

SIENNA LAKE METROPOLITAN DISTRICT
2025 ANNUAL REPORT

Pursuant to §32-1-207(3)(c), Siena Lake Metropolitan District (the “**District**”) is required to provide an annual report required to the Town of Gypsum with regard to the following matters:

For the year ending December 31, 2025, the District make the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no boundary changes made or proposed to the District’s boundaries in 2025.

2. Intergovernmental agreements entered into or terminated with other governmental entities.

No intergovernmental agreements were entered into or terminated with other governmental entities in 2025.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2025, the Districts had not adopted any rules or regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Eagle County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2025.

5. The status of the construction of public improvements by the District.

In 2025, the developer completed certain public improvements, the costs of which were certified by the District for reimbursement, as follows:

Domestic Potable Water Improvements – Conveyed to or to be conveyed to Town of Gypsum – \$29,790.52.

Domestic Sewer Improvements – Conveyed to or to be conveyed to Town of Gypsum - \$162,377.59

Street Improvements – Accepted by the District for ownership and maintenance – \$1,289,250.16

Non-Potable Irrigation System Improvements – accepted by the District for ownership and maintenance – \$32,740.42

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

On January 28, 2025, the Town of Gypsum accepted certain water and sewer improvements constructed by the developer, the costs of which were certified by the District as eligible for reimbursement by the District.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The District’s final assessed valuation for 2025 is \$3,230,910.

8. A copy of the current year's budget.

A copy of the 2026 Budget is attached hereto as **Exhibit A**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2025 Audit is attached hereto as **Exhibit B**.

10. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

To our actual knowledge, the Districts did not receive notice of any uncured events of default by the Districts, which continued beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

To our actual knowledge, there was not any inability of the Districts to pay their obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

EXHIBIT A
2026 Budget

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	Variance Favorable (Unfavor)	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Favorable (Unfavor)	2026 Adopted Budget	Budget Comments
PROPERTY TAXES										
Assessed Valuation	2,690,830	2,700,210	2,700,210		2,700,210				3,230,910	Final AV Per County
Mill Levy - Operations	18.029	17.708	17.708		17.708				15.868	70 Mills Less Debt Service Levy
Mill Levy - Debt Service Fund	51.971	52.292	52.292		52.292				54.132	Adjust to Max Since Development Delayed
Total Mill Levy	70.000	70.000	70.000		70.000				70.000	Increase to 70 Mills Total
Property Tax Revenue - Operations	48,513	47,815	47,815		47,815				51,268	AV X Mill Levy / 1,000
Property Tax Revenue - Debt Service Fund	139,845	141,199	141,199		141,199				174,896	AV X Mill Levy / 1,000
Total Property Taxes	188,358	189,015	189,015		189,015				226,164	AV X Mill Levy / 1,000

Siena Lake Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/23/2026

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	Variance Favorable (Unfavor)	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Favorable (Unfavor)	2026 Adopted Budget	Budget Comments
COMBINED FUNDS										
REVENUE										
Property Taxes	188,357	189,015	189,015	2	189,017	189,017	189,015	3	226,164	Increase to 70 Mills Total
State Property Tax Backfill	1,433	-	-	-	-	-	-	-	-	None Expected in 2026
Specific Ownership Taxes	9,173	7,561	7,561	0	7,561	6,287	5,040	1,247	9,047	4% of taxes
Water System Fees	-	-	-	-	-	-	-	-	-	
Interest & Other Income	569,390	83,819	80,778	15,960	99,778	80,656	102,271	(21,615)	68,193	Interest on Bond Funds at 4%
TOTAL REVENUE	768,353	280,394	277,354	15,962	296,356	275,960	296,326	(20,365)	303,404	
EXPENDITURES										
Administration										
Accounting, Audit, Legal, & Other Prof Fees	71,926	86,750	86,750	2,000	84,750	59,114	67,563	8,448	88,540	Per General Fund
Board Member Compensation	4,334	1,200	1,200	-	1,200	661	900	239	1,200	
Treasurer's Fees	5,695	5,670	5,670	(0)	5,671	5,671	5,670	(0)	6,785	3% of Taxes
Election, Insurance, SDA Dues, Misc Other	5,102	11,623	11,623	(2,717)	14,340	11,875	8,956	(2,919)	18,500	Based on 2025 Forecast + 15%
Contingency	-	5,000	5,000	5,000	-	-	-	-	10,000	Unforeseen Needs
Operations										
Landscape Maintenance	-	10,000	10,000	10,000	-	-	8,333	8,333	10,000	Same as 2025 Budget
Raw Water & Pump Station Operations	5,000	15,000	15,000	(25,285)	40,285	-	9,167	9,167	46,800	Same as 2025 Budget
Utilities	-	-	-	(5,000)	5,000	2,027	-	(2,027)	6,500	Based on 2025 Forecast
Snowplowing	-	5,000	5,000	-	5,000	-	-	-	5,000	Same as 2025 Budget
Debt Service										
Bond Interest	898,892	689,460	689,460	-	689,460	344,730	344,730	-	689,460	Per Amortization Schedule
Bond Principal	6,762,000	-	-	-	-	-	-	-	-	Restricted Proj Fund Paydown- Aug 19, 2024
Developer Note Repayment	-	-	1,027,880	(1,027,880)	1,027,880	1,027,880	-	(1,027,880)	-	
Debt Issuance Expense & Trustee Fees	4,000	4,000	4,000	-	4,000	4,000	4,000	-	4,000	Annual Fee
Contingency	-	10,000	10,000	10,000	-	-	10,000	10,000	10,000	Unforeseen Needs
Capital Outlay	3,171,485	2,185,440	1,593,517	591,923	1,593,517	1,593,517	2,185,440	591,923	-	See Capital Fund
TOTAL EXPENDITURES	10,928,434	3,029,143	3,465,100	(441,959)	3,471,103	3,049,475	2,644,759	(404,715)	896,784	
REVENUE OVER / (UNDER) EXPENDITURES	(10,160,081)	(2,748,749)	(3,187,747)	(425,997)	(3,174,746)	(2,773,514)	(2,348,433)	(425,081)	(593,381)	
OTHER SOURCES / (USES)										
Developer Advances	406,389	33,000	487,779	470,779	503,779	475,779	33,000	442,779	134,000	To Cover Shortfall
Bond Proceeds & Premium	-	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	406,389	33,000	487,779	470,779	503,779	475,779	33,000	442,779	134,000	
CHANGE IN FUND BALANCE	(9,753,692)	(2,715,749)	(2,699,968)	44,782	(2,670,967)	(2,297,735)	(2,315,433)	17,698	(459,381)	
BEGINNING FUND BALANCE	14,243,641	4,461,071	4,489,949	28,878	4,489,949	4,489,949	4,461,071	28,878	1,818,981	
ENDING FUND BALANCE	4,489,949	1,745,321	1,789,981	73,660	1,818,981	2,192,213	2,145,637	46,576	1,359,600	See Breakout Below
COMPONENTS OF FUND BALANCE										
Non-Spendable	2,521	4,539	4,539	138	4,677	-	-	-	15,225	Prepaid Insurance
TABOR Emergency Reserve	4,567	4,080	4,080	480	4,560	4,560	-	-	5,643	3% of General Fund Revenue/Expenditures
Restricted For Debt Service	2,239,767	1,722,644	1,745,918	52,276	1,774,920	2,099,993	-	-	1,315,104	See Breakout in Debt Service Fund
Restricted for Capital Projects	2,156,513	0	21,395	21,395	21,395	21,186	-	-	21,795	Assume All Funds Spent
Restricted For Raw Water System	-	-	-	-	-	-	-	-	-	
Unassigned	86,581	14,058	14,049	(629)	13,429	66,474	-	-	1,833	Remaining Funds Available
TOTAL ENDING FUND BALANCE	4,489,949	1,745,321	1,789,981	73,660	1,818,981	2,192,213			1,359,600	
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No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Siena Lake Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/23/2026

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	Variance Favorable (Unfavor)	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Favorable (Unfavor)	2026 Adopted Budget	Budget Comments
GENERAL FUND										
REVENUES										
Property Taxes	48,513	47,815	47,815	1	47,816	47,816	47,815	1	51,268	70 Mills Less Debt Service Levy
State Property Tax Backfill	1,433	-	-	-	-	-	-	-	-	None Expected in 2026
Specific Ownership Taxes	2,363	1,913	1,913	0	1,913	1,590	1,275	315	2,051	4% of taxes
Interest Income	3,071	2,569	3,278	710	3,278	3,070	1,926	1,144	793	Fund Balance at 3.5%
Other Income	340	-	-	-	-	-	-	-	-	
TOTAL REVENUE	55,719	52,297	53,006	711	53,007	52,477	51,017	1,460	54,112	
EXPENDITURES										
GENERAL OPERATIONS										
Accounting	37,271	42,000	42,000	2,000	40,000	23,430	30,000	6,570	42,000	Based on 2025 Forecast + 5%
Audit	7,750	8,000	8,000	-	8,000	8,000	8,000	-	7,950	Per Engagement Letter
Board Member Compensation	4,334	1,200	1,200	-	1,200	661	900	239	1,200	\$100 per director per meeting
Election	354	4,000	4,000	(2,586)	6,586	6,586	3,333	(3,253)	500	Prepare for 2027 Election
Website	1,415	2,000	2,000	-	2,000	1,310	2,000	690	2,000	ADA Compliance
Engineering	-	-	-	-	-	-	-	-	-	None Anticipated
Insurance & SDA Dues	3,759	4,323	4,323	(131)	4,454	4,454	4,323	(131)	14,500	Based on 2025 Forecast + 15%
Legal	25,490	36,750	36,750	-	36,750	26,375	27,563	1,188	38,590	Based on 2025 Forecast + 5%
Office Overhead and Supplies	990	1,300	1,300	-	1,300	835	1,300	465	1,500	Bill.com & Misc Other
Treasurers Fees	1,498	1,434	1,434	(0)	1,434	1,434	1,434	(0)	1,538	3% of Taxes
Contingency	-	5,000	5,000	5,000	-	-	-	-	10,000	Unforeseen Needs
TOTAL GENERAL OPERATIONS	82,860	106,007	106,007	4,283	101,724	73,085	78,853	5,768	119,778	
MAINTENANCE										
Landscaping	-	10,000	10,000	10,000	-	-	8,333	8,333	10,000	Same as 2025 Budget
Raw Water Irrigation Management	-	5,000	5,000	5,000	-	-	4,167	4,167	5,000	Same as 2025 Budget
Raw Water Lease	-	-	-	(30,285)	30,285	-	-	-	31,800	
Pump Station Share Costs	5,000	10,000	10,000	-	10,000	-	5,000	5,000	10,000	Same as 2025 Budget
Utilities-GF	-	-	-	(5,000)	5,000	2,027	-	(2,027)	6,500	Based on 2025 Forecast
Snow Plowing & Other Operations	-	5,000	5,000	-	5,000	-	-	-	5,000	Same as 2025 Budget
TOTAL MAINTENANCE EXPENDITURES	5,000	30,000	30,000	(20,285)	50,285	2,027	17,500	15,473	68,300	
TOTAL EXPENDITURES	87,860	136,007	136,007	(16,002)	152,009	75,112	96,353	21,242	188,078	
REVENUE OVER (UNDER) EXPEND.	(32,141)	(83,711)	(83,001)	(15,292)	(99,002)	(22,635)	(45,336)	22,702	(133,965)	
OTHER FINANCING SOURCES AND (USES)										
Developer Advance- Operations	96,500	33,000	12,000	(5,000)	28,000	-	33,000	(33,000)	134,000	To Cover Shortfall
Transfers In/(Out)	-	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES (USES)	96,500	33,000	12,000	(5,000)	28,000	-	33,000	(33,000)	134,000	
NET CHANGE IN FUND BALANCE	64,359	(50,711)	(71,001)	(20,292)	(71,002)	(22,635)	(12,336)	(10,298)	35	
BEGINNING FUND BALANCE	29,310	73,388	93,669	20,281	93,669	93,669	73,388	20,281	22,666	
ENDING FUND BALANCE	93,669	22,677	22,668	(11)	22,666	71,034	61,052	9,982	22,701	
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Siena Lake Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/23/2026

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DEBT SERVICE FUND										
REVENUES										
Property Taxes	139,845	141,199	141,199	2	141,201	141,201	141,199	2	174,896	Adjust to Max Since Development Delayed 4% of taxes Interest on Bond Funds at 4%
Specific Ownership Taxes	6,811	5,648	5,648	0	5,648	4,697	3,765	931	6,996	
Interest Income	134,969	67,000	67,000	19,000	86,000	67,294	86,094	(18,800)	67,000	
TOTAL REVENUES	281,624	213,847	213,847	19,002	232,849	213,192	231,059	(17,867)	248,891	
EXPENDITURES										
Treasurer's Fees	4,197	4,236	4,236	(0)	4,236	4,236	4,236	(0)	5,247	3% of Property Taxes
Bank Fees-DS	-	-	-	-	-	-	-	-	-	
Bond Interest	898,892	689,460	689,460	-	689,460	344,730	344,730	-	689,460	
Bond Principal	-	-	-	-	-	-	-	-	-	Per Amortization Schedule
Bond Principal- Mandatory Excess Redemption	6,762,000	-	-	-	-	-	-	-	-	Per Amortization Schedule
Paying Agent / Trustee Fees	4,000	4,000	4,000	-	4,000	4,000	4,000	-	4,000	Restricted Proj Fund Paydown- Aug 19, 2024
Cost of Issuance	-	-	-	-	-	-	-	-	-	Annual Fee
Contingency	-	10,000	10,000	10,000	-	-	10,000	10,000	10,000	Unforeseen Needs
TOTAL EXPENDITURES	7,669,089	707,696	707,696	10,000	697,696	352,966	362,966	10,000	708,707	
REVENUE OVER (UNDER) EXP	(7,387,465)	(493,849)	(493,849)	29,002	(464,847)	(139,774)	(131,907)	(7,867)	(459,815)	
OTHER FINANCING SOURCES (USES)										
Transfer From (To) Capital Fund	6,873,628	-	-	-	-	-	-	-	-	
Bond Proceeds	-	-	-	-	-	-	-	-	-	
Bond Premium	-	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES/(USES)	6,873,628	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	(513,837)	(493,849)	(493,849)	29,002	(464,847)	(139,774)	(131,907)	(7,867)	(459,815)	
BEGINNING FUND BALANCE	2,753,604	2,216,492	2,239,767	23,274	2,239,767	2,239,767	2,216,492	23,274	1,774,920	
ENDING FUND BALANCE	2,239,767	1,722,644	1,745,918	52,276	1,774,920	2,099,993	2,084,585	15,407	1,315,104	
COMPONENTS OF FUND BALANCE:										
Cost of Issuance Fund	-	-	-	-	-	-	-	-	-	
Capitalized Interest Fund	215,979	1,892,399	1,002,131	-	1,892,399	68,807			1,202,939	Used To Fund 2025 & Prior Shortfalls Fills to \$4.913M until Debt/AV 50%
Bond Surplus Fund	2,019,094	(169,755)	743,787	52,276	(117,479)	2,035,186			112,165	
Bond Payment Fund / Internal Balances	4,693	-	-	-	-	(4,000)			-	
TOTAL FUND BALANCE - ENDING	2,239,767	1,722,644	1,745,918	52,276	1,774,920	2,099,993			1,315,104	
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Siena Lake Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/23/2026

	2024 Audited Actual	2025 Adopted Budget	2025 Amended Budget	Variance Favorable (Unfavor)	2025 Forecast	YTD Thru 09/30/25 Actual	YTD Thru 09/30/25 Budget	Variance Favorable (Unfavor)	2026 Adopted Budget	Budget Comments
CAPITAL FUND										
REVENUES										
Interest Income	431,010	14,250	10,500	(3,750)	10,500	10,291	14,250	(3,959)	400	Interest on Project Funds at 4%
TOTAL REVENUES	431,010	14,250	10,500	(3,750)	10,500	10,291	14,250	(3,959)	400	
EXPENDITURES										
Accounting	10,916	15,000	9,577	5,423	9,577	9,577	15,000	5,423		Bond Draws & Cost Cert Reviews
Legal	-	15,000	-	15,000	-	-	15,000	15,000		Capital Related Legal Work
Bank Fees-CP	-	-	-	-	-	-	-	-	-	
Surveying & Sitework	-	-	-	-	-	-	-	-	-	
Engineering	36,681	20,000	9,215	10,785	9,215	9,215	20,000	10,785		Cost Certification Work
Streets & Traffic Safety	2,288,154		1,340,820	(1,340,820)	1,340,820	1,340,820	-	(1,340,820)		
Sewer & Storm Sewer System	66,749		168,873	(168,873)	168,873	168,873	-	(168,873)		
Potable Water System	216,798		65,032	(65,032)	65,032	65,032	-	(65,032)		
Raw Water System & Ponds	552,188	-	-	-	-	-	-	-	-	
Budget Contingency /Other		2,135,440	-	2,135,440	-		2,135,440	2,135,440		Remaining Unrestricted Funds Available
TOTAL EXPENDITURES	3,171,485	2,185,440	1,593,517	591,923	1,593,517	1,593,517	2,185,440	591,923	-	
REVENUE OVER (UNDER) EXP	(2,740,475)	(2,171,190)	(1,583,017)	588,173	(1,583,017)	(1,583,225)	(2,171,190)	587,965	400	
OTHER FINANCING SOURCES (USES)										
Transfer From (To) Debt Service Fund	(6,873,628)	-	-	-	-	-	-	-	-	
Developer Advance	309,889	-	475,779	475,779	475,779	475,779	-	475,779	-	
Developer Repayment	-	-	(1,027,880)	(1,027,880)	(1,027,880)	(1,027,880)	-	(1,027,880)	-	
TOTAL OTHER FINANCING	(6,563,739)	-	(552,101)	(552,101)	(552,101)	(552,101)	-	(552,101)	-	
CHANGE IN FUND BALANCE	(9,304,214.03)	(2,171,190)	(2,135,118)	36,072	(2,135,118)	(2,135,327)	(2,171,190)	35,863	400	
BEGINNING FUND BALANCE	11,460,727	2,171,190	2,156,513	(14,677)	2,156,513	2,156,513	2,171,190	(14,677)	21,395	
ENDING FUND BALANCE	2,156,513	0	21,395	21,395	21,395	21,186	0	21,186	21,795	Assume All Funds Spent
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SIENA LAKE METROPOLITAN DISTRICT

2026 BUDGET MESSAGE

Siena Lake Metropolitan District, formerly Saddleridge Metropolitan District, is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of Public Improvements such as streets, water, sanitary sewer, traffic and safety controls, parks and recreation improvements, transportation improvements, mosquito control and fire protection.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2026 BUDGET STRATEGY

The District's primary responsibilities in 2026 are to levy and collect property taxes which will be used to pay operating and debt service expenditures as well as use of bond proceeds for construction and/or acceptance of infrastructure. Shortfalls in available funding will be funded through Developer advances.

EXHIBIT B
2025 Audit

**Siena Lake Metropolitan District
Eagle County, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2025

Siena Lake Metropolitan District

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December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Siena Lake Metropolitan District
Eagle County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Siena Lake 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 thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Economic Dependency

As disclosed in Note 9 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer for funding continued operations.

Fiscal Focus Partners, LLC

Arvada, Colorado
March 6, 2026

BASIC FINANCIAL STATEMENTS

SIENA LAKE METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 54,611
Cash and investments - restricted	1,802,492
Due from county treasurer	867
Prepaid expense	2,076
Property taxes receivable	226,164
Capital assets, not being depreciated	10,408,334
Capital assets, net	2,706,369
Total assets	15,200,913
LIABILITIES	
Accounts payable	6,536
Accrued interest payable	57,455
Noncurrent liabilities:	
Due in more than one year	18,792,447
Total liabilities	18,856,438
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	226,164
Total deferred inflows of resources	226,164
NET POSITION	
Restricted for:	
Emergencies	2,850
Debt service	1,776,984
Capital outlay	23,306
Unrestricted	(5,684,829)
Total net position	\$ (3,881,689)

The accompanying Notes to the Financial Statements are an integral part of these statements.

SIENA LAKE METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs:	Expenses				
Primary government					
General government	\$ 213,061	\$ -	\$ -	\$ -	\$ (213,061)
Interest on long-term debt and related costs	761,424	-	-	-	(761,424)
Total primary government	<u>\$ 974,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(974,485)</u>
General Revenues:					
					189,017
					9,368
					100,924
					<u>299,309</u>
Change in net position					(675,176)
Net position - beginning					<u>(3,206,513)</u>
Net position - ending					<u><u>\$ (3,881,689)</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SIENA LAKE METROPOLITAN DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	\$ 54,611	\$ -	\$ -	\$ 54,611
Cash and investments - restricted	2,850	1,776,336	23,306	1,802,492
Due from county treasurer	219	648	-	867
Prepaid expense	2,076	-	-	2,076
Property taxes receivable	51,268	174,896	-	226,164
Total assets	\$ 111,024	\$ 1,951,880	\$ 23,306	\$ 2,086,210
LIABILITIES				
Accounts payable	\$ 6,536	\$ -	\$ -	\$ 6,536
Total liabilities	6,536	-	-	6,536
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	51,268	174,896	-	226,164
Total deferred inflows of resources	51,268	174,896	-	226,164
FUND BALANCES				
Nonspendable				
Prepaid expenses	2,076	-	-	2,076
Restricted for:				
Emergencies	2,850	-	-	2,850
Debt service	-	1,776,984	-	1,776,984
Capital projects	-	-	23,306	23,306
Unassigned	48,294	-	-	48,294
Total fund balances	53,220	1,776,984	23,306	1,853,510
Total liabilities, deferred inflows of resources and fund balances	\$ 111,024	\$ 1,951,880	\$ 23,306	

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:

Capital assets, net 13,114,703

Long-term liabilities, including bonds payable, developer advances and accrued interest, are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable (17,803,000)
Developer advances (721,479)
Accrued interest payable - bonds (57,455)
Accrued interest payable - developer advances (267,968)

Net position of governmental activities \$ (3,881,689)

The accompanying Notes to the Financial Statements are an integral part of these statements.

SIENA LAKE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property taxes	\$ 47,816	\$ 141,201	\$ -	\$ 189,017
Specific ownership tax	2,370	6,998	-	9,368
Investment income	3,619	86,714	10,591	100,924
Total revenues	<u>53,805</u>	<u>234,913</u>	<u>10,591</u>	<u>299,309</u>
EXPENDITURES				
General government				
Accounting	30,768	-	9,577	40,345
Audit	8,000	-	-	8,000
Director's fees	661	-	-	661
Election	6,586	-	-	6,586
Engineering	-	-	7,395	7,395
Insurance	4,577	-	-	4,577
Legal	35,487	-	-	35,487
Office overhead and expense	940	-	-	940
Treasurers fees	1,434	4,236	-	5,670
Utilities	4,491	-	-	4,491
Website	1,310	-	-	1,310
Debt Service				
Bond interest	-	689,460	-	689,460
Trustee fee	-	4,000	-	4,000
Capital				
Capital outlay	-	-	1,574,725	1,574,725
Total expenditures	<u>94,254</u>	<u>697,696</u>	<u>1,591,697</u>	<u>2,383,647</u>
Excess of revenues over (under) expenditures	(40,449)	(462,783)	(1,581,106)	(2,084,338)
OTHER FINANCING SOURCES (USES)				
Developer advance	-	-	475,779	475,779
Developer repayment	-	-	(1,027,880)	(1,027,880)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(552,101)</u>	<u>(552,101)</u>
Net change in fund balances	(40,449)	(462,783)	(2,133,207)	(2,636,439)
Fund balances - beginning	<u>93,669</u>	<u>2,239,767</u>	<u>2,156,513</u>	<u>4,489,949</u>
Fund balances - ending	<u>\$ 53,220</u>	<u>\$ 1,776,984</u>	<u>\$ 23,306</u>	<u>\$ 1,853,510</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

SIENA LAKE METROPOLITAN DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2025

Net change in fund balances - governmental funds \$ (2,636,439)

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 assets over the estimated useful life of the asset.

Capital outlay	1,574,725
Depreciation expense	(101,835)

Long-term debt (e.g. bonds, Developer advance) provides current resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Developer advances	(475,779)
Developer repayment	1,027,880

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 on developer advances - change in liability	<u>(63,728)</u>
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Change in net position of governmental activities	<u><u>\$ (675,176)</u></u>
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The accompanying Notes to the Financial Statements are an integral part of these statements.

SIENA LAKE METROPOLITAN DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 47,815	\$ 47,816	\$ 1
Specific ownership tax	1,913	2,370	457
Investment income	2,569	3,619	1,050
Total revenues	<u>52,297</u>	<u>53,805</u>	<u>1,508</u>
EXPENDITURES			
Accounting	42,000	30,768	11,232
Audit	8,000	8,000	-
Director's fees	1,200	661	539
Election	4,000	6,586	(2,586)
Insurance	4,323	4,577	(254)
Legal	36,750	35,487	1,263
Office overhead and expense	1,300	940	360
Pump station share costs	10,000	-	10,000
Treasurers fees	1,434	1,434	-
Utilities	-	4,491	(4,491)
Website	2,000	1,310	690
Landscaping	10,000	-	10,000
Raw water irrigation management	5,000	-	5,000
Snow plowing and other operations	5,000	-	5,000
Contingency	5,000	-	5,000
Total expenditures	<u>136,007</u>	<u>94,254</u>	<u>41,753</u>
Excess of revenue over (under) expenditures	(83,710)	(40,449)	43,261
OTHER FINANCING SOURCES (USES)			
Developer advance	33,000	-	(33,000)
Total other financing sources (uses)	<u>33,000</u>	<u>-</u>	<u>(33,000)</u>
Net change in fund balances	(50,710)	(40,449)	10,261
Fund balances - beginning	<u>73,388</u>	<u>93,669</u>	<u>20,281</u>
Fund balances - ending	<u>\$ 22,678</u>	<u>\$ 53,220</u>	<u>\$ 30,542</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2025

Note 1 – Definition of Reporting Entity

Siena Lake Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on November 20, 2001 as Saddle Ridge Metropolitan District. On June 21, 2018, the District's name was changed to Siena Lake Metropolitan District. The District's service area boundaries are located in the Town of Gypsum, Colorado (Town) in Eagle County, Colorado (County). The District was established principally to coordinate the financing of public improvements, including transportation, streets and safety control, street lighting, landscaping, water, sanitary sewer, storm drainage, television relay, and park and recreation improvements.

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, including the Town.

Note 2 – Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and 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 taxes.

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

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

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 source 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 determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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 reported in another fund.

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

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

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

Budgetary Information

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

The District amended its annual budget for the year ended December 31, 2025.

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 minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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 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 inflows 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.

Capital Assets

Capital assets, which include infrastructure (e.g., potable water and sanitary sewer systems, streets, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

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. 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.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Raw water systems and ponds	30 years
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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 that will be dedicated to other governmental entities are not depreciated.

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 position 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Equity

Net Position

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

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

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:

Non-spendable 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 is legally or contractually required to be maintained intact.

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. 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 above criteria.

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

Note 3 – Cash and Investments

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

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

Statement of net position:

Cash and investments	\$ 54,611
Cash and investments-Restricted	1,802,492
Total cash and investments	<u>\$ 1,857,103</u>

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

Deposits with financial institutions	\$ 11,520
Investments	1,845,583
Total cash and investments	<u>\$ 1,857,103</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 equal to 102% of the aggregate uninsured deposits.

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

At December 31, 2025, the District's cash deposits had a bank balance and a carrying balance of \$11,520.

Investments

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

The District generally limits its concentration of investments to those 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.

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

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

- Obligations of the United States, certain U.S. government agency securities and 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 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:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted Average Undr 60 Days	\$ 1,845,583
Total investments		<u>\$ 1,845,583</u>

Colotrust

The District invested in the Colorado Local Government Liquid Asset Trust (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 offers shares in three portfolios: Colotrust Prime, Colotrust Plus, and Colotrust Edge.

Colotrust Prime and Colotrust Plus operate similarly to a money market fund and each share is equal in value to \$1.00. 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. Both portfolios are rated AAAM by Standard and Poor's.

Colotrust Edge, 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. Colotrust Edge is rated AAAf/S1 by Fitch Ratings.

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

A designated custodial bank serves as custodian for the Trust's investment 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 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 invested in the Colotrust Plus portfolio during 2025.

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	Additions	Deletions	Balance at December 31, 2025
Capital assets, not being depreciated:				
Construction in progress:				
Potable water	\$ 3,016,691	\$ 65,032	\$ -	\$ 3,081,723
Sanitary sewer and storm drainage	2,303,160	168,873	-	2,472,033
Streets	3,513,758	1,340,820	-	4,854,578
Total capital assets, not being depreciated	8,833,609	1,574,725	-	10,408,334
Capital assets, being depreciated:				
Raw water system and ponds	1,233,120	-	-	1,233,120
Raw water pumpback system	1,821,929	-	-	1,821,929
Total capital assets, being depreciated	3,055,049	-	-	3,055,049
Less accumulated depreciation for:				
Raw water system and ponds	130,163	41,104	-	171,267
Raw water pumpback system	116,682	60,731	-	177,413
Total accumulated depreciation	246,845	101,835	-	348,680
Total capital assets being depreciated, net	2,808,204	(101,835)	-	2,706,369
Governmental activities capital asset, net	<u>\$ 11,641,813</u>	<u>\$ 1,472,890</u>	<u>\$ -</u>	<u>\$ 13,114,703</u>

Depreciation expense was charged to the general government function.

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

Note 5 – Long-Term Obligations

Changes in long-term debt for the year ended December 31, 2025 are summarized as follows:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
General Obligation Limited Tax					
Bonds - Series 2021	\$ 17,803,000	\$ -	\$ -	\$ 17,803,000	\$ -
Other:					
Developer Advances - Operating	337,500	-	-	337,500	-
Accrued Interest - Operating	55,058	27,147	-	82,205	-
Developer Advances - Capital	936,080	475,779	1,027,880	383,979	-
Accrued Interest - Capital	149,182	36,581	-	185,763	-
	<u>\$ 19,280,820</u>	<u>\$ 539,507</u>	<u>\$ 1,027,880</u>	<u>\$ 18,792,447</u>	<u>\$ -</u>

General Obligation Limited Tax Bonds Series 2021

Bond Details

On August 18, 2021, the District issued \$24,565,000 General Obligation Limited Tax Bonds, Series 2021 (the Bonds). The Bonds were issued for the purposes of: i) financing public improvements related to the development; ii) funding the initial surplus fund deposit; iii) funding the capitalized interest on the Bonds; and iv) paying the costs incurred in connection with the issuance of the Bonds.

The Bonds bear interest at rates ranging from 3.25% to 4.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2028. The Bonds mature on December 1, 2051. To the extent principal of any Bond is not paid when due, such principal is to remain outstanding until paid and is to continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the Bond. The District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District on September 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
September 1, 2026, to August 31, 2027	3.00%
September 1, 2027, to August 31, 2028	2.00%
September 1, 2028, to August 31, 2029	1.00%
September 1, 2029, and thereafter	0.00%

Security

The Bonds are secured by and payable from moneys derived by the District from the following sources, net of any costs of collection: i) the Required Mill Levy; ii) the portion of Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and iii) any other legally available moneys which the District determines, in its absolute discretion to transfer to the Trustee for application as pledged revenue.

The Bonds are also secured by amounts on deposit in the Surplus Fund which will be funded from pledged revenue that is not needed to pay debt service on the Bonds in any year, up to the Maximum Surplus Amount of \$4,913,000 (Maximum Surplus Amount). As of December 31, 2025, the balance in the Surplus Fund was \$1,432,841.

Required Mill Levy

Pursuant to the Bond Indenture, the District has covenanted to impose a Required Mill Levy in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due and, if necessary, an amount sufficient to replenish the Surplus Fund to the Minimum Surplus Amount of \$500,000 (Minimum Surplus Amount), but i) not in excess of 50 mills, ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 35 mills, or such lesser mill levy which will fund the Bond Fund for the relevant Bond Year, pay the Bonds as they come due, and will fund the Surplus Fund up to the Maximum Surplus Amount, and iii) in the event that the amount of the Surplus Fund is less than the Minimum Surplus Amount, 50 mills, or such lesser mill levy which will fund the Bond Fund for the relevant Bond Year, pay the Bonds as they come due, and will fund the Surplus Fund up to the Minimum Surplus Amount. If after January 1, 2001, there are changes in the ratio of actual valuation to assessed valuation, then the minimum and maximum mill levies shall be increased or decreased to offset such changes.

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

The District's Amended and Restated Service Plan limits the District's imposition of ad valorem taxes for debt to 50 mills (subject to adjustment). The maximum Debt Mill Levy is 50 mills for so long as the total amount of aggregate debt of the District exceeds fifty percent of the District's assessed valuation.

Restricted Project Funds

\$6,200,000 of proceeds from the Bonds was placed in a restricted account that could only be released for use by the District as additional property was included in the boundaries of the District at a rate of \$188,450 released per acre included. If any amounts on deposit in such Restricted Account were not released by August 19, 2024, then such amounts were to be applied to debt service on the bonds through a mandatory excess proceeds redemption. In 2024 a mandatory redemption was made in the amount of \$6,762,000.

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

Year Ended December 31,	Principal	Interest	Total
2026	\$ -	\$ 689,460	\$ 689,460
2027	-	689,460	689,460
2028	195,000	689,460	884,460
2029	345,000	683,123	1,028,123
2030	480,000	671,910	1,151,910
2031-2035	2,757,000	3,122,566	5,879,566
2036-2040	2,953,000	2,480,927	5,433,927
2041-2045	4,535,000	1,954,200	6,489,200
2046-2050	6,538,000	762,400	7,300,400
	<u>\$ 17,803,000</u>	<u>\$ 11,743,506</u>	<u>\$ 29,546,506</u>

Funding and Reimbursement Agreement

The District entered into a Funding and Reimbursement Agreement for Operations and Maintenance dated April 2, 2018, which was amended on October 1, 2019 with an effective date of January 1, 2020 (First Amendment), with Red Table Ventures, LLC. Red Table Ventures, LLC agreed to advance funds for ongoing operations and maintenance expenses incurred by the District in an amount of \$50,000 per annum with a maximum loan amount of \$200,000. The District is to reimburse Red Table Ventures, LLC, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expense of the District. Reimbursement is to include interest at the rate of 6% per annum. Any obligation to reimburse Red Table Ventures, LLC for any advances made pursuant to this agreement after 30 years from the execution of the agreement shall expire. Any amount of principal and accrued

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

interest outstanding at such date shall be deemed to be forever discharged and satisfied in full. As of December 31, 2025, the principal and accrued interest outstanding is \$24,000 and \$10,100, respectively.

The District entered into a Funding and Reimbursement Agreement for Operations and Maintenance dated January 1, 2022, as amended on November 11, 2025, with Siena Lake, LLC. Siena Lake, LLC agreed to advance funds for ongoing operations and maintenance expenses incurred by the District in an amount of \$135,000 per annum with a maximum loan amount of \$810,000 through December 31, 2027. Thereafter, the termination date will automatically extend for an additional one year unless the Developer provides written notice to the District of termination. The District is to reimburse Siena Lake, LLC, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expense of the District. Reimbursement is to include interest at the rate of 8.2% per annum. Siena Lake, LLC advanced funds in the amount of \$74,000 prior to the effective date of this agreement for which reimbursement shall be made based on the terms of this agreement. Any obligation to reimburse Siena Lake, LLC for any advances made pursuant to this agreement after 10 years from the execution of the agreement shall expire. Any amount of principal and accrued interest outstanding at such date shall be deemed to be forever discharged and satisfied in full. The obligation was declared to be subordinate to the obligation from the Funding and Reimbursement Agreement with Red Table Ventures, LLC. As of December 31, 2025, the principal and accrued interest outstanding is \$313,500 and \$72,105, respectively.

Infrastructure Acquisition and Reimbursement Agreement

The District entered into an Infrastructure Acquisition and Reimbursement Agreement dated April 20, 2021 with Siena Lake, LLC to repay advances and/or costs incurred by Siena Lake, LLC for certain verified capital improvement costs. The District agrees to repay Siena Lake, LLC for such capital improvement advances plus simple interest accruing at the rate of 8% per annum from the date of the applicable District Acceptance Resolution for District Eligible Costs until paid in full. The District is to reimburse Siena Lake, LLC, subject to annual appropriation and budget approval. Any obligation to reimburse Siena Lake, LLC for any advances made pursuant to this agreement after 10 years from the execution of the agreement shall expire. Any amount of principal and accrued interest outstanding at such date shall be deemed to be forever discharged and satisfied in full. As of December 31, 2025, the principal and accrued interest outstanding is \$383,979 and \$185,763, respectively.

Debt Authorization

On November 6, 2018, the District's electorate authorized the issuance of indebtedness in an amount not to exceed \$672,000,000 at an interest rate not to

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

exceed 18% per annum. After the issuance of the Series 2021 bonds there is \$647,435,000 remaining.

Pursuant to the District's Amended and Restated Service Plan approved September 25, 2018, the District is limited to issuing \$28,000,000 in debt. After the issuance of the 2021 Bonds, the District has \$3,435,000 remaining debt authorization under its Service Plan. In addition, the maximum mill levy for debt service of the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value property within the District. The Service Plan does not limit the mill levy for operations of the District.

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

Note 6 – Net Position

The District's net position consists of two components – restricted and unrestricted.

Restricted assets include net position that is 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 restricted net position as of December 31, 2025:

	Governmental Activities
Restricted net position:	
Emergency reserve	\$ 2,850
Debt service	1,776,984
Capital projects	23,306
Total restricted net position	<u>\$ 1,803,140</u>

As of December 31, 2025, the District has unrestricted net position (deficit) of \$(5,684,829). The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which will be conveyed to other governmental entities and which costs will be removed from the District's financial records.

Note 7 – Related Parties

The Developer of the property which constitutes the District is Siena Lake, LLC a Colorado limited liability company. Members of the Board of Directors are officers, employees, or associated with the Developer and may have conflicts of interest in

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

dealing with the District. A reimbursement was made to the Developer in the amount of \$2,126,826 during 2025 from the Project Fund for public improvements.

Note 8 – District Agreements

Eagle River Pump Station Operations and Maintenance Agreement

On March 15, 2024, the District entered into the Eagle River Pump Station Operations and Maintenance Agreement with Buckhorn Valley Metropolitan District No. 1 (BV District), Airport Gateway Business Center Owners Association, Inc. (the Association) and Eagle River Pump Station Corporation, Inc. (the Corporation) to establish the terms and conditions of ownership and shared operations and maintenance of the Shared Pump Station and Facilities. The Corporation shall own, operate and maintain the Shared Pump Station Facilities. The District, BV District and the Association are each required to deposit \$25,000 with the Corporation, no later than June 1, 2024, for the purpose of costs related to the installation of separate meters to the Pump Station Facilities. The District made the required deposit on June 1, 2024. After installation of the separate meters is complete, the District, BV District and the Association will be responsible for paying the electrical service costs related to their respective meter directly to the electric service provider. The separation of the meters was completed as of December 31, 2024. The District, BV District and the Association shall operate, maintain, and repair their respective Individual Pump Station Facilities at their sole cost and expense. The Corporation shall operate, maintain, and repair the Shared Pump Station Facilities, in equal shares of one-third (1/3) of the expenses allocated to the District, BV District and the Association. No later than ninety days prior to the end of calendar year 2024 and each calendar year thereafter, the Board shall determine the total estimated costs for the operation, maintenance, repair and replacement of the Shared Pump Station Facilities for the upcoming year. The Board will then provide notice to the District, BV District and the Association of the equal share of such amount to be contributed.

Note 9 – Economic Dependency

The District has not yet established a revenue base, as a result of delays in development, sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

Note 10 – 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 ("Pool"). The Pool is an organization created by an intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers

Siena Lake Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2025

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, public officials' liability and workers compensation 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 11 - Tax, Spending and Debt Limitation

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

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

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

A majority of the District's electors has authorized the District to collect revenues without regard to the TABOR limits.

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.

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SUPPLEMENTAL INFORMATION

SIENA LAKE METROPOLITAN DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 141,199	\$ 141,201	\$ 2
Specific ownership tax	5,648	6,998	1,350
Investment income	67,000	86,714	19,714
Total revenues	<u>213,847</u>	<u>234,913</u>	<u>21,066</u>
EXPENDITURES			
General government			
County treasurer's fees	4,236	4,236	-
Contingency	10,000	-	10,000
Debt Service			
Bond interest	689,460	689,460	-
Trustee fee	4,000	4,000	-
Total expenditures	<u>707,696</u>	<u>697,696</u>	<u>10,000</u>
Net change in fund balances	(493,849)	(462,783)	31,066
Fund balances - beginning	<u>2,216,492</u>	<u>2,239,767</u>	<u>23,275</u>
Fund balances - ending	<u>\$ 1,722,643</u>	<u>\$ 1,776,984</u>	<u>\$ 54,341</u>

SIENA LAKE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Investment income	\$ 14,250	\$ 10,500	\$ 10,591	\$ 91
Total revenues	<u>14,250</u>	<u>10,500</u>	<u>10,591</u>	<u>91</u>
EXPENDITURES				
General government				
Accounting	15,000	9,577	9,577	-
Engineering	20,000	9,215	7,395	1,820
Legal	15,000	-	-	-
Contingency	2,135,440	-	-	-
Capital outlay	-	1,574,725	1,574,725	-
Total expenditures	<u>2,185,440</u>	<u>1,593,517</u>	<u>1,591,697</u>	<u>1,820</u>
Excess of revenue over (under) expenditures	(2,171,190)	(1,583,017)	(1,581,106)	1,911
OTHER FINANCING SOURCES (USES)				
Developer advance	-	475,779	475,779	-
Developer repayment	-	(1,027,880)	(1,027,880)	-
Total other financing sources (uses)	<u>-</u>	<u>(552,101)</u>	<u>(552,101)</u>	<u>-</u>
Net change in fund balances	(2,171,190)	(2,135,118)	(2,133,207)	1,911
Fund balances - beginning	<u>2,171,190</u>	<u>2,156,513</u>	<u>2,156,513</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 21,395</u>	<u>\$ 23,306</u>	<u>\$ 1,911</u>