TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT

EL PASO COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tuscan Foothills Village Metropolitan District
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Tuscan Foothills Village Metropolitan District ("District") as of and for the year ended December 31, 2024, 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, 2024, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required 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 which 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.

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 identified 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. Such 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
July 21, 2025

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	$ 14,051
Cash and investments - restricted	116,264
Receivable from County Treasurer	1,022
Prepaid expenses	5,778
Property taxes receivable	160,035
Accounts receivable	10,468
Capital assets:	
Capital assets, not being depreciated	90,835
Total assets	398,453
LIABILITIES	
Accounts payable	3,347
Prepaid fees	5,441
Accrued interest	6,458
Noncurrent liabilities:	
Due in more than one year	1,984,084
Total liabilities	1,999,330
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	160,035
Total deferred inflows of resources	160,035
NET POSITION	
Net investment in capital assets	13,447
Restricted for:	
Debt service	107,239
Emergency reserve	2,200
Unrestricted	(1,883,798)
Total net position	$ (1,760,912)

The accompanying notes and independent auditor's report should be read with these financial statements.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS / PROGRAMS					
Primary government					
Government activities:					
General government	$ 68,030	$ 79,398	$ -	$ 7,961	$ 19,329
Interest and related costs on long-term debt	118,883	-	-	-	(118,883)
Total government activities	$ 186,913	$ 79,398	$ -	$ 7,961	(99,554)
GENERAL REVENUES					
Property taxes					133,935
Specific ownership taxes					12,492
Investment income					6,776
Total general revenues					153,203
Change in net position					53,649
Net position, beginning of year					(1,814,561)
Net position, end of year					$ (1,760,912)

The accompanying notes and independent auditor's report should be read with these financial statements.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
BALANCE SHEETS - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and investments	$ 14,051	$ -	$ 14,051
Cash and investments - restricted	2,200	114,064	116,264
Receivable from County Treasurer	231	791	1,022
Prepaid expenses	5,778	-	5,778
Property taxes receivable	32,243	127,792	160,035
Accounts receivable	10,468	-	10,468
Due from other funds	1,158	-	1,158
Total assets	$ 66,129	$ 242,647	$ 308,776
LIABILITIES			
Accounts payable	$ 3,347	$ -	$ 3,347
Prepaid fees	5,441	-	5,441
Due to other funds	-	1,158	1,158
Total liabilities	8,788	1,158	9,946
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	32,243	127,792	160,035
Total deferred inflows of resources	32,243	127,792	160,035
FUND BALANCES			
Nonspendable:			
Prepaid expenses	5,778	-	5,778
Restricted for:			
Debt service	-	113,697	113,697
Emergency reserve	2,200	-	2,200
Commited for:			
Operations and maintenance	9,458	-	9,458
Unassigned:			
Unrestricted	7,662	-	7,662
Total fund balances	25,098	113,697	138,795
Total liabilities, deferred inflows of resources, and fund balances	$ 66,129	$ 242,647	

Amounts reported in 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, not being depreciated	90,835
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(1,240,000)
Accrued interest on bonds payable	(6,458)
Developer advances	(575,118)
Accrued interest on developer advances	(168,966)
Net position of governmental activities	$ (1,760,912)

The accompanying notes and independent auditor's report should be read with these financial statements.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Property taxes	$ 30,213	$ 103,722	$ 133,935
Specific ownership taxes	2,818	9,674	12,492
Investment income	231	6,545	6,776
Operations and maintenance fees	79,398	-	79,398
Total revenues	112,660	119,941	232,601
EXPENDITURES			
Current:			
Bank charges	44	267	311
County Treasurer fees	453	1,556	2,009
Dues and subscriptions	495	-	495
Insurance	2,840	-	2,840
Landscaping	10,257	-	10,257
Management fees	27,102	-	27,102
Miscellaneous	144	-	144
Office and supplies	291	-	291
Professional fees	21,758	-	21,758
Stormwater fees	1,698	-	1,698
Utilities	1,125	-	1,125
Debt service:			
Bond interest payments	-	77,500	77,500
Trustee fees	-	4,000	4,000
Capital projects:			
Capital outlay	5,486	-	5,486
Total expenditures	71,693	83,323	155,016
Net change in fund balances	40,967	36,618	77,585
Fund balances, beginning of year	(15,869)	77,079	61,210
Fund balances, end of year	$ 25,098	$ 113,697	$ 138,795

The accompanying notes and independent auditor's report should be read with these financial statements.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net change in fund balances	$ 77,585
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 lives of the assets. Capital outlay, the conveyance of capital assets to other governments, and depreciation expense in the current period are as follows:	
Capital outlay	5,486
Some items in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Contribution from developer	7,961
Change in accrued interest on developer advances	(37,383)
Change in net position	$ 53,649

The accompanying notes and independent auditor's report should be read with these financial statements.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

YEAR ENDED DECEMBER 31, 2024

	Original Budget	Actual	Variance
REVENUES			
Property taxes	$ 30,015	$ 30,213	$ 198
Specific ownership taxes	2,101	2,818	717
Investment income	-	231	231
Operations and maintenance fees	73,080	79,398	6,318
Total revenues	105,196	112,660	7,464
EXPENDITURES			
Bank charges	-	44	(44)
Contingency	5,000	-	5,000
County Treasurer fees	450	453	(3)
Dues and subscriptions	500	495	5
Insurance	3,000	2,840	160
Landscaping	18,000	10,257	7,743
Management fees	30,000	27,102	2,898
Miscellaneous	-	144	(144)
Office and supplies	800	291	509
Professional fees	24,000	21,758	2,242
Stormwater fees	1,267	1,698	(431)
Utilities	15,000	1,125	13,875
Capital outlay	-	5,486	(5,486)
Total expenditures	98,017	71,693	26,324
Net change in fund balance	$ 7,179	40,967	$ (18,860)
Fund balance, beginning of year		(15,869)	
Fund balance, end of year		$ 25,098	

The accompanying notes and independent auditor's report should be read with these financial statements.

1. DEFINITION OF REPORTING ENTITY

Tuscan Foothills Village Metropolitan District ("District") is a quasi-municipal corporation and political subdivision of the State of Colorado organized to develop and provide certain services to the residents of the District. The District was formed by order of the District Court for the County of El Paso, Colorado, on October 31, 2016. The District was organized to plan, design, acquire, construct, install, relocate, redevelop, and finance public improvements.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Material interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

Measurement focus, basis of accounting, and financial statement position

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 when they are both measurable and available. Revenues are considered to be available when they are collectable 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. All other revenue items are considered to be measurable and available only when cash is received by the District. 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* accounts for all financial resources of the District except those required to be accounted for in another fund.

The *debt service fund* accounts for the servicing of general long-term debt and revenues generated and received by the District that are required to be used for repayment of debt.

Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures, fund balance remaining, 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.

The District amended its annual budget for the year ended December 31, 2024.

Pooled cash and investments

The District follows the practice of pooling cash and investments of funds to maximize investment earnings. Except when required by trust or other agreements, 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 balance.

Property taxes

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

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

Capital assets

Capital assets, which include property, 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 and a useful life greater than one year. Such assets are recorded at cost or estimated cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date of contribution.

Maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of depreciable assets, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is reflected in revenues or expenses.

Capital assets which are anticipated to be conveyed to other governmental entities are not depreciated or included in the calculation of net investment in capital assets component of the District's net position.

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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund balances

The District reports interfund balances that are representative of lending and borrowing arrangements between funds in the fund financial statements as due to other funds and due from other funds, respectively. The interfund balances have been eliminated in the government-wide statements.

Net position and fund balances

Net position

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

Fund balances

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

The *nonspendable fund balance* is the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventories) or is legally or contractually required to be maintained intact.

The *restricted fund balance* is 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.

The *committed fund balance* is 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.

The *assigned fund balance* is 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.

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

For fund presentation purposes, 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.

Use of estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The District has evaluated subsequent events through the date of the attached independent auditor's report, the date these financial statements were available to be issued.

3. CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	$	14,051
Cash and investments - restricted		116,264
	$	130,315

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2024, are as follows:

Deposits with financial institutions	$	15,026
Investments		115,289
	$	130,315

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. The 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 102% of the aggregate uninsured deposits.

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

As of December 31, 2024, the District's cash deposits had a bank balance of $15,026 and a carrying balance of $15,026.

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

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

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

- Obligations of the US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2024, the District had the following in investments:

Investment	Maturity	Amount
Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	$ 1,225
Colorado Surplus Asset Trust Fund (CSAFE)	Weighted average under 60 days	114,064
		$ 115,289

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust ("COLOTRUST" or "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 three portfolios: COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund in which each share is equal in value to $1, offer daily liquidity. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of US 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 transactional share price. COLOTRUST EDGE may invest in US Treasury securities, repurchase agreement collateralized by US Treasury securities, certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust ("CSAFE"), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE offers two portfolios: CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND, which operates similarly to a money market fund in which each share is equal in value to $1, offers daily liquidity. CSAFE may invest in US Treasury securities, repurchase agreements collateralized by US Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable net asset value ("NAV") local government investment pool, offers weekly liquidity and is managed to approximate a $2 transactional share price. CSAFE CORE may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities, certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE'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 CSAFE. CSAFE is rated AAAm by FitchRatings. CSAFE records its investment at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is as follows:

	Balance 01-01-24	Additions	Dispositions	Reclassifications	Balance 12-31-24
Governmental activities					
Capital assets, not being depreciated:					
Detention pond	$ 77,388	$ 5,486	$ -	$ -	$ 82,874
Land	-	7,961	-	-	7,961
Capital assets, not being depreciated	$ 77,388	$ 13,447	$ -	$ -	$ 90,835

See independent auditor's report.

The District recorded conveyances from the Developer of $7,961 during the year ended December 31, 2024.

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt of the District during the year ended December 31, 2024:

	Balance 01-01-24	Additions	Repayments / Amortization	Balance 12-31-24	Due Within One Year
Governmental activities					
Bonds payable:					
Series 2019 Bonds	$ 1,240,000	$ -	$ -	$ 1,240,000	$ -
Total bonds payable	1,240,000	-	-	1,240,000	-
Other long-term obligations:					
Developer advances - operations	281,185	-	-	281,185	-
Developer advances - capital	293,933	-	-	293,933	-
Accrued interest on developer advance - operations	40,506	18,277	-	58,783	-
Accrued interest on developer advance - capital	91,077	19,106	-	110,183	-
Total other long-term	706,701	37,383	-	744,084	-
Total long-term obligations	$ 1,946,701	$ 37,383	$ -	$ 1,984,084	$ -

Series 2019 Limited Tax General Obligation Convertible Capital Appreciation Bonds

On November 11, 2019, the District issued Series 2019 Limited Tax General Obligation Convertible Capital Appreciation Bonds ("Series 2019 Bonds") for the purpose of paying or reimbursing the costs of public improvements and paying the costs of issuance associated with the Series 2019 Bonds. The Series 2019 Bonds were issued in the par amount of $1,097,140 with a maturity value on the conversion date to current interest bonds of $1,240,000; bear interest of 6.25%, payable on each June 1 and December 1; and mature on December 1, 2049. Annual principal payments are due on December 1 of each year beginning December 1, 2028.

The District is required to maintain a surplus cash account up to a maximum of $109,714. As of December 31, 2024, the balance in the surplus cash account was $113,960.

On and after conversion to current interest bonds, (a) to the extent principal of any Series 2019 Bond is not paid when due, such principal will remain outstanding until the earlier of (i) December 1, 2058 ("Termination Date") or (ii) payment thereof, and shall continue to bear interest at the rate then borne by the Series 2019 Bonds; and (b) to the extent interest on any Series 2019 Bond is not paid when due, such unpaid interest will compound semiannually on each June 1 and December 1 at the rate borne by the Series 2019 Bond until the earlier of (i) the Termination Date or (ii) payment thereof.

The District is not obligated to pay more than the amount permitted by law, the service plan, and its electoral authorization in repayment of the Series 2019 Bonds. All of the Series 2019 Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that, to the extent the principal of and interest on the Series 2019 Bonds remains outstanding, the District will not be relieved of the obligation to impose the required mill levy each year prior to the year in which the Termination Date occurs.

Series 2019 Bonds pledged revenues

The Series 2019 Bonds are secured by and payable from the pledged revenue consisting of monies derived by the District from the following sources, net of any collection costs: (a) the required mill levy; (b) all specific ownership tax revenues from the required mill levy; and (c) any other legally available monies which the District determines, in its absolute discretion, to credit to the bond fund.

Optional redemption of Series 2019 Bonds

The Series 2019 Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity and in whole or partial maturities, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium on the principal amount redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2024 to November 30, 2025	3.00%
December 1, 2025 to November 30, 2026	2.00%
December 1, 2026 to November 30, 2027	1.00%
December 1, 2027 and thereafter	0.00%

The District's long-term obligations on the Series 2019 Bonds mature as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ -	$ 77,500	$ 77,500
2026	-	77,500	77,500
2027	-	77,500	77,500
2028	5,000	77,500	82,500
2029	5,000	77,188	82,188
2030 - 2034	85,000	376,250	461,250
2035 - 2039	190,000	337,814	527,814
2040 - 2044	365,000	257,814	622,814
2045 - 2049	590,000	117,501	707,501
Total	$ 1,240,000	$ 1,476,567	$ 2,716,567

Series 2019 Bonds events of default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions will constitute an event of default under the indenture:

(a) The District fails or refuses to impose the required mill levy or to apply the pledged revenue as required by the indenture;

(b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution and fails to remedy the same after notice thereof pursuant to the indenture; or

(c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2019 Bonds.

Upon the occurrence and continuance of an event of default, the trustee has the following rights and remedies which may be pursued:

i. Receivership - Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the trustee and of the owners, the trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the trustee will be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to, the trustee.

ii. Suit for judgment - The trustee may proceed to protect and enforce its rights and the rights of the owners by such suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.

iii. Mandamus or other suit - The trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the owners.

Notwithstanding the foregoing, acceleration will not be an available remedy for an event of default.

Debt authorization

As of December 31, 2024, the District's debt authorized, authorization used, and amounts authorized but unissued are as follows:

	Electoral Authorization	Service Plan Authorization
Amount authorized	$ 36,000,000	$ 1,100,000
Authorization used:		
Series 2019 Bonds	(1,097,140)	(1,097,140)
Authorized but unissued indebtedness	$ 34,902,860	$ 2,860

On November 8, 2016, the District's voters authorized the issuance of indebtedness at an interest rate not to exceed 18%. The service plan set the maximum debt mill levy at 30 mills as adjusted for changes in the ratio of actual value to assessed value of property within the District.

Subsequent to December 31, 2024, on June 24, 2025, the District amended its service plan to increase the service plan debt authorization to $2,000,000 in preparation for the issuance of the Series 2025 Loan. The service plan amendment also increased the maximum debt mill levy to 35 mills as adjusted for changes in the ratio of actual value to assessed value of property within the District

Subsequent event - Series 2025 Loan issuance

Subsequent to December 31, 2024, on June 26, 2025, the District issued the Series 2025 Loan for the purpose of: (i) refunding the Series 2019 Bonds; (ii) financing a portion of public improvements; and (iii) paying other costs in connection with the issuance of the Series 2025 Loan. The Series 2025 Loan was issued in the amount of $1,389,000. The Series 2025 Loan bears interest at 5.35% per annum, increasing to 8.35% if the loan is not paid in full upon the maturity date, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of pledged revenues available on each June 1 and December 1, beginning on December 1, 2025; and matures on December 1, 2035.

On December 2, 2058, no further payments will be due and owed on the loan, regardless of the amount of principal and interest paid prior to that date.

Series 2025 Loan pledged revenues

The Series 2025 Loan is secured by and payable from the pledged revenue consisting of monies derived by the District from the following sources, net of any collection costs: (a) required mill levy; (b) the portion of the specific ownership tax which is collected as a result of imposition of the required mill levy; and (c) any other legally available monies which the District determines to be treated as pledged revenue. Required mill levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the bonds as they become due and payable and to make up any deficiencies in the reserve fund. The mill levy is adjusted for changes in the ratio of actual value to assessed value of property within the District.

The District's long-term obligations on the Series 2025 Loan matures as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 5,000	$ 37,156	$ 42,156
2026	18,000	74,044	92,044
2027	19,000	73,081	92,081
2028	20,000	72,065	92,065
2029	21,000	70,995	91,995
2030 - 2034	122,000	336,997	458,997
2035	1,184,000	63,344	1,247,344
Total	$ 1,389,000	$ 727,680	$ 2,116,680

Series 2025 Loan events of default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions will constitute an event of default under the indenture:

(a) The District fails or refuses to impose the required mill levy or to apply the pledged revenue as required by the loan agreement;

(b) The District fails to observe or perform any of the covenants, agreements, or conditions on the part of the District in the loan agreement or the other financing documents, and the District fails to remedy the same within 30 days after the bank has provided the District with notice thereof; provided however, that there shall be no event of default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in the loan agreement or the other financing documents which are qualified by the phrase "to the extent permitted by law" or by phrases of similar import, if a court or other tribunal of competent jurisdiction has determined in a final, non-appealable judgment that such covenants, agreements, or conditions are not permitted by law;

(c) Any representation or warranty made by the District in the loan agreement or in any other financing document or any certificate, instrument, financial, or other statement furnished by the District to the bank, proves to have been untrue or incomplete in any material respect when made or deemed made;

(d) Default in the payment of principal of or interest when due on any financial obligation of the District and continuance of such default beyond any grace period;

(e) The pledge of the Pledged Revenue or any other security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;

(f) Any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than $50,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay, or satisfy such judgment or court order for 30 days;

(g) A change occurs in the financial or operating conditions of the District, or the occurrence of any other event that, in the bank's reasonable judgment, will have a materially adverse impact on the ability of the District to generate Pledged Revenue sufficient to satisfy the District's obligations under the loan agreement or its other obligations, and the District fails to cure such condition within the time specified by the bank in a written notice thereof from the bank;

(h) (i) The District shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding, or other action of a nature referred to in (h)(i) hereof and the same shall remain undismissed; or (iii) there shall be commenced against the District any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal, within 30 days from the entry thereof; or (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above;

(i) The loan agreement or any other financing document, or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;

(j) The District's auditor delivers a qualified opinion with respect to the District's status as a going concern;

(k) Any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder shall become subject to any writ, judgment, warrant, attachment, execution, or similar process;

(l) Any determination, decision, or decree is made by the Commissioner of the Internal Revenue Service or any district director of the Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on the Series 2025 Loan is includable in the gross income for federal income tax purposes of the bank by virtue of the intentional or reckless failure or refusal by the District to take actions or refrain from taking actions as required by the Section hereof entitled “Tax Covenants”, which failure or refusal results in interest payable on the Note becoming includable in the gross income of the Bank pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder, if and so long as such determination, decision, or decree is not being appealed or otherwise contested in good faith by the District. For the avoidance of doubt, in accordance with the District’s service plan, failure to pay debt service on this Loan when due shall not of itself constitute an event of default hereunder or result in the exercise of remedies.

Upon the occurrence and during the continuance of any event of default, the bank at its option, may exercise any and all remedies available at law or in equity; provided however, that notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an event of default.

Developer advances

Funding and reimbursement agreement (operations and maintenance)

On January 30, 2017, and as amended November 6, 2017, November 16, 2021, and November 28, 2022, the District entered into a funding and reimbursement agreement with TFV1, LLC ("Developer"). Under this agreement, the Developer agreed to advance funds to the District over four years not to exceed the aggregate of $50,000 per annum, up to $200,000 through December 31, 2023. The District agreed to repay the developer for such advances and prior costs incurred by the Developer plus accrued interest at the rate of 6.5% per annum beginning on the date of the advance to the date of repayment. On January 30, 2047, the funding and reimbursement agreement will be deemed to be forgiven and discharged regardless of the amount of principal and interest paid prior to that date. As of December 31, 2024, outstanding developer advances under the agreement totaled $281,185 and accrued interest totaled $58,783.

Infrastructure acquisition and reimbursement agreement

On January 30, 2017, and as amended November 6, 2017, the District entered into an infrastructure and reimbursement agreement with TFV1, LLC ("Developer"). Under this agreement, the Developer agreed to advance funds to the District for the construction of public improvements. The District agreed to repay the developer for such advances, public improvements constructed by the Developer, and prior costs incurred by the Developer for public improvements plus accrued interest at the rate of 6.5% per annum beginning on the date of the advance to the date of repayment. As of December 31, 2024, outstanding developer advances under the agreement totaled $293,933 and accrued interest totaled $110,183.

Infrastructure acquisition and reimbursement agreement with Tuscan Bench Development, LLC

On November 4, 2019, the District entered into an infrastructure and reimbursement agreement with Tuscan Bench Development, LLC ("Tuscan Bench"). Under this agreement, Tuscan Bench agreed to advance funds to the District for the construction of public improvements. The District agreed to repay Tuscan Bench for such advances, public improvements constructed by Tuscan Bench, and prior costs incurred by Tuscan Bench for public improvements plus accrued interest at the rate of 6.5% per annum beginning on the date of the advance to the date of repayment. As of December 31, 2024, there were no outstanding advances under the agreement.

6. NET POSITION

The District has net position consisting of: 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 debt that is attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2024, the District had net investment in capital assets as follows:

Net investment in capital assets:		
Capital assets	$	90,835
Related long-term obligations		(77,388)
Net investment in capital assets	$	13,447

Restricted net position includes balances with external restrictions 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, 2024 as follows:

Restricted net position:		
Debt service (Note 5)	$	107,239
Emergency reserve (Note 12)		2,200
	$	109,439

The District has a deficit in unrestricted net position as of December 31, 2024. This deficit is the result of the District being responsible for the repayment of bonds issued for public improvements, of which a significant portion were conveyed to other governmental entities and which costs were removed from the District's financial records.

7. OPERATIONS FEE

On October 18, 2023, pursuant to 32-1-1001(1)(j)(I), the District approved a resolution for the imposition of an operations fee on residents within the District's boundaries effective January 1, 2024. The operation fee is imposed at a rate of $70.00 per home per month and as a $100 payment due upon the transfer of a home. These fees are required to be recorded separately from other revenues and these fees are to be used for the landscape maintenance, snow removal, upkeep, repair, replacement, improvement, reconstruction, operation and maintenance of public improvements within the District, as necessary, inclusive of the costs of utilities and capital replacement costs.

8. STORMWATER MAINTENANCE AGREEMENT WITH THE CITY OF COLORADO SPRINGS

On October 21, 2021, the District entered into a stormwater maintenance agreement with the City of Colorado Springs in which the District agreed to maintain an extended detention basin within the District's boundaries.

9. IRRIGATION REIMBURSEMENT AGREEMENT

On March 19, 2024, the District entered into a irrigation services reimbursement agreement with Tuscan Foothills Village Paired Homes Owners Association, Inc. ("Association") in which the District agreed to reimburse the Association for 40% of water costs incurred by the Association on a biannual basis.

10. RELATED PARTIES

The developers of the property within the District are TFV1, LLC and Tuscan Bench Development, LLC. The members of the board of directors are officers, employees, or associated with the developers and may have conflicts of interest in dealing with the District.

11. 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 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.

12. TAX, SPENDING, AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. On November 8, 2016, the District's voters approved a ballot issue allowing the District to retain all revenues.

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

District management believes the District 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 likely require judicial interpretation.

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SUPPLEMENTARY INFORMATION

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 103,040	$ 103,722	$ 103,722	$ -
Specific ownership taxes	7,213	9,674	9,674	-
Investment income	-	6,545	6,545	-
Total revenues	110,253	119,941	119,941	-
EXPENDITURES				
Bank charges	65	267	267	-
County Treasurer fees	1,546	1,556	1,556	-
Bond interest payments	77,500	77,500	77,500	-
Trustee fees	4,000	4,000	4,000	-
Total expenditures	83,111	83,323	83,323	-
Net change in fund balance	$ 27,142	$ 36,618	36,618	$ -
Fund balance, beginning of year			77,079	
Fund balance, end of year			$ 113,697	

The accompanying notes and independent auditor's report should be read with these financial statements.