
|  |                                                | 312 - Interest Income                           |  | 0          | 0          | 2,682     | 2,682      |            |
|  |                                                | 315 - Miscellaneous Income                      |  | 0          | 0          | 50        | 50         |            |
|  |                                                | 325 - Refunds                                   |  | 0          | 0          | 0         |            |            |
|  |                                                | Transfer from Series 2016 Bond Project Fund     |  | 0          | 0          | 0         |            |            |
|  |                                                | TOTAL REVENUES                                  |  | \$ 118,114 | \$ 136,400 | \$ 99,178 | \$ 105,792 | \$ 136,300 |
|  |                                                |                                                 |  |            |            |           |            |            |
|  | EXPENDITURES                                   |                                                 |  |            |            |           |            |            |
|  | Operations:                                    |                                                 |  |            |            |           |            |            |
|  |                                                | 505 - Audit                                     |  | \$ 9,000   | \$ 10,000  | \$ 9,300  | \$ 9,300   | \$ 10,000  |
|  |                                                | 506 - Bad Debt                                  |  | 0          | 0          | 0         |            |            |
|  |                                                | 506.4 - Bank Charges                            |  | 3,198      | 3,000      | 2,043     | 3,000      | 3,000      |
|  |                                                | 508 - Director's Fees/Expenses                  |  | 2,800      | 6,000      | 1,700     | 2,700      | 3,000      |
|  |                                                | 509 - Dues and Subscriptions                    |  | 853        | 950        | 873       | 873        | 1,000      |
|  |                                                | 513 - Elections                                 |  | 0          | 1,500      | 1,395     | 1,395      | 1,500      |
|  |                                                | 513.4 Electricity                               |  | 6,671      | 6,000      | 4,215     | 6,000      | 6,360      |
|  |                                                | 535 - Insurance                                 |  | 4,709      | 4,500      | 0         | 4,500      | 5,000      |
|  |                                                | 537 - Landscape Maintenance                     |  | 21,852     | 22,000     | 12,903    | 19,000     | 25,000     |
|  |                                                | 540 - Legal                                     |  | 3,875      | 3,000      | 2,406     | 3,000      | 3,000      |
|  |                                                | 542 - Payroll Taxes                             |  | 214        | 400        | 130       | 300        | 400        |
|  |                                                | 542.1 - Mailbox Maintenance                     |  | 0          | 500        | 0         | 0          | 250        |
|  |                                                | 542.2 - Mailbox Snow Removal                    |  | 2,777      | 2,000      | 716       | 2,000      | 2,000      |
|  |                                                | 543 - Management, Administration and Accounting |  | 46,668     | 42,000     | 26,976    | 42,000     | 42,000     |
|  |                                                | 570 - Property Taxes                            |  | 516        | 600        | 465       | 465        | 660        |
|  |                                                | 578 - Storm Water (FMIC)                        |  | 15,360     | 16,000     | 15,369    | 15,369     | 16,000     |
|  |                                                | 580 - Traffic & Safety                          |  | 0          | 0          | 0         | 0          | 0          |
|  |                                                | 587 - Website                                   |  | 500        | 3,000      | 960       | 1,440      | 2,000      |
|  |                                                | 597 - Contingency                               |  | 0          | 10,000     | 0         | 0          | 10,000     |
|  |                                                | 598 - Emergency Reserves                        |  | 0          | 3,000      | 0         | 0          | 3,000      |
|  | TOTAL EXPENDITURES                             |                                                 |  | \$ 118,993 | \$ 134,450 | \$ 79,451 | \$ 111,342 | \$ 134,170 |
|  |                                                |                                                 |  |            |            |           |            |            |
|  |                                                |                                                 |  |            |            |           |            |            |
|  | Excess (deficit) of Revenues Over Expenditures |                                                 |  | \$ (879)   | \$ 1,950   | \$ 19,727 | \$ (5,550) | \$ 2,130   |
|  |                                                |                                                 |  |            |            |           |            |            |
|  |                                                | NET CHANGE IN FUND BALANCE                      |  | \$ (879)   | \$ 1,950   | \$ 19,727 | \$ (5,550) | \$ 2,130   |
|  |                                                |                                                 |  |            |            |           |            |            |
|  | FUND BALANCE - BEGINNING OF YEAR               |                                                 |  | \$ 58,053  | \$ 69,180  | \$ 57,174 | \$ 57,174  | \$ 51,624  |
|  | FUND BALANCE - END OF YEAR                     |                                                 |  | \$ 57,174  | \$ 71,130  | \$ 76,901 | \$ 51,624  | \$ 53,754  |

| WATERVIEW I METROPOLITAN DISTRICT |                                                   |                     |                     |                     |                     |                     |
|-----------------------------------|---------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| ADOPTED 2026 BUDGET               |                                                   |                     |                     |                     |                     |                     |
| DEBT SERVICE FUND                 |                                                   |                     |                     |                     |                     |                     |
|                                   |                                                   | 2024                | 2025                | 2025                | 2025                | ADOPTED             |
|                                   |                                                   | ACTUAL              | ANNUAL              | YTD                 | ESTIMATE            | 2026                |
|                                   |                                                   |                     | BUDGET              | 8-31-25             | 12/31/2025          | BUDGET              |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | <b>REVENUES</b>                                   |                     |                     |                     |                     |                     |
|                                   | 301 - Property Taxes                              | \$ 906,592          | \$ 909,433          | \$ 906,480          | \$ 909,433          | \$ 884,025          |
|                                   | 302 - Specific Ownership Taxes                    | 77,462              | 54,566              | 50,339              | 54,566              | 60,000              |
|                                   | Infrastructure Improvement Fee                    | 0                   | 0                   | 0                   |                     |                     |
|                                   | Transportation Impact Fee                         | 0                   | 0                   | 0                   |                     |                     |
|                                   | 312 - Interest Income                             | 116,992             | 60,000              | 69,247              | 69,247              | 60,000              |
|                                   | <b>TOTAL REVENUES</b>                             | <b>\$ 1,101,046</b> | <b>\$ 1,023,999</b> | <b>\$ 1,026,066</b> | <b>\$ 1,033,246</b> | <b>\$ 1,004,025</b> |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | <b>EXPENDITURES</b>                               |                     |                     |                     |                     |                     |
|                                   | <b>General</b>                                    |                     |                     |                     |                     |                     |
|                                   | 506.5 - Bank Charges                              | \$ 5,160            | \$ 3,600            | \$ 3,273            | \$ 3,600            | \$ 3,600            |
|                                   | 582 - Treasurer's Fees                            | 13,604              | 13,641              | 13,600              | 13,641              | 13,800              |
|                                   | <b>Debt Service</b>                               |                     |                     |                     |                     |                     |
|                                   | Limited Tax GO Bonds Principal - Series 20        | 200,000             | 200,000             | 0                   | 200,000             | 200,000             |
|                                   | Bond Interest                                     | 358,300             | 350,300             | 175,150             | 350,300             | 342,300             |
|                                   | Subordinate Bond Interest                         | 0                   | 500,000             | 400,000             | 1,150,000           | 300,000             |
|                                   | Paying Agent Fees                                 | 2,400               | 3,000               | 0                   | 3,000               | 3,000               |
|                                   | Transfer from Project Fund to General Fund        |                     |                     |                     |                     |                     |
|                                   | <b>TOTAL EXPENDITURES</b>                         | <b>\$ 579,464</b>   | <b>\$ 1,070,541</b> | <b>\$ 592,023</b>   | <b>\$ 1,720,541</b> | <b>\$ 862,700</b>   |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | <b>EXCESS REVENUE OVER (UNDER)</b>                | <b>\$ 521,582</b>   | <b>\$ (46,542)</b>  | <b>\$ 434,043</b>   | <b>\$ (687,295)</b> | <b>\$ 141,325</b>   |
|                                   | <b>EXPENDITURES</b>                               |                     |                     |                     |                     |                     |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | <b>NET CHANGE IN FUND BALANCE</b>                 | <b>\$ 521,582</b>   | <b>\$ (46,542)</b>  | <b>\$ 434,043</b>   | <b>\$ (687,295)</b> | <b>\$ 141,325</b>   |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | FUND BALANCE - BEGINNING OF YEAR                  | \$ 1,847,499        | \$ 1,906,642        | \$ 2,369,081        | \$ 2,369,081        | \$ 1,681,786        |
|                                   | FUND BALANCE - END OF YEAR                        | \$ 2,369,081        | \$ 1,860,100        | \$ 2,803,124        | \$ 1,681,786        | \$ 1,823,111        |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | 2025 Preliminary Assessed Valuation: \$22,100,630 |                     |                     |                     |                     |                     |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | Mill Levy: 40 mills                               |                     |                     |                     |                     |                     |
|                                   |                                                   |                     |                     |                     |                     |                     |
|                                   | Estimated Property Tax Revenue: \$884,025         |                     |                     |                     |                     |                     |

**CERTIFICATION OF VALUATION BY  
EL PASO COUNTY ASSESSOR**New Tax Entity: NoDate: November 22, 2025**NAME OF TAX ENTITY:** WATERVIEW 1 METRO DISTRICT**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY**IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2025 :

|     |                                                                                                              |     |    |               |
|-----|--------------------------------------------------------------------------------------------------------------|-----|----|---------------|
| 1.  | PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: ‡                                                      | 1.  | \$ | 22,735,820.00 |
| 2.  | CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:                                                       | 2.  | \$ | 22,100,630.00 |
| 3.  | LESS TOTAL TIF AREA INCREMENTS, IF ANY:                                                                      | 3.  | \$ | 0.00          |
| 4.  | CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:                                                         | 4.  | \$ | 22,100,630.00 |
| 5.  | NEW CONSTRUCTION: *                                                                                          | 5.  | \$ | 39.58         |
| 6.  | INCREASED PRODUCTION OF PRODUCING MINE: ≈                                                                    | 6.  | \$ | 0.00          |
| 7.  | ANNEXATIONS/INCLUSIONS:                                                                                      | 7.  | \$ | 0.00          |
| 8.  | PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈                                                                        | 8.  | \$ | 0.00          |
| 9.  | NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): | 9.  | \$ | 0.00          |
| 10. | TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.):                          | 10. | \$ | 0.00          |
| 11. | TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):         | 11. | \$ | 0.00          |

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

\* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 &amp; 52A.

\* Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

**USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY**IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2025 :

|                                             |                                                                                                                                                                                                                                       |     |    |                |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------------|
| 1.                                          | CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶                                                                                                                                                                             | 1.  | \$ | 349,527,037.00 |
| <b>ADDITIONS TO TAXABLE REAL PROPERTY</b>   |                                                                                                                                                                                                                                       |     |    |                |
| 2.                                          | CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *                                                                                                                                                                                 | 2.  | \$ | 0.00           |
| 3.                                          | ANNEXATIONS/INCLUSIONS:                                                                                                                                                                                                               | 3.  | \$ | 0.00           |
| 4.                                          | INCREASED MINING PRODUCTION: §                                                                                                                                                                                                        | 4.  | \$ | 0.00           |
| 5.                                          | PREVIOUSLY EXEMPT PROPERTY:                                                                                                                                                                                                           | 5.  | \$ | 0.00           |
| 6.                                          | OIL OR GAS PRODUCTION FROM A NEW WELL:                                                                                                                                                                                                | 6.  | \$ | 0.00           |
| 7.                                          | TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7.  | \$ | 0.00           |
| <b>DELETIONS FROM TAXABLE REAL PROPERTY</b> |                                                                                                                                                                                                                                       |     |    |                |
| 8.                                          | DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:                                                                                                                                                                                    | 8.  | \$ | 0.00           |
| 9.                                          | DISCONNECTIONS/EXCLUSIONS:                                                                                                                                                                                                            | 9.  | \$ | 0.00           |
| 10.                                         | PREVIOUSLY TAXABLE PROPERTY:                                                                                                                                                                                                          | 10. | \$ | 1,000.00       |

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

\* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:  
TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:

\$ 0.00

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): \*\*

\*\* The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

\$ 8,377.00

**USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25% LIMIT") 29-1-1703, C.R.S.**

IN ACCORDANCE WITH §§ 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2025 :

|     |                                                                                                                                                              |     |    |               |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------------|
| 1.  | CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:                                                                                                       | 1.  | \$ | 22,100,630.00 |
| 2.  | LESS TOTAL TIF AREA INCREMENTS, IF ANY:                                                                                                                      | 2.  | \$ | 0.00          |
| 3.  | CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:                                                                                                         | 3.  | \$ | 22,100,630.00 |
| 4.  | NEW CONSTRUCTION:                                                                                                                                            | 4.  | \$ | 39.58         |
| 5.  | ANNEXATIONS/INCLUSIONS:                                                                                                                                      | 5.  | \$ | 0.00          |
| 6.  | PREVIOUSLY EXEMPT PROPERTY:                                                                                                                                  | 6.  | \$ | 0.00          |
| 7.  | TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.):<br>Includes all revenue collected on valuation not previously certified: | 7.  | \$ | 0.00          |
| 8.  | INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION:                                                        | 8.  | \$ | 0.00          |
| 9.  | TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):                                                         | 9.  | \$ | 0.00          |
| 10. | TOTAL PRODUCING MINES, OR PRIMARY OIL OR GAS PRODUCTION:                                                                                                     | 10. | \$ | 0.00          |
| 11. | REVENUE INCREASE FROM EXPIRED TIF:                                                                                                                           | 11. | \$ | 0.00          |

**Notes:**

The property tax limit will apply to all property taxing entities with the exception of school districts, city and county, city, or town that has adopted a home rule charter (29-1-306(1)(b), C.R.S.). The revenue limit applies to any property taxing entities that have authority to exceed current 5.5% and the TABOR limit.

The Division of Local Government ("the Division") has developed technical assistance resources to assist taxing entities with the calculation of the property tax limit available online here (<https://dlg.colorado.gov/budget-information-and-resources>). Please understand that the Division has no statutory or administrative role in calculating or enforcing the property tax limit, and each taxing entity's revenue limits and voter approval history may be unique. The technical assistance resources provided by the Division with regard to the property tax limit are not definitive and not legal advice. Taxing entities may choose to calculate the property tax limit with a methodology that is different from the methodology presented in the Division's technical assistance resources. The Division always recommends that taxing entities consult with an attorney in order to understand and apply the various statutory and constitutional revenue limits that may apply to that taxing entity.

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**TO: County Commissioners<sup>1</sup> of EL PASO COUNTY, Colorado.On behalf of the WATERVIEW I METROPOLITAN DISTRICT(taxing entity)<sup>A</sup>the Board of Directors(governing body)<sup>B</sup>of the WATERVIEW I METROPOLITAN DISTRICT(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 22,100,630(Gross<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 22,100,630(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/15/2025

(not later than Dec 15)

(mm/dd/yyyy)

for budget/fiscal year 2026

(yyyy)

| PURPOSE (see end notes for definitions and examples)                                                 | LEVY <sup>2</sup>   | REVENUE <sup>2</sup> |
|------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| 1. General Operating Expenses <sup>H</sup>                                                           | <u>0</u> mills      | \$ <u>0</u>          |
| 2. <Minus> Temporary General Property Tax Credit/<br>Temporary Mill Levy Rate Reduction <sup>I</sup> | <u>0</u> mills      | \$ <u>0</u> -        |
| <b>SUBTOTAL FOR GENERAL OPERATING:</b>                                                               | <u>0</u> mills      | \$ <u>0</u>          |
| 3. General Obligation Bonds and Interest <sup>J</sup>                                                | <u>40.000</u> mills | \$ <u>884,025</u>    |
| 4. Contractual Obligations <sup>K</sup>                                                              | _____ mills         | \$ _____             |
| 5. Capital Expenditures <sup>L</sup>                                                                 | _____ mills         | \$ _____             |
| 6. Refunds/Abatements <sup>M</sup>                                                                   | _____ mills         | \$ _____             |
| 7. Other <sup>N</sup> (specify): _____                                                               | _____ mills         | \$ _____             |
|                                                                                                      | _____ mills         | \$ _____             |
| <b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]                                 | <u>40.000</u> mills | \$ <u>884,025</u>    |

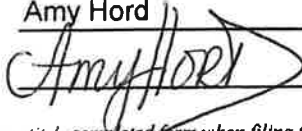
Contact person:  
(print)

Amy Hord

Daytime  
phone:

720-213-6621

Signed:



Title:

District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**WATERVIEW 1 METROPOLITAN DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Waterview 1 Metropolitan District  
Colorado Springs, Colorado

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Waterview 1 Metropolitan District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Waterview 1 Metropolitan 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 Waterview 1 Metropolitan District as of December 31, 2025, and the respective changes in financial position 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 Waterview 1 Metropolitan 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 – Restatement of Beginning Net Position**

As discussed in Note 8 to the financial statements, the beginning net position as of January 1, 2025 has been restated to correct an error in previously issued financial statements. Our opinion is not modified with respect to this matter.

## **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 Waterview 1 Metropolitan 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 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 Waterview 1 Metropolitan 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 Waterview 1 Metropolitan 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 general fund budgetary comparison schedule 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.

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Waterview 1 Metropolitan District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Adams Group, LLC

Greenwood Village, CO  
June 22, 2026

WATERVIEW 1 METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2025

|                                          | <b>Governmental<br/>Activities</b> |
|------------------------------------------|------------------------------------|
| <b>Assets</b>                            |                                    |
| Cash and investments                     | \$ 185,377                         |
| Restricted investments                   | 1,573,130                          |
| Accounts receivable                      | 255,032                            |
| Property taxes receivable                | 884,025                            |
| Total assets                             | <u>2,897,564</u>                   |
| <b>Liabilities</b>                       |                                    |
| Accounts payable and accrued liabilities | 9,791                              |
| Unearned revenues                        | 20,550                             |
| Accrued interest payable - Senior        | 28,525                             |
| Noncurrent liabilities;                  |                                    |
| Due within one year                      | 225,000                            |
| Due in more than one year                | 21,506,283                         |
| Total liabilities                        | <u>21,790,149</u>                  |
| <b>Deferred Inflows of Resources</b>     |                                    |
| Unavailable accounts receivable          | 98,700                             |
| Unavailable property tax revenues        | 884,025                            |
| Total deferred inflows of resources      | <u>982,725</u>                     |
| <b>Net Position</b>                      |                                    |
| Restricted for:                          |                                    |
| Debt service                             | 1,668,918                          |
| Emergency reserve                        | 8,667                              |
| Unrestricted (deficit)                   | (21,552,895)                       |
| Total net position                       | <u>\$ (19,875,310)</u>             |

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

WATERVIEW 1 METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2025

| Function/Programs                                | Program Revenues    |                         |                                          | Net (Expense)<br>Revenue and<br>Changes in Net<br>Position |
|--------------------------------------------------|---------------------|-------------------------|------------------------------------------|------------------------------------------------------------|
|                                                  | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions                     |
| Primary Government                               |                     |                         |                                          |                                                            |
| General Government                               | \$ 146,393          | \$ 141,168              | \$ 0                                     | \$ 0                                                       |
| Interest and Fiscal Charges<br>on Long-Term Debt | 966,273             | 0                       | 0                                        | (5,225)                                                    |
|                                                  | <u>\$ 1,112,666</u> | <u>\$ 141,168</u>       | <u>\$ 0</u>                              | <u>(966,273)</u>                                           |
|                                                  |                     |                         |                                          | <u>(971,498)</u>                                           |
| General Revenues:                                |                     |                         |                                          |                                                            |
| Property taxes                                   |                     |                         |                                          | 909,703                                                    |
| Specific ownership taxes                         |                     |                         |                                          | 79,605                                                     |
| Net investment income                            |                     |                         |                                          | 107,886                                                    |
| Miscellaneous                                    |                     |                         |                                          | 1,088                                                      |
|                                                  |                     |                         |                                          | <u>1,098,282</u>                                           |
|                                                  |                     |                         |                                          | <u>(19,904,094)</u>                                        |
|                                                  |                     |                         |                                          | <u>(98,000)</u>                                            |
|                                                  |                     |                         |                                          | <u>(20,002,094)</u>                                        |
|                                                  |                     |                         |                                          | <u>126,784</u>                                             |
|                                                  |                     |                         |                                          | <u>\$ (19,875,310)</u>                                     |

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

WATERVIEW 1 METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2025

|                                                           | <b>General<br/>Fund</b> | <b>Debt Service<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------------------------------------|-------------------------|------------------------------|-----------------------------------------|
| <b>Assets</b>                                             |                         |                              |                                         |
| Cash and investments                                      | \$ 161,881              | \$ 23,496                    | \$ 185,377                              |
| Restricted investments                                    | 0                       | 1,573,130                    | 1,573,130                               |
| Accounts receivable                                       | 255,032                 | 0                            | 255,032                                 |
| Property taxes receivable                                 | 0                       | 884,025                      | 884,025                                 |
| Due from other funds                                      | 0                       | 100,817                      | 100,817                                 |
| Total assets                                              | <u>\$ 416,913</u>       | <u>\$ 2,581,468</u>          | <u>\$ 2,998,381</u>                     |
| <b>Liabilities</b>                                        |                         |                              |                                         |
| Accounts payable and accrued liabilities                  | \$ 9,791                | \$ 0                         | \$ 9,791                                |
| Unearned revenues                                         | 20,550                  | 0                            | 20,550                                  |
| Due to other funds                                        | 100,817                 | 0                            | 100,817                                 |
| Total liabilities                                         | <u>131,158</u>          | <u>0</u>                     | <u>131,158</u>                          |
| <b>Deferred Inflows of Resources</b>                      |                         |                              |                                         |
| Unavailable accounts receivable                           | 255,032                 | 0                            | 255,032                                 |
| Unavailable property tax revenues                         | 0                       | 884,025                      | 884,025                                 |
| Total deferred inflows of resources                       | <u>255,032</u>          | <u>884,025</u>               | <u>1,139,057</u>                        |
| <b>Fund Balance</b>                                       |                         |                              |                                         |
| Restricted for:                                           |                         |                              |                                         |
| Debt service                                              | 0                       | 1,697,443                    | 1,697,443                               |
| Emergency reserve                                         | 8,667                   | 0                            | 8,667                                   |
| Unassigned                                                | 22,056                  | 0                            | 22,056                                  |
| Total fund balances                                       | <u>30,723</u>           | <u>1,697,443</u>             | <u>1,728,166</u>                        |
| Total liabilities, deferred inflows,<br>and fund balances | <u>\$ 416,913</u>       | <u>\$ 2,581,468</u>          | <u>\$ 2,998,381</u>                     |

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

WATERVIEW 1 METROPOLITAN DISTRICT  
RECONCILIATION OF THE BALANCE SHEET TO  
THE STATEMENT OF STATEMENT OF NET POSITION  
DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of net position are different because:

|                                          |              |
|------------------------------------------|--------------|
| Total Fund Balance of Governmental Funds | \$ 1,728,166 |
|------------------------------------------|--------------|

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

|                          |                    |              |
|--------------------------|--------------------|--------------|
| 2016A Note payable       | (8,176,667)        |              |
| 2016 Bonds payable       | (8,215,000)        |              |
| Premium on bonds payable | (474,778)          |              |
| Developer advances       | (10,000)           |              |
| Accrued interest payable | <u>(4,883,363)</u> |              |
|                          |                    | (21,759,808) |

Accounts receivables are not available to pay for current period expenditures and, therefore are reported as unavailable resources in the funds. This balance represents fees for services provided by the District that have not yet been collected.

|                |
|----------------|
| <u>156,332</u> |
|----------------|

|                                         |                               |
|-----------------------------------------|-------------------------------|
| Net Position of Governmental Activities | <u><u>\$ (19,875,310)</u></u> |
|-----------------------------------------|-------------------------------|

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

WATERVIEW 1 METROPOLITAN DISTRICT  
STATEMENT OF GOVERNMENTAL FUNDS REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
DECEMBER 31, 2025

|                                            | <b>General<br/>Fund</b> | <b>Debt Service<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------|-------------------------|------------------------------|-----------------------------------------|
| <b>Revenues</b>                            |                         |                              |                                         |
| Property taxes                             | \$ 0                    | \$ 909,703                   | \$ 909,703                              |
| Specific ownership taxes                   | 0                       | 79,605                       | 79,605                                  |
| Fees - operating and maintenance           | 88,598                  | 0                            | 88,598                                  |
| Fees - stormwater                          | 10,571                  | 0                            | 10,571                                  |
| Status letter fees                         | 1,156                   | 0                            | 1,156                                   |
| Net investment income                      | 0                       | 107,886                      | 107,886                                 |
| Miscellaneous                              | 1,088                   | 0                            | 1,088                                   |
| Total revenues                             | <u>101,413</u>          | <u>1,097,194</u>             | <u>1,198,607</u>                        |
| <b>Expenditures</b>                        |                         |                              |                                         |
| Current:                                   |                         |                              |                                         |
| Audit                                      | 9,300                   | 0                            | 9,300                                   |
| Bank charges                               | 2,661                   | 4,880                        | 7,541                                   |
| Director's fees                            | 2,600                   | 0                            | 2,600                                   |
| Dues and subscriptions                     | 873                     | 0                            | 873                                     |
| Elections                                  | 1,395                   | 0                            | 1,395                                   |
| Electricity                                | 7,277                   | 0                            | 7,277                                   |
| Insurance                                  | 5,421                   | 0                            | 5,421                                   |
| Landscape maintenance                      | 20,501                  | 0                            | 20,501                                  |
| Legal                                      | 4,391                   | 0                            | 4,391                                   |
| Mailbox snow removal                       | 714                     | 0                            | 714                                     |
| Management, administration, and accounting | 55,372                  | 0                            | 55,372                                  |
| Payroll taxes                              | 200                     | 0                            | 200                                     |
| Property taxes                             | 466                     | 0                            | 466                                     |
| Storm water (FMIC)                         | 15,369                  | 0                            | 15,369                                  |
| Treasurer's fees                           | 0                       | 13,653                       | 13,653                                  |
| Website                                    | 1,320                   | 0                            | 1,320                                   |
| Debt service:                              |                         |                              |                                         |
| Bond principal                             | 0                       | 200,000                      | 200,000                                 |
| Interest                                   | 0                       | 1,550,300                    | 1,550,300                               |
| Total expenditures                         | <u>127,860</u>          | <u>1,768,833</u>             | <u>1,896,693</u>                        |
| <b>Change in fund balances</b>             | (26,447)                | (671,639)                    | (698,086)                               |
| <b>Fund balances, beginning of year</b>    | <u>57,170</u>           | <u>2,369,082</u>             | <u>2,426,252</u>                        |
| <b>Fund balances, end of year</b>          | <u>\$ 30,723</u>        | <u>\$ 1,697,443</u>          | <u>\$ 1,728,166</u>                     |

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

WATERVIEW 1 METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
DECEMBER 31, 2025

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

|                                                                                                                                                                                                                |               |    |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----|----------------|
| Net Changes in Fund Balances - Governmental Fund                                                                                                                                                               |               | \$ | (698,086)      |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. This amount represents the change in deferred accounts receivable. |               |    | 40,843         |
| Debt service for principal payments are reported as expenditures in the governmental funds but not reported as expenses in the statement of activities.                                                        |               |    | 200,000        |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.                              |               |    |                |
| Change in accrued interest payable                                                                                                                                                                             | 545,735       |    |                |
| Amortization of premium on bonds                                                                                                                                                                               | <u>38,292</u> |    |                |
|                                                                                                                                                                                                                |               |    | <u>584,027</u> |
| Changes in Net Position of Governmental Activities                                                                                                                                                             |               | \$ | <u>126,784</u> |

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

WATerview 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

Waterview 1 Metropolitan District ("District"), a quasi-municipal corporation and political subdivision of the State of Colorado, was formed on November 8, 2001, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado ("County"). The District was organized for the purpose of providing for the acquisition, construction, installation, operation and maintenance of certain public improvements for the benefit of the property owners and inhabitants of the District. The improvements in the District's service plan include street improvements, including draining and landscaping, and safety protection (traffic control devices).

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 and a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization nor is the District a component unit of any other primary governmental entity.

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) 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 property taxes and ownership taxes.

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

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and operating, maintenance, and stormwater fees. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

*General Fund* – The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund.

*Debt Service Fund* – The debt service fund accounts for the servicing for general long-term debt and revenues generated and received by the District that are required to be used in payment of long-term debt.

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

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

Budgets

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

Accounts Receivable

Accounts receivable relate to operations and maintenance fees which have been assessed but not paid. The District believes all amounts recorded are fully collectible.

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 and attaches as an enforceable lien as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of the tax lien on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, property tax revenue and certain accounts receivable are deferred and recognized as inflows of resources in the period that the amounts become available.

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Balance

*Net Position*

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund balance for governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

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

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses or inventory) or is legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

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

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Balance (Continued)

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

|                                           |                     |
|-------------------------------------------|---------------------|
| Cash and investments                      | \$ 185,377          |
| Investments - restricted for debt service | 1,573,130           |
| Total cash and investments                | <u>\$ 1,758,507</u> |
|                                           |                     |
| Deposits with financial institutions      | \$ 161,881          |
| Investments                               | 1,596,626           |
| Total cash and investments                | <u>\$ 1,758,507</u> |

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 \$146,519 and a book balance of \$161,881. At December 31, 2025, all bank deposits were insured by the Federal Deposit Insurance Corporation (FDIC).

Investments

The District has not adopted a formal investment policy, however the District follows state statutes regarding investments.

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

The District generally limits its concentration of investments to those with an asterisk below which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless otherwise formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

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

| <u>Investment</u> | <u>Maturity</u>  | <u>Amount</u>       |
|-------------------|------------------|---------------------|
|                   | Weighted Average |                     |
| COLOTRUST         | Under 60 Days    | <u>\$ 1,596,626</u> |

COLOTRUST

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

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AA Af/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 3 - LONG-TERM OBLIGATIONS

Developer Advances

On August 29, 2007, the District entered into an agreement with the initial developer. The developer agreed to advance funds to the District for operations, maintenance expenses, and capital costs pursuant to the terms of the agreement. The agreement is subject to renewal on an annual basis as deemed appropriate by the developer. Such advances plus interest at a rate of 8.00% per annum are to be reimbursed by the District with the proceeds of any future available revenues, including but not limited to the proceeds of bonds, fees and taxes, or the issuance of water and wastewater taps of the District. Any reimbursement is subject to annual appropriation by the District and is contingent upon the District's ability to generate sufficient revenues, after payment of annual operating expenditures, and debt service requirements.

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 3 - LONG-TERM OBLIGATIONS

Series 2016A General Obligation Taxable Subordinate Promissory Note

On October 14, 2016, the District entered into a promissory note agreement with the developer for \$8,726,666, bearing interest at 8.00% per annum and maturing on December 31, 2051 (the "2016A Note"). If, on the maturity date, any principal or interest on the note remains outstanding, the 2016A Note will be cancelled and no further amounts will be due or payable. This 2016A Note replaces the principal balance and accrued interest of a previous 2012A note payable agreement.

Payments on the 2016A Note payable are subordinate to those for the Series 2016 bonds, below, and are subject to available cash flows. Accordingly, no maturity schedule has been included.

Series 2016 General Obligation Limited Tax Refunding Bonds

On October 13, 2016, the District issued Series 2016 Limited Tax General Obligation Bonds in the amount of \$9,540,000 (the 2016 Bonds). The 2016 Bonds proceeds were used to repay the 2013 General Obligation Limited Tax Refunding Bonds in their entirety and to repay \$7,640,000 of the Series 2012A General Obligation Taxable Subordinate Promissory Note and accumulated interest. The 2016 Bonds bear a fixed interest rate ranging from 3.00% to 5.00% percent per annum. As of December 31, 2025, the interest rate was 4.00%. Interest payments are due to bondholders semiannually on June 1 and December 1. Any unpaid interest compounds semiannually thereafter. Principal payments are due annually on December 1. Principal payments maturing on or after December 1, 2027 are subject to early redemption at the option of the District without premium. The 2016 Bonds mature December 1, 2046.

The 2016 Bonds are secured by and payable from pledge revenues consisting primarily of ad valorem property tax revenues, a portion of specific ownership tax revenues, transportation impact fees, and infrastructure improvement fees. The 2016 Bonds are further secured by the cash and investments in the debt service fund.

A Reserve Fund is required to be maintained at all times in the amount of the Required Reserve which will be an amount equal to 50% of the maximum annual debt service requirements of the Series 2016 Limited Tax General Obligation Bonds and such Reserve Fund is fully funded as of December 31, 2025.

The inability of the District to pay principal of or interest on the 2016 Bonds does not constitute an event of default.

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

**NOTE 3 - LONG-TERM OBLIGATIONS (CONTINUED)**

The following is a summary of changes in bonds payable during the year ended December 31, 2025.

|                                       | Balance<br>12/31/24  | Additions         | Repayments/<br>Amortization | Balance<br>12/31/25  | Due Within<br>One Year |
|---------------------------------------|----------------------|-------------------|-----------------------------|----------------------|------------------------|
| Developer advances                    | \$ 10,000            | \$ 0              | \$ 0                        | \$ 10,000            | \$ 0                   |
| Accrued Interest - Developer Advances | 5,113                | 800               | 0                           | 5,913                | 0                      |
| 2016A Note                            | 8,176,667            | 0                 | 0                           | 8,176,667            | 0                      |
| Accrued Interest - 2016A Note         | 5,394,793            | 654,132           | 1,200,000                   | 4,848,925            | 0                      |
| 2016 Bonds                            | 8,415,000            | 0                 | 200,000                     | 8,215,000            | 225,000                |
| Bond premium                          | 513,070              | 0                 | 38,292                      | 474,778              | 0                      |
| Total                                 | <u>\$ 22,514,643</u> | <u>\$ 654,932</u> | <u>\$ 1,438,292</u>         | <u>\$ 21,731,283</u> | <u>\$ 225,000</u>      |

Annual debt service requirements for the 2016 Bonds are as follows:

| Year Ending<br>December 31, | Principal           | Interest            | Total                |
|-----------------------------|---------------------|---------------------|----------------------|
| 2026                        | \$ 225,000          | \$ 342,300          | \$ 567,300           |
| 2027                        | 230,000             | 333,300             | 563,300              |
| 2028                        | 235,000             | 324,100             | 559,100              |
| 2029                        | 250,000             | 314,700             | 564,700              |
| 2030                        | 255,000             | 304,700             | 559,700              |
| 2031 - 2035                 | 1,480,000           | 1,343,400           | 2,823,400            |
| 2036 - 2040                 | 1,980,000           | 931,250             | 2,911,250            |
| 2041 - 2045                 | 2,685,000           | 421,151             | 3,106,151            |
| 2046                        | 875,000             | 28,438              | 903,438              |
| Total                       | <u>\$ 8,215,000</u> | <u>\$ 4,343,339</u> | <u>\$ 12,558,339</u> |

**NOTE 4 - NET POSITION**

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

Restricted net position includes amounts that are subject to restriction for use either by external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Amounts restricted for debt service represent the debt service fund balance less accrued interest payable - senior. Amounts restricted for the emergency reserve are a result of requirements imposed upon the District by Article X, Section 20 of the Colorado Constitution (i.e., "TABOR").

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the restricted component of net position.

WATerview 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 4 - NET POSITION (CONTINUED)

The District's reported a deficit in unrestricted net position as of December 31, 2025. This deficit amount was a result of the District being responsible for the repayment of general obligation bonds which funded infrastructure assets that were dedicated to other governmental entities.

NOTE 5 - INCLUSION AGREEMENT

The owner of the real property located within the District's boundaries entered into an inclusion agreement with the local water and sanitation districts under which the property is included within the local districts' service boundaries. Upon the establishment of Waterview 1 Metropolitan District, the rights and obligations of the inclusion agreement were assigned to the District.

Under the terms of the agreement, the District is responsible for the construction of, and payment for (1) the water delivery and distribution system and necessary to properly supply and distribute water from the local water districts' facilities to the property and (2) the wastewater collection lines and system as necessary to properly collect the wastewater from the property and connect to the sanitation districts' wastewater collection system. The District will pay water and wastewater tap fees, and water development fees for water services to the property when the water and wastewater services are requested to be made available to the individual lots within the property. The local districts will then provide water and sanitation services to the property.

The District did not incur expenditures under the inclusion agreement in the year ended December 31, 2025.

NOTE 6 - 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 contractors; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool ("Pool") as of December 31, 2025. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, workers' compensation, and public officials liability coverage.

WATERVIEW 1 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025

NOTE 6 - RISK MANAGEMENT (CONTINUED)

In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 7 - 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 within the State of Colorado.

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. The District's voters approved a ballot issue allowing the District to retain all revenues.

TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will likely require judicial interpretation. Management believes it is in compliance with the provisions of TABOR.

NOTE 8 - RESTATEMENT

During the year ended December 31, 2025, the District identified an error in the prior year related to operating, maintenance, and stormwater fees applicable to the 2025 annual service period that were improperly recognized as revenue as "Charges for Services" in the statement of activities. The error resulted in an overstatement of beginning net position of governmental activities as of January 1, 2025. In accordance with GASB Statement No. 100, Accounting Changes and Error Corrections, the error has been corrected by restating beginning net position for governmental activities as of January 1, 2025. The restatement had no impact on fund balance as of January 1, 2025. The effect of the restatement on beginning net position is as follows:

|                          | <u>As Previously<br/>Reported</u> | <u>Error<br/>Correction</u> | <u>As Restated</u>     |
|--------------------------|-----------------------------------|-----------------------------|------------------------|
| Net Position - Beginning | <u>\$ (19,904,094)</u>            | <u>\$ (98,000)</u>          | <u>\$ (20,002,094)</u> |

## **REQUIRED SUPPLEMENTARY INFORMATION**

WATERVIEW 1 METROPOLITAN DISTRICT  
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
DECEMBER 31, 2025

|                                            | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--------------------------------------------|------------------------------------------|---------------------------|-------------------------------------------------------------------|
| <b>Revenues</b>                            |                                          |                           |                                                                   |
| Fees - operating and maintenance           | \$ 119,400                               | \$ 88,598                 | \$ (30,802)                                                       |
| Fees - stormwater                          | 16,000                                   | 10,571                    | (5,429)                                                           |
| Status letter fees                         | 1,000                                    | 1,156                     | 156                                                               |
| Miscellaneous                              | 0                                        | 1,088                     | 1,088                                                             |
| Total revenues                             | <u>136,400</u>                           | <u>101,413</u>            | <u>(34,987)</u>                                                   |
| <b>Expenditures</b>                        |                                          |                           |                                                                   |
| Current:                                   |                                          |                           |                                                                   |
| Audit                                      | 10,000                                   | 9,300                     | 700                                                               |
| Bank charges                               | 3,000                                    | 2,661                     | 339                                                               |
| Director's fees/expenses                   | 6,000                                    | 2,600                     | 3,400                                                             |
| Dues and subscriptions                     | 950                                      | 873                       | 77                                                                |
| Elections                                  | 1,500                                    | 1,395                     | 105                                                               |
| Electricity                                | 6,000                                    | 7,277                     | (1,277)                                                           |
| Insurance                                  | 4,500                                    | 5,421                     | (921)                                                             |
| Landscape maintenance                      | 22,000                                   | 20,501                    | 1,499                                                             |
| Legal                                      | 3,000                                    | 4,391                     | (1,391)                                                           |
| Mailbox snow removal                       | 2,000                                    | 714                       | 1,286                                                             |
| Management, administration, and accounting | 42,000                                   | 55,372                    | (13,372)                                                          |
| Mailbox maintenance                        | 500                                      | 0                         | 500                                                               |
| Payroll taxes                              | 400                                      | 200                       | 200                                                               |
| Property taxes                             | 600                                      | 466                       | 134                                                               |
| Storm water (FMIC)                         | 16,000                                   | 15,369                    | 631                                                               |
| Website                                    | 3,000                                    | 1,320                     | 1,680                                                             |
| Contingency                                | 10,000                                   | 0                         | 10,000                                                            |
| Emergency reserves                         | 3,000                                    | 0                         | 3,000                                                             |
| Total expenditures                         | <u>134,450</u>                           | <u>127,860</u>            | <u>6,590</u>                                                      |
| Changes in fund balance                    | <u>\$ 1,950</u>                          | (26,447)                  | <u>\$ (28,397)</u>                                                |
| Fund balance, beginning of year            |                                          | <u>57,170</u>             |                                                                   |
| Fund balance, end of year                  |                                          | <u>\$ 30,723</u>          |                                                                   |

See Independent Auditors' Report

## **SUPPLEMENTARY INFORMATION**

WATerview 1 METROPOLITAN DISTRICT  
DEBT SERVICE FUND – STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
DECEMBER 31, 2025

|                                             | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------|----------------------------|-------------------------|---------------------------|-------------------------------------------------------------------|
| <b>Revenues</b>                             |                            |                         |                           |                                                                   |
| Property taxes                              | \$ 909,433                 | \$ 909,433              | \$ 909,703                | \$ 270                                                            |
| Specific ownership taxes                    | 54,566                     | 54,566                  | 79,605                    | 25,039                                                            |
| Net investment income                       | 60,000                     | 60,000                  | 107,886                   | 47,886                                                            |
| Total revenues                              | <u>1,023,999</u>           | <u>1,023,999</u>        | <u>1,097,194</u>          | <u>73,195</u>                                                     |
| <b>Expenditures</b>                         |                            |                         |                           |                                                                   |
| Current:                                    |                            |                         |                           |                                                                   |
| Bank charges                                | 3,600                      | 6,000                   | 4,880                     | 1,120                                                             |
| Treasurer's fees                            | 13,641                     | 15,000                  | 13,653                    | 1,347                                                             |
| Debt service:                               |                            |                         |                           |                                                                   |
| Limited Tax GO bond Principal - Series 2016 | 200,000                    | 200,000                 | 200,000                   | 0                                                                 |
| Bond interest                               | 350,300                    | 350,300                 | 350,300                   | 0                                                                 |
| Subordinate bond interest                   | 500,000                    | 1,200,000               | 1,200,000                 | 0                                                                 |
| Paying agent fees                           | 3,000                      | 0                       | 0                         | 0                                                                 |
| Contingency                                 | 0                          | 28,700                  | 0                         | 28,700                                                            |
| Total expenditures                          | <u>1,070,541</u>           | <u>1,800,000</u>        | <u>1,768,833</u>          | <u>31,167</u>                                                     |
| Changes in fund balance                     | <u>\$ (46,542)</u>         | <u>\$ (776,001)</u>     | (671,639)                 | <u>\$ 104,362</u>                                                 |
| Fund balance, beginning of year             |                            |                         | <u>2,369,082</u>          |                                                                   |
| Fund balance, end of year                   |                            |                         | <u>\$ 1,697,443</u>       |                                                                   |