

2025 ANNUAL REPORT LYONS RIDGE METROPOLITAN DISTRICT

Pursuant to section 32-1-207(3)(c), C.R.S., of the District's Service Plan, the following report for of the activities of Lyons Ridge Metropolitan District (the "**District**") from January 1, 2025 to December 31, 2025 is hereby submitted.

A. Boundary changes made:

There were no boundary changes made or proposed in 2025.

B. Intergovernmental Agreements entered into or terminated:

The District did not enter into any Intergovernmental Agreements in 2025.

C. Access information to obtain a copy of rules and regulations adopted:

The District's rules and regulations, adopted on July 19, 2019, are attached as **Exhibit A.**

D. Summary of litigation involving the District's public improvements:

We have no knowledge of any litigation involving District improvements in 2025.

E. Status of the District's construction of public improvements:

There was no construction of District public improvements.

F. Conveyances or dedications of facilities or improvements, constructed by the District, to the County:

There were no facilities and improvements constructed by the District that were dedicated to the County in 2025.

G. Final assessed valuation of the District for the report year: \$25,434,598

H. Current year's budget:

A copy of the District's 2026 budget is attached hereto as **Exhibit B.**

I. Audited financial statements for the reporting year (or application for exemption from audit):

A copy of the 2025 Audit is attached hereto as **Exhibit C.**

J. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument:

To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.

K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety-day (90) period:

To our knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A

**LYONS RIDGE METROPOLITAN
DISTRICT**

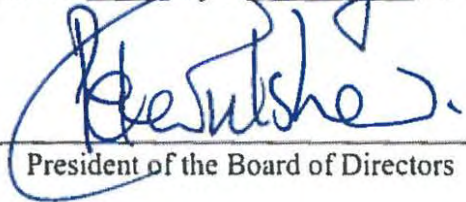
RULES AND REGULATIONS

ADOPTED July 19, 2019

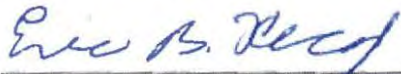
**LYONS RIDGE METROPOLITAN DISTRICT
RULES AND REGULATIONS**

The following Rules and Regulations have been prepared and adopted to carry out the business, objects and affairs of the Lyons Ridge Metropolitan District and to provide for the construction, administration and operation of its property and facilities pursuant to §32-1-1001(1)(m), C.R.S. These Rules and Regulations shall be effective on the date of adoption.

The Board of Directors expressly reserves the right to make any lawful addition and/or revisions in these Rules and Regulations when and as they may become advisable to properly manage the District and to promote the peace, health, safety and welfare of the residents of the District. These Rules and Regulations are supplementary to, and are not to be construed as, any abridgement of any lawful rights of the Board as outlined in the Colorado Revised Statutes governing Special Districts.

Adopted the 19th day of July, 2019
By: 
President of the Board of Directors

ATTEST:


Secretary of the Board of Directors

**LYONS RIDGE METROPOLITAN DISTRICT
RULES AND REGULATIONS**

TABLE OF CONTENTS

SECTION 1 – GENERAL EXPLANATORY MATERIAL

	<u>PAGE</u>
1.1 Authority.....	1
1.2 Scope.....	1
1.3 Policy.....	1
1.4 Purpose.....	1
1.5 Intent of Construction	1
1.6 Amendment	1
1.7 Definitions.....	1

SECTION 2 – OWNERSHIP AND OPERATION OF FACILITIES

2.1 Responsibilities of District.....	3
2.2 Limitation of District Liability	3
2.3 Ownership of Facilities	3
2.4 Right of Entry.....	3
2.5 Modification, Waiver and Suspension of Rules	4

SECTION 3 – CONDITIONS OF USE OF FACILITIES

3.1 Who May Use	4
3.2 Permit for Use	4

3.3	Inclusions	4
3.4	Usage by Out of District Persons.....	4
3.5	Application for or Denial of Use	5
3.6	Cancellation of Use	5
3.7	Unauthorized Use.....	5
3.8	Responsibilities of Facility Users and District Residents	5
3.9	Enforcement	6

SECTION 4 – EJECTOR PUMP SYSTEMS

4.1	Ownership.....	6
4.2	Maintenance and Monitoring	6

SECTION 5 – WATER AND SEWER

APPENDIX A – SPECIFIC REGULATIONS

APPENDIX A.1 – APPLICATION/PERMIT FOR SHELTERS

APPENDIX B – RATES AND CHARGES

SECTION 1 – GENERAL EXPLANATORY MATERIAL

11 Authority. The District is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi-municipal corporation, that are specifically granted for carrying out the objectives and purposes of the District in §§32-1-1001 et seq., of the Colorado Revised Statutes.

12 Scope. These Rules and Regulations have been adopted and promulgated pursuant to and shall be treated and considered as new and comprehensive regulations, governing the operations and functions of the Lyons Ridge Metropolitan District.

13 Policy. It is hereby declared that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to ensure and protect the health, safety, prosperity, security, and general welfare of the inhabitants of the Lyons Ridge Metropolitan District.

14 Purpose. The purpose of these Rules and Regulations is to provide for the orderly financing, control, construction, management, operation and maintenance of storm sewer, flood and drainage facilities, park and recreation facilities, traffic and safety control devices and all other lawful undertakings of the District including any future expansion of said facilities.

15 Intent of Construction. It is intended that these Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and that each and every part thereof is separate and distinct from all other parts. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver, or deviation from any grant of power, duty or responsibility, or limitation or restriction, imposed or conferred upon the Board of Directors by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other governmental entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District.

16 Amendment. It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations as it deems appropriate and such amendments shall be entered in the Minutes of the District and periodically incorporated in printed copies of these Rules and Regulations. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this Section.

1.7 Definitions. Unless the context specifically indicates otherwise, the meaning of terms used herein shall be that normally given unless specifically defined below:

Actual Cost shall mean all direct costs applicable to the construction, repair, cleaning or replacement of a given facility, including surveys, preliminary and design engineering, construction, inspection, administrative and regulatory agency fees, bond fees, all required easements and/or rights-of-way, plan approval fees, "as-built" drawings, attorney's fees, and other costs necessary for completion.

Board and Board of Directors shall mean the duly elected governing body of the Lyons Ridge Metropolitan District.

Covenants shall mean the Amendment and Restatement of Declaration of Covenants, Conditions and Restrictions for Lyons Ridge – West Valley, and the Declaration of Covenants, Conditions and Restrictions for Lyons Ridge – East Valley which are, unless more restrictive conditions and restrictions are contained herein, incorporated in these Rules and Regulations as if set forth herein in their entirety. Capitalized terms used herein and not defined shall be as defined in the Covenants.

Customer shall mean any person, company, corporation or governmental authority or agency authorized to use the public facilities either as a resident of the District or under a permit issued or otherwise authorized by the District for resident or non-resident use.

Developer shall mean the person(s), firm, joint venture, partnership or corporation which is the owner or operator of land and which seeks to have the land served by the District.

District shall mean the Lyons Ridge Metropolitan District or the Board of Directors of the District.

Facilities shall mean those facilities generally serving the District's service areas as a whole. Examples include but are not limited to: parks, open space areas, fences, playgrounds, trails, storm sewer and water detention systems, detention ponds, general safety and traffic systems and landscape and irrigation systems.

Inspector shall mean the District manager, superintendent, engineer, agent, officers, employees of the District, board member or other person so designated by the Board to perform inspections pursuant to these Rules and Regulations.

Manager shall mean the Manager of the District, or if absent, a person duly authorized by the Board to represent the interests of the District.

Owner shall mean the record title holder or lessee with planning or executory powers for an individual parcel.

Permit shall mean written permission of the Board of Directors authorizing applicant a license to use District land or facilities or to receive any other service provided by the District.

Person shall mean any individual, firm, company, association, society, corporation, public entity or group.

Rules and Regulations the Rules and Regulations of the District including all Appendices and Exhibits incorporated therein.

Service Plan shall mean the Service Plan of the District, as approved by Jefferson County, and as amended from time to time in accordance with Colorado law.

Shall is mandatory; may is permissive.

SECTION 2 – OWNERSHIP AND OPERATION OF FACILITIES

21 Responsibilities of the District. It is the District's responsibility to plan, finance, design, maintain, operate and construct all designated Facilities as well as administer and enforce the Covenants including the Design Review Guidelines promulgated thereunder. The District will only construct such facilities or portions thereof when the Board has made a determination that such construction is economically feasible through presently available income, sale of bonds or imposition of District Fees. Such determination may require Owner/Developers to prepay or guarantee future payment of District Fees or other special arrangements as the Board may determine necessary to construct or expand required facilities.

It is the Owner/Developer's responsibility to finance, design, and construct, replace and/or repair all Facilities as defined herein that may be required or affected as a result of the Owner/Developer's activities. Such Facilities shall be constructed in accordance with plans and specifications approved by the District, and Jefferson County, and in accordance with minimum standards adopted by these entities, including without limitation the Covenants and Design Review Guidelines. The Owner/Developer shall pay the Actual Cost of all such facilities and District review.

After satisfactory (as determined by the District) construction, repair or replacement of Facilities and acceptance by the District, the District shall be responsible for the maintenance, operation, and replacement of all Facilities (except as provided during the warranty period) for Facilities that the District accepts upon independent inspection and evaluation. The District shall not be obligated to accept any Facilities. The District shall not be responsible for interruption of availability or inadequacy of facilities brought about by circumstances beyond its control.

22 Limitation of District Liability. It is expressly stipulated that no claim for damage shall be made against the District by reason of the following: Blockage or interruption of storm sewer systems causing backup or flooding; Damage to or removal of traffic or safety systems causing injury or accident; Death or injury due to the condition or design of Facilities, including playgrounds and other equipment; Death or injury caused by entry into any District land, Facility, detention pond or any other District property; voluntary entry and usage of any District Facility, park or recreation program; or for doing anything to the Facilities of the District deemed necessary or appropriate by the Board of Directors. The District shall have no responsibility for notification to Owners or Customers of any of the foregoing conditions. The District reserves the right to temporarily discontinue usage of, or service by any District facilities at any time and for any reason deemed necessary or appropriate by the Board of Directors. The District shall have the right to revoke service or access to the Facilities to any Owner or Customer for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations. Nothing in these Rules and Regulations shall be construed as limiting the applicability of the Colorado Governmental Immunity Act to the District.

23 Ownership of Facilities. All existing and future District Facilities and any appurtenances thereto shall become and are the property of the District, regardless of whether such Facilities are constructed, financed, paid for, or otherwise acquired by the District, or by other Persons, unless any written contract with an Owner or Customer provides otherwise.

24 Right of Entry. The District's Manager, Inspector, agent, officers, employees, or other Person(s) so designated by the District Board, bearing proper identification, shall be permitted to enter upon all properties for the purpose of inspection, observation, measurement, sampling and testing in accordance with the provisions of these Rules and Regulations. The granting of Right of Entry by the Owner and occupant is a condition precedent and a condition subsequent to the provision of any services or Facilities by the District.

25 Modification, Waiver and Suspension of Rules. The Board or the District Manager acting on instructions of the Board shall have the sole authority to waive, suspend or modify these Rules and Regulations, and any such waiver, suspension or modification must be in writing, signed by the Board or the District Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver will be deemed or construed as a continuing waiver.

SECTION 3 - CONDITIONS FOR USE OF FACILITIES

3.1 Who May Use. The Facilities of the District are for the use and enjoyment of the Owners and Customers subject to the payment of all fees, rates, tolls, penalties, charges, and taxes assessed by the District.

32 Permit for Use. The District may require a permit or other means of access control for use of the Facilities. The District shall differentiate between Persons owning land and/or residing in the District and those who reside outside of the District when assessing fees and charges for use of the Facilities. It shall be a condition precedent to the use of any Facilities that the Person requesting such use provide satisfactory evidence of his or her residency whenever such evidence is requested by the District. Satisfactory evidence shall consist of a tax receipt or certification in lieu thereof, or State of Colorado picture identification listing the official residence of the holder. Out of District Customers may be allowed access and use of the Facilities through special use contract or other arrangement approved by the Board.

33 Usage by Out of District Persons. No service or use of District Facilities shall ever be allowed by Persons residing outside of the District, except pursuant to terms of a written agreement or Permit approved by the Board of Directors. Charges for furnishing service or allowing use of Facilities shall be at the discretion of the Board of Directors. No service or use of Facilities shall be provided unless the charge therefor equals at least the sum of the cost of service or use, and reasonable operation, maintenance and debt payment amounts as determined by the Board. In every case where the District provides services or use of Facilities to Persons or property outside of the District boundaries, the District reserves the right to discontinue the service when, in the judgement of the Board of Directors, it is in the best interest of the District

to do so. Any exception to this rule requires specific reference in a service contract, Facilities Permit or other agreement approved by the Board of Directors.

34 Application for or Denial of Use. Application for service or for use of Facilities must be filed with the District on forms provided by the District and accompanied by appropriate fees prior to any usage of the District's property or Facilities. Only upon authorized approval of the application and receipt therefor may use of District property or Facilities proceed.

The District reserves the exclusive right to deny application for use of District property or Facilities, when in the opinion of the Board or its authorized representative, granting of the application or Permit would create excessive seasonal or other demand on the property or Facilities. Denial may also be based upon an unresolved obligation between the District and the applicant, inadequate provision of information on the application or any other reason as determined by the District.

36 Cancellation of Application or Permit. The District reserves the right to revoke any prior approval of an application or Permit before or after service or use of Facilities has been provided, for any violation of these Rules and Regulations.

37 Unauthorized Use. No Owner, Developer, Customer or other Person shall be allowed to use the property or Facilities, or to move, alter, destroy or otherwise impact District property or Facilities without prior approval and Permits, payment of required fees and adequate supervision and inspection by the District or its designee. Upon discovery of any unauthorized use the applicable fees for such use and all Actual Costs for repair, replacement or assessment of other penalties or fees as set forth in these Rules and Regulations shall become immediately due and payable by the perpetrator. The unauthorized use fee shall be payable at twice the amount normally charged for such service or use of the Facilities or at a rate determined by the Board. The District shall personally serve or send written notice to, the unauthorized user stating the nature of the unauthorized use and the payment required therefor. The unauthorized user shall immediately pay the required amount. If the amount is not paid the District may pursue all remedies afforded under law. The District also reserves such rights of foreclosure as may be provided by law for the collection of unpaid fees and charges of the District.

38 Responsibilities of Facility Users and District Residents. All users of District Facilities, whether District residents or out of District Customers shall abide by these Rules and Regulations, the specific requirements of Appendix A to these Rules and Regulations and all other requirements as adopted by the Board of Directors. In general, facility users, Owners and Customers shall not cause or allow to be caused, damage, alteration or modification to any District Facilities without the prior written authorization of the District. All users shall pay fees, taxes, penalty fees and other charges as they become due and shall present all required permits or authorization for inspection by District representatives upon request.

39 Insurance Required. All users of District Facilities, whether District residents or out of District Customers shall obtain and maintain, at the user's expense, comprehensive general liability insurance including coverage for bodily injury, property damage and personal injury, issued by and binding upon an insurance company acceptable to the District Manager, such

insurance to afford minimum protections in amounts satisfactory to the District Manager, and the user shall the District with evidence of the existence of such insurance satisfactory to the District Manager or as set forth in Appendix A hereto.

3.9 Enforcement. If any action(s) by an Owner, Customer or other Person is in violation of these Rules and Regulations the District will initiate procedures to obtain compliance with these Rules and Regulations. Any Owner, Customer or Person who intentionally or negligently violates any provisions of these Rules and Regulations or conditions set forth in Permits or authorizations from the District shall be subject to such penalties as are described in Appendix B hereof, which penalties shall be paid to the District within three business days after notice is given by the District. If the violator is an Owner or District resident, in accordance with C.R.S. Section 32-1-1001(1)(j), until paid the penalty shall constitute a lien upon the user's property and may be foreclosed in the manner described in Colorado law. Notice of violation(s) shall be mailed to the Owner, Customer or Person at the address of record. The notice shall state the date of the violation, the corrective action required and/or the penalty assessment for the infraction.

SECTION 4 – EJECTOR PUMP SYSTEMS

41 Ownership. If a residence within the District is equipped with a sewage grinder pump ejector system it shall be the responsibility of the Owner of the Lot, as the owner of the system to use and maintain it, inclusive of the grinder, pumps and service line pursuant to instructions provided by the system's manufacturer and any and all rules, regulations, policies and procedures of the Willowbrook Water and Sanitation District.

42 Maintenance and Monitoring. Each ejector system has been equipped with a remote monitoring system intended to detect system usage and failures. The District currently retains the services of Ambiente H₂O Inc. to monitor each system and each Owner is required to follow the instructions of Ambiente in the course of the use of their respective systems. The District shall have no liability whatsoever in the event that there is a failure in any system, or a failure on the part of Ambiente or other service provider to properly monitor the system or report failures thereof to any Owner. Ambiente's current contact information may be obtained from the District Manager, and should be prominently displayed within each residence.

SECTION 5 – WATER AND SEWER

The provider of public water, sanitary sewer and stormwater systems and services within the District is Willowbrook Water and Sanitation District. The District does not own and will not operate or maintain those systems nor any private service line, french drain or ejector system connected thereto.

Appendix A

Regulations

A. General Rules

1. Facilities of the District are open for use from one-half hour before sunrise until one-half hour after sunset.
2. Vandalism, graffiti, removal, destruction or alteration of District property is strictly prohibited.
3. Emergency access easements, paths and rights-of-way are for the exclusive use of authorized vehicles and pedestrian/bicycle traffic only.
4. Violation of any of these rules may result in criminal prosecution or the imposition of a civil penalty, removal from the property/facility and denial of future use privileges.
5. No commercial concession or solicitation shall be operated or charged or donation solicited or requested on any District property. Programs, circulars, pamphlets, handbills, advertisements etc. shall not be sold, given away or posted without prior written approval from the District.
6. District parks and Facilities are routinely patrolled by local law enforcement agencies and all other applicable rules and regulations to include state statutes or county ordinances will be enforced.
7. No Person may consume alcoholic beverages, cannabis products or illegal drugs of any kind on District property at any time.
8. All athletic fields, courts or swimming facilities are subject to District authorized league scheduling and these groups have priority use of the facilities.

B. Park, Open Space & Shelter Usage Rules

1. The District prohibits the following from District Parks, open space, landscape features and/or shelters:
 - a. Unauthorized motorized vehicles.
 - b. Practicing golf or having golf clubs in the park.
 - c. Littering or dumping of trash.
 - d. Horses on turf or near shelters.
 - e. Misuse/defacement of any park facilities or property.

- f. Weapons of any kind, including any projectile (lawn darts, etc.).
- g. Fireworks or open flames (including model rockets) of any kind.
- h. Tree houses, rope swings or other attachments to trees or facilities.
- i. Swimming, wading or boating in any detention pond or flooded area.
- j. Glass containers of any kind.
- k. Overnight camping and open fires.
- l. Signs, banners, or other displays without prior approval.
- m. Disorderly conduct and/or abusive language.
- n. Alcoholic beverages and/or illegal drugs or related paraphernalia
- o. Enhanced or artificially directed discharge of any kind from any Lot

2. General Park/Open Space/Shelter rules:

- a. All pets must be on a leash and under owner's direct control at all times.
- b. Pet owners are responsible for immediate removal of pet waste.
- c. No animals shall be tethered to any District Facility, trees or left unattended at any time.
- d. Parks/shelters are open from one-half hour before sunrise to one-half hour after sunset.
- e. Shelter/Field use is on a first come/first served basis, subject to prior reservations.
- f. Wildlife and/or its habitat shall not be disturbed in any manner.
- g. Fires/grilling allowed only in self-contained propane fueled grills at least 12" above the ground.
- h. Music of any type or source shall be kept to a level so as not to disturb other facility users or surrounding homeowners, any machine or device for the purpose of amplification of human voice, music or any other sound is prohibited without the express written consent of the District.
- i. Park/shelter users are personally liable for the destruction of District property and for any damage to nearby homes caused by their activities in the Park/shelter.

- j. Shelter/Park reservations will be available upon approval of an application to the District on the form attached hereto as Appendix A.1. Reservations are revocable at the discretion of the District and are subject to availability. A deposit may be required for use of the shelters.
- k. All park/shelter users are responsible for removal and proper disposal of all trash, litter and debris and cleanup of spills in picnic areas.
- l. No portion or area of a park or shelter shall be cordoned off or otherwise reserved for use without written permission of the District.
- m. Any group or Person reserving a park or shelter for a group in excess of 30 people is required to obtain a permit in the form attached hereto as Appendix A.1.
- o. Shelters and parks may only be reserved by District residents who will be held responsible for the reservation and all damages.

C. Fence, Sidewalk and Landscape Rules

- 1. Without Board approval in writing, no cuts, doorways, gates, paths or driveways are to be made in any District owned fence, right-of-way or landscaped areas for any reason.
- 2. Postings, signs or banners of any type shall not be attached to any District owned fence and shall not be posted on any District property except as authorized by the Board in designated locations. (e.g. real estate, garage sale or other signs shall not be placed on District property at the entrances to the subdivisions). Signs posted in violation of this regulation are subject to removal and disposal by the District without notice.
- 3. Travel on District property is limited to designated sidewalks, paths and drives.
 - a. The maximum bicycle speed on sidewalks, paths and trails is 9.7 m.p.h.
 - b. Alcoholic beverages and illegal drugs are prohibited on District trails and sidewalks at all times.
 - c. Pets must be on a leash under the direct control of the owner and shall not be tethered to any District facilities or left unattended.
 - d. Pet owners are responsible for removal of pet waste.
 - e. Littering or dumping on or along sidewalks, trails and paths is prohibited.
 - f. Motorized vehicles of any type are prohibited in parks, open spaces, or on sidewalks, trails or paths.

- g. Sidewalk, trail and path users should be respectful of other users and should yield when entering or crossing. Bicyclists must yield to pedestrian traffic. Keep right except to pass and use an audible warning when passing.
- 4. Removal or destruction of landscape materials, irrigation system components, trees or vegetation is strictly prohibited. Landscape rocks shall not be disturbed or otherwise be thrown, kicked or moved into the streets, lawns or other inappropriate areas. Violators will be prosecuted to the full extent of the law.
- 5. The structure and surface of the Historic Kiln is not to be disturbed in any way.

APPENDIX A.1

FACILITY RESERVATION APPLICATION/PERMIT

(** Applicant Must be District Resident **)

Responsible Party Name: _____ Facility location: _____
Address: _____ Date(s) of Event/league: _____
City: _____ Hours: _____ a.m./p.m. TO _____ a.m./p.m.
Phone: Hm- _____ Wk- _____ No. of Persons: _____
Sponsor/Organization: _____ Purpose of Event: _____
Special Requests: _____

By policy established by official action of the Lyons Ridge Metropolitan District regarding issuance of Facility Reservation Permits for guaranteed reservations and/or league use of Facilities within the District jurisdiction, "On application made by responsible and identifiable individuals, corporations or public bodies, the District is directed to issue a Facility Use Permit for guaranteed reservation and/or league use which would waive, with respect for those applying users, their immediate families and guests, the rules governing the first come/first served use basis and that this applies *only* to District outdoor facilities."

VIOLATION OF ANY OF THE PERMIT CONDITIONS OR THE RULES AND REGULATIONS OF THE DISTRICT MAY RESULT IN IMMEDIATE REVOCATION AND/OR FORFEITURE OF USE PERMIT FEE. REPAIRS OR CLEANUP BEYOND NORMAL USE WILL BE BILLED TO APPLICANT BASED ON COST OF SERVICE.

In addition to the Rules and Regulations for Lyons Ridge Metropolitan District, the following are conditions of the Permit:

1. At termination of use, the Facilities shall be restored to a litter free condition.
2. If additional security or traffic control measures are required, the District will not assume any financial responsibility therefore, but will be available for coordination purposes.
3. Tents, booths, stands, canopies etc. are prohibited without the express written consent of the District.
4. All beverages must be contained in cans, boxes or plastic containers. Glass bottles or containers are not allowed in any District park or shelter.
5. If required by the District, the permit holder shall arrange for portable sanitation facilities/comfort stations and shall be solely responsible for the timely delivery/pickup and costs thereof.
6. A copy of this permit must be in the possession of the applicant or designated representative and presented to District or law enforcement personnel upon request.
7. The applicant shall be responsible for his/her own actions and the actions of the parties represented as a result of this permit. The applicant shall be held solely liable for any and all damages resulting from activities involving District Facilities.
8. The District prohibits discrimination of any kind in the issuance or enforcement of permits.
9. Cancellation or date changes of less than 30 days notice may result in loss of any required deposit fee.

I have read and fully agree with and accept all responsibility for the terms and conditions of this permit.

Signature of Applicant: _____ Date: _____
Approved: _____ Date: _____
Deposit Total: \$250.00 (Paid: Check _____ Cash _____ on _____ (date))
Additional Conditions: _____

APPENDIX B

SCHEDULE OF FEES AND PENALTIES

1. Fees:

- a. Damage Deposit – The damage deposit for use of the District's Facilities is \$250.00. A completed application must accompany payment of the deposit.

* Applicant may be held liable in excess of the above for excessive damage or clean-up required.

- b. Miscellaneous Activities – The District shall consider all requests for use of its Facilities and shall establish an appropriate rate therefore, in addition to the damage deposit, based upon the reasonable cost of providing the use requested. Written requests for such activities must be presented to the District at least 30 days prior to the event.

2. Penalties:

Pursuant to Section 32-1-1001, C.R.S., the District is authorized to enforce the provisions of these Rules and Regulations and impose penalties for violations thereof. A single violation under this section shall be a condition which is allowed to exist for 24 hours or each infraction of a regulation prohibiting specific activities on the part of the violator. Penalties may be imposed cumulatively for separate offenses or repeated violation of the same rule or regulation. The District reserves such rights of assessing additional penalties and/or interest against unpaid amounts and of foreclosure or lien as may be provided by law for collection of unpaid penalties assessed by the District. The District reserves the right to pursue criminal actions in addition to the penalties set forth herein. Criminal penalties imposed by appropriate jurisdictions shall not off-set the penalties assessed by the District.

- a. Standard Penalty – Unless otherwise specified herein, the penalty for violation of the District Rules and Regulations shall be \$100.00 for the first offense and \$200.00 for each subsequent violation of the same rule or regulation.

- b. Unauthorized Use – If any Person uses any District Facility in an unauthorized manner or for which prior written permission of the District has not been obtained, or if the Person is an out of District resident who is not authorized to use District Facilities, the Standard Penalty for the infraction shall be twice that established in these Rules and Regulations.

- c. Actual Costs – Anyone who, while violating the Rules and Regulations of the District, causes damage to the Facilities or property of the District or whose violation requires the District to expend funds for the remediation thereof shall pay all Actual Costs of replacement, repair or remediation of the damages caused by such violation and all administrative and legal costs incurred by the District as a result thereof.

d. Alcohol Violations – Any violations of the Rules and Regulations regarding possession or consumption of alcohol or illegal drugs on District property shall be assessed at \$200.00 for the first offense and \$300.00 for subsequent violations of the same rule or regulation.

e. Payment Due – Payment of penalty assessments are due within 30 days of receipt of notice. Notice shall be either personally served on the violator or shall be sent certified United States mail to the address of the violator. The notice shall state the date of the violation, the corrective action required and/or the penalty assessment for the infraction. A late penalty of \$20.00 shall be added to the penalty amount if payment is made after 30 days, an additional \$20.00 late fee will be added to the amount due every 30 days thereafter until all amounts due are paid. The District reserves the right to charge additional interest on all unpaid amounts in accordance with §32-1-1001, C.R.S.

EXHIBIT B

LYONS RIDGE METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2026

**LYONS RIDGE METROPOLITAN DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 1,269,226	\$ 1,098,413	\$ 1,009,022
REVENUES			
Property Taxes	908,120	913,556	902,928
Specific Ownership Taxes	58,882	63,340	63,205
Interest Income	75,497	52,662	38,500
Other Revenue	8,970	-	-
New Development Fees	3,500	3,000	3,000
Landscaping Fees	2,000	1,000	1,000
Total revenues	1,056,969	1,033,558	1,008,633
TRANSFERS IN	170,000	150,000	50,000
Total funds available	2,496,195	2,281,971	2,067,655
EXPENDITURES			
General Fund	355,021	370,284	380,940
Debt Service Fund	603,097	604,161	618,376
Capital Projects Fund	268,619	147,004	150,000
Montane Design Control Fund	1,045	1,500	1,000
Total expenditures	1,227,782	1,122,949	1,150,316
TRANSFERS OUT	170,000	150,000	50,000
Total expenditures and transfers out requiring appropriation	1,397,782	1,272,949	1,200,316
ENDING FUND BALANCES	\$ 1,098,413	\$ 1,009,022	\$ 867,339
EMERGENCY RESERVE	\$ 16,200	\$ 15,900	\$ 15,500
AVAILABLE FOR OPERATIONS	230,380	238,502	322,440
CAPITAL PROJECTS RESERVE	20,000	20,000	20,000
TOTAL RESERVE	\$ 266,580	\$ 274,402	\$ 357,940

See summary of significant assumptions.

**LYONS RIDGE METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
----------------	-------------------	----------------

ASSESSED VALUATION

Residential	\$21,637,397	\$ 22,187,213	\$ 25,196,655
Agricultural	30	30	32
State Assessed	783	90,810	778
Vacant Land	525,573	2,956	150,937
Personal Property	85,205	832	86,196
Certified Assessed Value	<u>\$22,248,988</u>	<u>\$ 22,281,841</u>	<u>\$ 25,434,598</u>

MILL LEVY

General	21.500	21.500	18.500
Debt Service	19.500	19.500	17.000
Total mill levy	<u>41.000</u>	<u>41.000</u>	<u>35.500</u>

PROPERTY TAXES

General	\$ 478,353	\$ 479,060	\$ 470,540
Debt Service	433,855	434,496	432,388
Levied property taxes	<u>912,208</u>	<u>913,556</u>	<u>902,928</u>
Refunds and abatements	(4,090)	-	-
Budgeted property taxes	<u>\$ 908,118</u>	<u>\$ 913,556</u>	<u>\$ 902,928</u>

BUDGETED PROPERTY TAXES

General	\$ 476,209	\$ 479,060	\$ 470,540
Debt Service	431,911	434,496	432,388
	<u>\$ 908,120</u>	<u>\$ 913,556</u>	<u>\$ 902,928</u>

**LYONS RIDGE METROPOLITAN DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 234,120	\$ 246,580	\$ 254,402
REVENUES			
Property Taxes	476,209	479,060	470,540
Specific Ownership Taxes	30,877	34,000	32,938
Interest Income	21,425	15,046	11,000
Other Revenue	8,970	-	-
Total revenues	537,481	528,106	514,478
Total funds available	771,601	774,686	768,880
EXPENDITURES			
General and Administrative			
Accounting	30,300	31,200	31,800
Auditing	5,400	5,800	6,000
Communication & Technology	1,253	3,500	4,000
Contingency	-	-	7,432
County Treasurer's Fee	7,219	7,186	7,058
District Management	59,976	61,200	63,000
Dues and Membership	568	564	650
Insurance	5,753	6,098	7,000
Legal	28,580	30,000	31,500
Miscellaneous	167	1,500	1,500
Operations and Maintenance			
Ejector Pump Contract	18,030	18,030	19,000
Landscaping	53,147	62,772	75,000
Miscellaneous Landscape	59,263	55,000	55,000
Miscellaneous Repairs	39,751	47,434	30,000
Snow Removal	15,647	15,000	15,000
Utilities	29,967	25,000	27,000
Total expenditures	355,021	370,284	380,940
TRANSFERS OUT			
Transfers to other fund	170,000	150,000	50,000
Total expenditures and transfers out requiring appropriation	525,021	520,284	430,940
ENDING FUND BALANCES	\$ 246,580	\$ 254,402	\$ 337,940
EMERGENCY RESERVE	\$ 16,200	\$ 15,900	\$ 15,500
AVAILABLE FOR OPERATIONS	230,380	238,502	322,440
TOTAL RESERVE	\$ 246,580	\$ 254,402	\$ 337,940

See summary of significant assumptions.

**LYONS RIDGE METROPOLITAN DISTRICT
MONTANE DESIGN CONTROL REVIEW COMMITTEE
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 34,555	\$ 42,805	\$ 48,331
REVENUES			
Interest Income	3,795	3,026	2,000
New Development Fees	3,500	3,000	3,000
Landscaping Fees	2,000	1,000	1,000
Total revenues	9,295	7,026	6,000
Total funds available	43,850	49,831	54,331
EXPENDITURES			
General and administrative			
Covenant Enforcement	-	500	-
Operating Expenditures	1,045	1,000	1,000
Total expenditures	1,045	1,500	1,000
Total expenditures and transfers out requiring appropriation	1,045	1,500	1,000
ENDING FUND BALANCES	\$ 42,805	\$ 48,331	\$ 53,331

See summary of significant assumptions.

**LYONS RIDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 792,862	\$ 675,334	\$ 562,599
REVENUES			
Property Taxes	431,911	434,496	432,388
Specific Ownership Taxes	28,005	29,340	30,267
Interest Income	25,653	27,590	20,000
Total revenues	485,569	491,426	482,655
Total funds available	1,278,431	1,166,760	1,045,254
EXPENDITURES			
County Treasurer's Fee	6,547	6,517	6,486
Banking Fees	27	30	50
Contingency	-	-	2,500
Loan Interest	351,523	342,614	334,340
Loan Principal	245,000	255,000	275,000
Total expenditures	603,097	604,161	618,376
Total expenditures and transfers out requiring appropriation	603,097	604,161	618,376
ENDING FUND BALANCES	\$ 675,334	\$ 562,599	\$ 426,878

See summary of significant assumptions.

**LYONS RIDGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 207,689	\$ 133,694	\$ 143,690
REVENUES			
Interest Income	24,624	7,000	5,500
Total revenues	24,624	7,000	5,500
TRANSFERS IN			
Transfers from other funds	170,000	150,000	50,000
Total funds available	402,313	290,694	199,190
EXPENDITURES			
Capital Projects			
Playground	142,241	-	-
Capital Outlay	126,378	147,004	150,000
Total expenditures	268,619	147,004	150,000
Total expenditures and transfers out requiring appropriation	268,619	147,004	150,000
ENDING FUND BALANCES	\$ 133,694	\$ 143,690	\$ 49,190
CAPITAL PROJECTS RESERVE	\$ 20,000	\$ 20,000	\$ 20,000
TOTAL RESERVE	\$ 20,000	\$ 20,000	\$ 20,000

See summary of significant assumptions.

**LYONS RIDGE METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Jefferson County on November 18, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by Jefferson County. The District's service area is located in Jefferson County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements. These improvements include streets, water and sanitation facilities, park and recreation, safety and public transportation.

On November 2, 2010, the District's voters authorized total indebtedness of \$67,590,000 for the above listed facilities. The District's voters also authorized total indebtedness of \$33,795,000 for debt refunding. The election also approved an annual increase in property taxes of \$1,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the Service Plan, dated May 4, 2010, the District is permitted to issue indebtedness of up to \$67,690,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

A significant source of operating revenue is property taxes. Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**LYONS RIDGE METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

The calculation of taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.00% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on current interest yields.

Architectural and Design Control Revenues

In order to maintain certain architectural and design standards throughout the community, the District imposes fees, charges and fines for the review, enforcement, monitoring and permitting of these standards.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to landscape maintenance and repairs, mowing, parks and open space maintenance, utilities and snow removal were also included in the budget.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the 2020A&B Loan (discussed under Debt and Leases).

**LYONS RIDGE METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Capital Outlay

Anticipated expenditures for capital projects are noted on the Capital Project Fund page of the budget.

Debt and Leases

Loan Agreements

On August, 26, 2020, the District issued \$11,265,000 of General Obligation Refunding Loans Series 2020 to defease the District's Series 2015 Loans. The Series 2020 Loans bear interest at 3.20%, payable semiannually on each June 1 and December 1, commencing on June 1, 2021. The Loans are subject to an early redemption at the option of the District commencing December 1, 2025, at a price equal to the principal amount plus accrued interest with a redemption premium ranging from 0.00%-2.00%. The Series 2020 Loans are scheduled to mature from December 1, 2021 through 2050.

Leases

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.

LYONS RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2026

\$765,000 Taxable General Obligation Loan - Series 2020A \$10,500,000 Tax-Exempt General Obligation Refunding Loan - Series 2020B Interest Rate 3.200% Dated August 26, 2020 Principal Payable Annually, Beginning December 1, 2021 Interest Payable Semi-Annually, June 1 and December 1			
Bonds/Loans and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2026	\$ 275,000	\$ 334,340	\$ 609,340
2027	285,000	325,417	610,417
2028	290,000	317,037	607,037
2029	300,000	306,762	606,762
2030	310,000	297,029	607,029
2031	320,000	286,971	606,971
2032	330,000	277,347	607,347
2033	345,000	265,882	610,882
2034	355,000	254,689	609,689
2035	365,000	243,171	608,171
2036	375,000	231,962	606,962
2037	390,000	219,162	609,162
2038	400,000	206,509	606,509
2039	415,000	193,531	608,531
2040	430,000	180,560	610,560
2041	440,000	166,116	606,116
2042	455,000	151,840	606,840
2043	470,000	137,078	607,078
2044	485,000	122,163	607,163
2045	500,000	106,093	606,093
2046	520,000	89,871	609,871
2047	535,000	73,000	608,000
2048	555,000	55,795	610,795
2049	570,000	37,636	607,636
2050	590,000	19,142	609,142
Total	<u>\$ 10,305,000</u>	<u>\$ 4,899,103</u>	<u>\$ 15,204,103</u>

See summary of significant assumptions.

EXHIBIT C

**LYONS RIDGE METROPOLITAN DISTRICT
JEFFERSON COUNTY, COLORADO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

**LYONS RIDGE METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025**

INDEPENDENT AUDITOR'S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
MONTANE DESIGN REVIEW COMMITTEE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	7
NOTES TO BASIC FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	22
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	23
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	25
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	26



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lyons Ridge Metropolitan District
Jefferson County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is 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 the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the Other Information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Dyess & Associates, P.C.

April 16, 2026

BASIC FINANCIAL STATEMENTS

LYONS RIDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 639,923
Cash and Investments - Restricted	581,356
Receivable from County Treasurer	5,040
Property Tax Receivable	902,928
Capital Assets:	
Capital Assets Net of Depreciation	<u>2,443,676</u>
Total Assets	<u>4,572,923</u>
LIABILITIES	
Accounts Payable	46,478
Landscape Deposit	21,500
Accrued Interest	27,862
Noncurrent Liabilities:	
Due Within One Year	275,000
Due in More Than One Year	<u>10,030,000</u>
Total Liabilities	<u>10,400,840</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>902,928</u>
Total Deferred Inflows of Resources	<u>902,928</u>
NET POSITION	
Net Investment in Capital Assets	(1,060,024)
Restricted for:	
Emergency Reserve	16,200
Debt Service Reserve	539,691
Unrestricted	<u>(6,226,712)</u>
Total Net Position	<u>\$ (6,730,845)</u>

See accompanying Notes to Basic Financial Statements.

**LYONS RIDGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS	<u>Expenses</u>				
Primary Government:					
Governmental Activities:					
General Government	\$ 570,343	\$ 1,000	\$ -	\$ -	\$ (569,343)
Interest on Long-Term Debt and Related Costs	348,492	-	-	-	(348,492)
Total Governmental Activities	<u>\$ 918,835</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	(917,835)
GENERAL REVENUES					
Property Taxes					913,097
Specific Ownership Taxes					61,939
Interest Income					59,971
Other Revenue					83
Total General Revenues					<u>1,035,090</u>
CHANGES IN NET POSITION					117,255
Net Position - Beginning of Year					<u>(6,848,100)</u>
NET POSITION - END OF YEAR					<u>\$ (6,730,845)</u>

See accompanying Notes to Basic Financial Statements.

**LYONS RIDGE METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	General	Montane Design Review Committee	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 309,873	\$ 67,758	\$ -	\$ 262,292	\$ 639,923
Cash and Investments - Restricted	16,000	200	565,156	-	581,356
Receivable from County Treasurer	2,643	-	2,397	-	5,040
Property Tax Receivable	470,540	-	432,388	-	902,928
Total Assets	<u>\$ 799,056</u>	<u>\$ 67,958</u>	<u>\$ 999,941</u>	<u>\$ 262,292</u>	<u>\$ 2,129,247</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 46,478	\$ -	\$ -	\$ -	\$ 46,478
Landscape Deposit	-	21,500	-	-	21,500
Total Liabilities	46,478	21,500	-	-	67,978
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	470,540	-	432,388	-	902,928
Total Deferred Inflows of Resources	470,540	-	432,388	-	902,928
FUND BALANCES					
Restricted for:					
Emergency Reserves	16,000	200	-	-	16,200
Debt Service	-	-	567,553	-	567,553
Committed:					
Operations	-	46,258	-	-	46,258
Assigned to:					
Capital Projects	-	-	-	262,292	262,292
Unassigned	266,038	-	-	-	266,038
Total Fund Balances	<u>282,038</u>	<u>46,458</u>	<u>567,553</u>	<u>262,292</u>	<u>1,158,341</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 799,056</u>	<u>\$ 67,958</u>	<u>\$ 999,941</u>	<u>\$ 262,292</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

2,443,676

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

Accrued Interest
Loan Payable

(27,862)
(10,305,000)

Net Position of Governmental Activities

\$ (6,730,845)

See accompanying Notes to Basic Financial Statements.

LYONS RIDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Montane Design Review Committee	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 478,819	\$ -	\$ 434,278	\$ -	\$ 913,097
Specific Ownership Taxes	32,480	-	29,459	-	61,939
Interest Income	18,982	2,938	32,661	5,390	59,971
Landscaping Fees	-	1,000	-	-	1,000
Other Revenue	83	-	-	-	83
Total Revenues	530,364	3,938	496,398	5,390	1,036,090
EXPENDITURES					
Current:					
Accounting	31,200	-	-	-	31,200
Auditing	5,800	-	-	-	5,800
Banking Fees	-	-	41	-	41
Communication & Technology	3,546	-	-	-	3,546
County Treasurer's Fee	7,194	-	6,525	-	13,719
District Management	61,200	-	-	-	61,200
Dues and Membership	564	-	-	-	564
Ejector Pump Contract	18,030	-	-	-	18,030
Insurance	6,098	-	-	-	6,098
Landscaping	63,943	-	-	-	63,943
Legal	46,527	-	-	-	46,527
Miscellaneous	669	-	-	-	669
Miscellaneous Landscape	39,428	-	-	-	39,428
Miscellaneous Repairs	32,284	-	-	-	32,284
Operating Expenditures	-	285	-	-	285
Snow Removal	4,931	-	-	-	4,931
Utilities	23,492	-	-	-	23,492
Debt Service:					
Loan Interest	-	-	342,613	-	342,613
Loan Principal	-	-	255,000	-	255,000
Capital Projects:					
Capital Outlay	-	-	-	26,792	26,792
Total Expenditures	344,906	285	604,179	26,792	976,162
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	185,458	3,653	(107,781)	(21,402)	59,928
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	(150,000)	-	-	150,000	-
Total Other Financing Sources (Uses)	(150,000)	-	-	150,000	-
NET CHANGE IN FUND BALANCES	35,458	3,653	(107,781)	128,598	59,928
Fund Balances - Beginning of Year	246,580	42,805	675,334	133,694	1,098,413
FUND BALANCES - END OF YEAR	<u>\$ 282,038</u>	<u>\$ 46,458</u>	<u>\$ 567,553</u>	<u>\$ 262,292</u>	<u>\$ 1,158,341</u>

See accompanying Notes to Basic Financial Statements.

**LYONS RIDGE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Net Change in Fund Balances - Total Governmental Funds	\$ 59,928
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Depreciation Expense	(198,360)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Loan Principal	255,000
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.	
Accrued Interest Payable - Change in Liability	<u>687</u>
Changes in Net Position of Governmental Activities	<u><u>\$ 117,255</u></u>

See accompanying Notes to Basic Financial Statements.

**LYONS RIDGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 479,060	\$ 478,819	\$ (241)
Specific Ownership Taxes	33,534	32,480	(1,054)
Interest Income	12,500	18,982	6,482
Other Revenue	-	83	83
Total Revenues	<u>525,094</u>	<u>530,364</u>	<u>5,270</u>
EXPENDITURES			
Accounting	31,200	31,200	-
Auditing	6,000	5,800	200
Communication & Technology	2,500	3,546	(1,046)
Contingency	7,519	-	7,519
County Treasurer's Fee	7,186	7,194	(8)
District Management	61,200	61,200	-
Dues and Membership	700	564	136
Ejector Pump Contract	19,000	18,030	970
Election	5,000	-	5,000
Insurance	7,000	6,098	902
Landscaping	65,000	63,943	1,057
Legal	25,000	46,527	(21,527)
Miscellaneous	300	669	(369)
Miscellaneous Landscape	55,000	39,428	15,572
Miscellaneous Repairs	20,000	32,284	(12,284)
Snow Removal	15,000	4,931	10,069
Utilities	25,000	23,492	1,508
Total Expenditures	<u>352,605</u>	<u>344,906</u>	<u>7,699</u>
EXCESS OF REVENUES OVER EXPENDITURES	172,489	185,458	12,969
OTHER FINANCING (USES)			
Transfers To Other Fund	(150,000)	(150,000)	-
Total Other Financing (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	22,489	35,458	12,969
Fund Balance - Beginning of Year	<u>285,556</u>	<u>246,580</u>	<u>(38,976)</u>
FUND BALANCE - END OF YEAR	<u>\$ 308,045</u>	<u>\$ 282,038</u>	<u>\$ (26,007)</u>

See accompanying Notes to Basic Financial Statements.

**LYONS RIDGE METROPOLITAN DISTRICT
MONTANE DESIGN REVIEW COMMITTEE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 5,000	\$ 2,938	\$ (2,062)
New Development Fees	3,000	-	(3,000)
Landscaping Fees	1,000	1,000	-
Total Revenues	<u>9,000</u>	<u>3,938</u>	<u>(5,062)</u>
EXPENDITURES			
Covenant Enforcement	1,000	-	1,000
Operating Expenditures	2,000	285	1,715
Total Expenditures	<u>3,000</u>	<u>285</u>	<u>2,715</u>
NET CHANGE IN FUND BALANCE	6,000	3,653	(2,347)
Fund Balance - Beginning of Year	<u>48,555</u>	<u>42,805</u>	<u>(5,750)</u>
FUND BALANCE - END OF YEAR	<u>\$ 54,555</u>	<u>\$ 46,458</u>	<u>\$ (8,097)</u>

See accompanying Notes to Basic Financial Statements.

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY

Lyons Ridge Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Order and Decree of the District Court of Jefferson County on November 17, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the Amended and Restated Service Plan dated May 28, 2010. The District's service area is located in Jefferson County, Colorado. The District was established to provide the following services: streets and drainage, water, sanitary sewer, parks and recreation, traffic safety protection, and public transportation.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

The Montane Design Review Committee Fund (Special Revenue Fund) accounts for the resources accumulated and payments for services associated with design review and covenant enforcement within the Montane community of the District.

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

Budgets

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

Pooled Cash and Investments

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

It is the policy of the County to accept maintenance responsibility for all capital improvements within the County, except for certain landscaping improvements specified in the District's Service Plan, upon the District's completion and conveyance of such improvements provided they meet the County's specifications.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Drainage/Detention Improvements	25 Years
Park and Recreation	15 to 35 Years

Deferred Inflows of Resources

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

Equity

Net Position

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

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

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

New Accounting Pronouncement

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

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 639,923
Cash and Investments - Restricted	581,356
Total Cash and Investments	<u>\$ 1,221,279</u>

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

Deposits with Financial Institutions	\$ 36,748
Investments	1,184,531
Total Cash and Investments	<u>\$ 1,221,279</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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2025, the District's cash deposits had a bank balance and a carrying balance of \$36,748.

Investments

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

The District generally limits its concentration of investments to those noted 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 or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 1,184,531
		<u>\$ 1,184,531</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.

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 CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. 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.

The District holds investments in the COLOTRUST PLUS+ portfolio.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Being Depreciated:				
Parks and Recreation	\$ 1,690,057	\$ -	\$ -	\$ 1,690,057
Ditch	388,145	-	-	388,145
Drainage and Detention	1,753,934	-	-	1,753,934
Total Capital Assets, Being Depreciated	3,832,136	-	-	3,832,136
Less Accumulated Depreciation for:				
Parks and Recreation	606,633	112,668	-	719,301
Ditch	116,457	15,528	-	131,985
Drainage and Detention	467,010	70,164	-	537,174
Total Accumulated Depreciation	1,190,100	198,360	-	1,388,460
Total Capital Assets, Being Depreciated, Net	2,642,036	(198,360)	-	2,443,676
Governmental Activities Capital Assets, Net	<u>\$ 2,642,036</u>	<u>\$ (198,360)</u>	<u>\$ -</u>	<u>\$ 2,443,676</u>

During 2018, a significant portion of the capital assets constructed by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

Depreciation expense of \$198,360 was charged to the general government function on the statement of activities.

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Series 2020A General Obligation Loan	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ -
Series 2020B General Obligation Refunding Loan	10,500,000	-	195,000	10,305,000	275,000
Total Long-Term Obligations	<u>\$ 10,560,000</u>	<u>\$ -</u>	<u>\$ 255,000</u>	<u>\$ 10,305,000</u>	<u>\$ 275,000</u>

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

General Obligation Taxable New Money Loan (Convertible to Unlimited Tax) (Series 2020A) (the Series 2020A Loan), General Obligation Tax-Exempt Refunding Loan (Convertible to Unlimited Tax) (Series 2020B) (the Series 2020B Loan, the 2020 Loans)

The District entered into a Loan Agreement on August 26, 2020, with Zions Bank (successor of Vectra Bank) which is evidenced by promissory notes the District issued in the amounts of \$765,000 for the Series 2020A Loan and \$10,500,000 for the Series 2020B Loan.

Proceeds from the issuance of the Series 2020A Loan were used to: 1) repay Operating and Maintenance Developer Advances; and 2) fund an Operating and Maintenance reserve. Proceeds from the issuance of the Series 2020B Loan were used to: 1) refund the District's outstanding General Obligation Loan, Series 2015A Loan; and 2) refund the District's outstanding General Obligation Loan, Series 2015B Loan.

Interest payments on the 2020 Loans are due on June 1 and December 1 (each an Interest Payment Date) of each year, beginning on June 1, 2021. Interest is calculated on the basis of a 360-day year and actual days elapsed. Interest not paid when due shall remain due and owing but shall not compound or bear additional interest. Principal on the 2020 Loans is due on December 1 of each year, beginning on December 1, 2021, for the Series 2020A Loan and beginning on December 1, 2025, for the Series 2020B Loan. The 2020 Loans bear interest at 3.20%. Upon any Determination of Taxability, the Series 2020B Loan will bear interest at 4.00%.

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Taxable New Money Loan (Convertible to Unlimited Tax) (Series 2020A) (the Series 2020A Loan), General Obligation Tax-Exempt Refunding Loan (Convertible to Unlimited Tax) (Series 2020B) (the Series 2020B Loan, the 2020 Loans) (Continued)

Prepayment

The District may, at its option, prepay the Series 2020B Loan in whole or part on or after December 1, 2025. The prepayment price equals the principal amount of the Series 2020B Loan prepaid plus accrued interest to the date of prepayment together with the following prepayment penalty:

- (i) the following applicable prepayment premium (expressed as a percentage of par):
 - a. December 1, 2025, and November 30, 2026, 2.00%
 - b. December 1, 2026, and November 30, 2027, 1.00%
 - c. December 1, 2027, and thereafter, 0.00%.

Pledged Revenue

The 2020 Loans are secured and payable from the Pledged Revenue, consisting of monies derived by property and specific ownership taxes, as derived by the debt mill levy, and any other legally available monies of the District credited to the Loan Fund.

Events of Default

The District's outstanding 2020 Loans from direct borrowings related to governmental activities contain a provision regarding certain events of default, for which acceleration is not a remedy. Events of default occur if the District does not impose the Required Mill levy, does not make payments of principal and interest when due, and other customary terms and conditions consistent with normal municipal financings.

The District's long-term obligations will mature as follows:

Year Ending December 31,	Loan		Total
	Principal	Interest	
2026	\$ 275,000	\$ 334,340	\$ 609,340
2027	285,000	325,417	610,417
2028	290,000	317,037	607,037
2029	300,000	306,762	606,762
2030	310,000	297,029	607,029
2031-2035	1,715,000	1,328,060	3,043,060
2036-2040	2,010,000	1,031,724	3,041,724
2041-2045	2,350,000	683,290	3,033,290
2046-2050	2,770,000	275,444	3,045,444
Total	<u>\$ 10,305,000</u>	<u>\$ 4,899,103</u>	<u>\$ 15,204,103</u>

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 2, 2010, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$68,590,000 at an interest rate not to exceed 15.00% per annum.

Pursuant to the Service Plan dated May 28, 2010, the District can issue bond indebtedness of up to \$11,265,000. The 2020 Loans did not change the amount of authorized debt utilized. In addition, the maximum debt service mill levy for the District is 63.586 mills, as adjusted for changes in the ratio of actual value to assessed value property within the District. As of December 31, 2025, the debt service mill levy was 19.500 mills.

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

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

	<u>Governmental Activities</u>
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 2,443,676
Current Portion of Outstanding Long-Term Obligations	(93,500)
Noncurrent Portion of Outstanding Long-Term Obligations	<u>(3,410,200)</u>
Net Investment in Capital Assets	<u>\$ (1,060,024)</u>

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2025, as follows:

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 NET POSITION (CONTINUED)

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	\$ 16,200
Debt Service Reserve	539,691
Total Restricted Net Position	<u>\$ 555,891</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of debt issued for public improvements that have been conveyed to other governments.

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions 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 8 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

**LYONS RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 2, 2010, the District's electors authorized the District to collect, spend or retain the full amount of revenue authorized by law or contract collected or received by the District during 2011 and each fiscal year thereafter without regards to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses.

On November 2, 2010, the District's electors authorized the District to increase taxes \$1,000,000 annually (first full fiscal year dollar increase) and by the same amount annually thereafter plus inflation and local growth consisting of an ad valorem mill levy imposed on all taxable property within the District without limitation of rate and in an amount sufficient to fund annual expenses related to the operations and maintenance of the District.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Taxpayer's Bill of Rights

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

Section 29-1-1702 Revenue Limitations 5.25% Rule

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

Annual operating property tax revenue is limited to a 5.25% increase (10.5% increase over a two year period), such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

NOTE 9 INTERFUND TRANSFERS

The \$150,000 transfer from the General Fund to the Capital Projects Fund was made to cover expenditures incurred by the Capital Projects Fund.

SUPPLEMENTARY INFORMATION

**LYONS RIDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 434,496	\$ 434,278	\$ (218)
Specific Ownership Taxes	30,415	29,459	(956)
Interest Income	13,000	32,661	19,661
Total Revenues	477,911	496,398	18,487
EXPENDITURES			
Banking Fees	100	41	59
County Treasurer's Fee	6,517	6,525	(8)
Loan Interest	342,614	342,613	1
Loan Principal	255,000	255,000	-
Contingency	2,383	-	2,383
Total Expenditures	606,614	604,179	2,435
NET CHANGE IN FUND BALANCE	(128,703)	(107,781)	20,922
Fund Balance - Beginning of Year	674,031	675,334	1,303
FUND BALANCE - END OF YEAR	<u>\$ 545,328</u>	<u>\$ 567,553</u>	<u>\$ 22,225</u>

**LYONS RIDGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 20,000	\$ 5,390	\$ (14,610)
Total Revenues	20,000	5,390	(14,610)
EXPENDITURES			
Capital Outlay	147,004	26,792	120,212
Total Expenditures	147,004	26,792	120,212
EXCESS OF REVENUES (UNDER) EXPENDITURES	(127,004)	(21,402)	105,602
OTHER FINANCING SOURCES			
Transfers From Other Funds	150,000	150,000	-
Total Other Financing Sources	150,000	150,000	-
NET CHANGE IN FUND BALANCE	22,996	128,598	105,602
Fund Balance - Beginning of Year	127,004	133,694	6,690
FUND BALANCE - END OF YEAR	<u>\$ 150,000</u>	<u>\$ 262,292</u>	<u>\$ 112,292</u>

OTHER INFORMATION

LYONS RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

	\$10,500,000 Tax-Exempt General Obligation Refunding Loan - Series 2020B Interest Rate 3.200% Dated August 26, 2020 Principal Payable Annually, Beginning December 1, 2021 Interest Payable Semi-Annually, June 1 and December 1		
Bonds/Loans and Interest Maturing in the Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 275,000	\$ 334,340	\$ 609,340
2027	285,000	325,417	610,417
2028	290,000	317,037	607,037
2029	300,000	306,762	606,762
2030	310,000	297,029	607,029
2031	320,000	286,971	606,971
2032	330,000	277,347	607,347
2033	345,000	265,882	610,882
2034	355,000	254,689	609,689
2035	365,000	243,171	608,171
2036	375,000	231,962	606,962
2037	390,000	219,162	609,162
2038	400,000	206,509	606,509
2039	415,000	193,531	608,531
2040	430,000	180,560	610,560
2041	440,000	166,116	606,116
2042	455,000	151,840	606,840
2043	470,000	137,078	607,078
2044	485,000	122,163	607,163
2045	500,000	106,093	606,093
2046	520,000	89,871	609,871
2047	535,000	73,000	608,000
2048	555,000	55,795	610,795
2049	570,000	37,636	607,636
2050	590,000	19,142	609,142
Total	<u>\$ 10,305,000</u>	<u>\$ 4,899,103</u>	<u>\$ 15,204,103</u>

**LYONS RIDGE METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025**

Year Ended December 31,	Assessed Valuation	Mills Levied		Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2021	\$ 13,830,872	11.018	39.000	\$ 691,793	\$ 691,848	100.01 %
2022	18,056,400	11.018	39.000	903,145	895,915	99.20 %
2023	18,002,655	16.310	34.000	905,713	905,715	100.00 %
2024	22,248,988	21.500	19.500	912,208	908,120	99.55 %
2025	22,281,841	21.500	19.500	913,556	913,097	99.95 %
Estimated for Year Ending December 31, 2026	\$ 25,434,598	18.500	17.000	\$ 902,928		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.