

VILLAS METROPOLITAN DISTRICT
2025 ANNUAL REPORT

Pursuant to § 32-1-207(3)(c), C.R.S., and the Service Plan for Villas Metropolitan District (the “**District**”), the District is required to provide an annual report to Douglas County (the “**County**”) with regard to the following matters:

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

§ 32-1-207(3), C.R.S., Statutory Requirements

1. Boundary changes made.

There were no boundary changes or proposed boundary changes in 2025.

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

The District did not enter into any intergovernmental agreements in 2025.

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

Copies of the governing documents may be found on the District’s official website: <https://www.villasmetrodistrict.org/>

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

To our actual knowledge, based on review of the court records in Douglas 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.

The District completed a public drainage improvement in 2025 by installing a concrete drainage pan with sidewalk chase drain.

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

There were not any facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality in 2025.

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

The District’s assessed valuation for 2025 was \$6,991,200 pursuant to the Douglas County Assessor.

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 currently in process. A copy of the 2025 Audit will be provided as a supplement to this report once completed.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District

The District is not aware of any uncured defaults which continued beyond a 90-day period under any debt instrument of the District.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

There was no inability of the District to pay its obligations as they came due, in accordance with the terms of any such obligations, which continued beyond a 90-day period.

Service Plan Requirements
VILLAS METROPOLITAN DISTRICT
2025 ANNUAL REPORT

(For Activities Completed in 2025, and With Information About Prospective Years)

Pursuant to the approved Service Plan of Villas Metropolitan District (the “**District**”), the District is responsible for submitting an annual report to the County no later than July 1 of each year in accordance with the procedures set forth in §§ 32-1-207(3)(c) and (d), C.R.S., as amended, and conform to the format as noted in Exhibit K of the Service Plan.

The District hereby submits the following information and attachments:

I. District Description – General Information

a. Board Members (as of March 3, 2026):

Director	Office	Term
Brown Moore	President	2027
Terry Fraser	Treasurer	2029
Tamara Henkels	Secretary	2027
David Cage	Officer	2027
Vacant		2029

b. Changes in board membership in the past year:

Director Matthew Gibb resigned from the Board on August 19, 2025, subsequently Directors Brown Moore and Dee Ann Nazarenus were appointed on August 19, 2025. Dee Ann Nazarenus subsequently resigned from the Board on October 17, 2025. Andrea Etchell was elected to the Board in May 2025, and resigned as of December 9, 2025.

c. Name and address for official District contact:

District Manager (As of April 1, 2026)

Danaly Howe
Westwind Management Group, LLC
27 Inverness Drive East
Englewood CO 80112
Telephone: 303.369.1800
Email: danaly@westwindmanagement.com

District Legal Counsel

Heather L. Hartung, Esq.
WBA, PC
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Telephone: (303) 858-1800
Email: hhartung@wbapc.com

d. Elections held in the past year and their purpose:

The District did not hold an election in 2025. The District adopted a Resolution Calling the May 6, 2025 election. That election was subsequently cancelled on March 4, 2025, as there were not more candidates than available seats.

II. Boundary changes for the report year and proposed changes for the coming year.

There were no boundary changes for the report year or proposed changes in 2025.

III. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements.

The District has not entered into any new intergovernmental agreements as of the 2025 report year.

a. Contracts for operations, debt, and other contractual obligations with subdistricts or operating and taxing districts:

Not applicable. There are no subdistricts.

b. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District:

The District entered into an Advance and Reimbursement Agreement with a partner in the Developer, Cardel Homes US Limited Partnership (“Cardel Homes US LP” or the “Prior Developer”) effective as of March 7, 2017 (the “Original Agreement”), which was amended pursuant to: (i) the First Amended Reimbursement Agreement dated June 1, 2018, which provides that the Cardel Parker, Limited Partnership (“Cardel Parker”) is the successor in interest to the Prior Developer and that Cardel Parker acquired and now holds and owns the rights to the reimbursements set forth in the Original Agreement; and (ii) the First Amendment to Advance Acquisition and Reimbursement Agreement dated August 2018, which provides that the Prior Developer is fully released from all liabilities and obligations under the Original Agreement, and that the District is to look only to Cardel Parker for performance and satisfaction in connection with the Original Agreement (as so amended, the “Advance and Reimbursement Agreement”). Subsequently, an Assignment and Assumption of Advance, Acquisition and Reimbursement Agreement dated June 1, 2018 was entered into between the Prior Developer and Cardel Parker whereby Cardel Parker is to receive all the right, title and interest in, to and under the Advance and Reimbursement Agreement.

This Advance and Reimbursement Agreement with a partner in the Developer, Cardel Homes US Limited Partnership (“Cardel Homes US LP” or the “Prior Developer”) effective as of March 7, 2017 was Terminated as of January 27, 2026.

IV. Service Plan

a. List and provide description of services authorized in Service Plan.

The District is authorized to perform the following services pursuant to the Service Plan: water, storm sewer, sanitation and wastewater treatment, street improvements,

traffic safety protection, parks and recreation, covenant enforcement and design review, and security services.

b. List and provide description of facilities authorized in Service Plan.

The District is authorized to provide facilities to the extent they are necessary for the provision of the services authorized in the Service Plan.

c. List and provide description of any extraterritorial services, facilities and agreements.

Not applicable.

V. Development Progress

a. Indicate the estimated year of build-out, as set forth in the Service Plan.

The estimated year of buildout in the Service Plan was 2021.

b. List the services provided with the date service began compared to the date authorized by the Service Plan.

a. Trash service and design review began in March 2018*

b. Landscaping began in March 2018*.

*Dates not specified in Service Plan.

c. List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented.

There have been no changes made to the Service Plan.

d. List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan.

None.

e. List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule.

The District is not aware of any facilities not completed.

f. List facilities currently under construction with the percentage complete and an anticipated date of completion.

The District does not currently have any construction projects.

g. Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years.

In 2017, the population of the District was zero. In 2019, the estimated population was 136. In 2020, the estimated population was 185. For 2021, the estimated population was 199, with 92 occupied homes. In 2022, the estimated population was 262. In 2023, the estimated population was 318. In 2024, the District buildout

was completed with 180 homes. The County estimates 2.72 residents per property, making the estimated population 490 in 2024 and all years moving forward.

- h. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.**

180 single family units. No commercial or industrial planned.

- i. List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each.**

None.

VI. Financial Plan and Financial Activities

- a. Provide a copy of the audit or exemption from the audit for the reporting year.**

The 2025 Audit is currently in process. A copy of the 2025 Audit will be provided as a supplement to this report once completed.

- b. Provide a copy of the budget, showing the reporting and previous years.**

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

- c. Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).**

See prior Audits and Budgets that have been filed with the County.

- d. List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired.**

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds Series 2018A, in the amount of \$4,100,000.00 and Subordinate Limited General Obligation Bonds, Series 2018B in the amount of \$690,000.00. These bonds were refunded.

The District issued Limited Tax General Obligation Refunding Bonds, Series 2024 in the amount of \$5,245,000 on September 12, 2024 to refund the 2018 A & B Bonds

- e. List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued.**

Per the District's Service Plan, the authorized debt limit for the District is \$6,000,000.

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds Series 2018A, in the amount of \$4,100,000.00 and Subordinate Limited General Obligation Bonds, Series 2018B in the amount of \$690,000.00/.

The District issued Limited Tax General Obligation Refunding Bonds, Series 2024 to refund the Debt on September 12, 2024. This refunded the 2018 A & B Bonds.

At the November 8, 2016 election, the District’s eligible electors approved the issuance of \$36,000,000 for the purpose of financing public improvements and facilities; \$6,000,000 for operations and maintenance; \$7,000,000 for refunding purposes and \$6,000,000 for reimbursement agreements with private persons. The District is limited in the issuance of debt pursuant to the terms of the Service Plan.

f. List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan.

Per the District’s Service Plan, the authorized debt limit for the District is \$6,000,000.

The District issued Limited Tax General Obligation Refunding Bonds, Series 2024 in the amount of \$5,245,000 to refund the 2018 A and B Bonds on September 12, 2024.

At the November 8, 2016 election, the District’s eligible electors approved the issuance of \$36,000,000 for the purpose of financing public improvements and facilities; \$6,000,000 for operations and maintenance; \$7,000,000 for refunding purposes and \$6,000,000 for reimbursement agreements with private persons. The District is limited in the issuance of debt pursuant to the terms of the Service Plan.

g. Enterprises of the District.

None.

h. Detail contractual obligations.

The District has contractual obligations with consultants, including general counsel, special counsel for collection, covenant enforcement and foreclosure matters, accounting services, auditing services and management services. The District also has contractual obligations with Environmental Designs, LLC for landscaping matters.

i. Actual and Assessed Valuation History

Report the annual actual and assessed valuation for the current year and for each of seven (7) years prior to current year

<i>Year</i>	<i>Actual Value</i>	<i>Assessed Value</i>
2025	<i>\$110,622,747</i>	<i>\$ 6,991,200</i>
2024	<i>\$102,094,643</i>	<i>\$6,907,150</i>
2023	<i>\$87,334,506</i>	<i>\$6,424,690</i>
2022	<i>\$50,864,503</i>	<i>\$4,215,560</i>

2021	\$38,205,531	\$3,721,310
2020	\$28,303,237	\$2,942,800
2019	\$23,040,270	\$2,339,860

- ii. *For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.*

See chart above and Schedule of Assessed Valuation in the Service Plan.

j. Mill Levy History

- i. *Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance)*

Year	General Operations Levy	General Operations	Debt Levy	Debt Levy Revenue
2026	21.866	\$152,870	54.901	\$383,824
2025	21.866 less a temporary reduction of - 0.749 mills for a total of 21.117 mills	\$151,032 less \$5,173 for the temporary mill levy reduction for a total of \$145,859	54.901	\$379,209
2024	21.866	\$140,482	54.901	\$352,722
2023	21.866	\$92,177	54.901	\$231,438
2022	21.380	\$79,562	53.679	\$199,756
2021	21.380	\$62,917	53.451	\$157,296
2020	20.380	\$50,026	53.451	\$125,068

- ii. *For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.*

Please see the response to VI.j.i., above and estimates in the Service Plan.

k. Miscellaneous Taxes History

- i. *Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other)*

Please see the response to VI.j.i., above.

- ii. *For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.*

Please see the response to VI.j.i., above and estimates in the Service Plan.

I. Estimated Assessed Valuation of District at 100% Build-Out

- i. Provide an updated estimate and compare this with the Service Plan estimate.*

The District buildout has been completed.

- ii. Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.*

The District issued its Limited Tax General Obligation Refunding Bonds, Series 2024 on September 12, 2024. The issuance of the Refunding Bonds constitutes a refinancing of District indebtedness at a lower interest rate. No allocation of voted debt authorization from the November 2016 election is required with respect to the Refunding.

- iii. Provide an updated estimate based on current events. Do not include refunding bonds.*

Not applicable.

EXHIBIT A
2026 Budget

VILLAS METROPOLITAN DISTRICT
2026 Budget Message

The Villas Metropolitan District (“District”) was organized on November 15, 2016, as a quasi-municipal organization established under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by Douglas County on August 23, 2016 (Service Plan). The District was established for the purpose of providing the public improvements and services for the benefit of all inhabitants and taxpayers of the District. The District’s primary source of revenue is property taxes. The District is governed by an elected board of directors.

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

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

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

The 2025 assessed valuation, as certified by Douglas County, Colorado, is \$6,991,200.

General Fund

In 2026, the District is imposing a General Fund mill levy of 21.886 mills, generating \$152,870 in revenue. Additional revenues include Specific Ownership Tax, operation fees and interest income. General Fund appropriated expenditures in 2025 total \$414,563.

Debt Service Fund

In addition, in 2025 the District is imposing a mill levy of 54.901 mills, generating \$383,824 in revenue. The debt service mill levy is pledged to pay the 2024 \$5,335,000 Limited Tax General Obligation Bond. Debt Service appropriated expenditures total \$360,507.

**VILLAS METROPOLITAN DISTRICT
GENERAL FUND
2026 ADOPTED BUDGET
2024 ACTUAL AND 2025 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2024		2025 Estimated		2026 Adopted
	<u>Actual</u>		<u>2025 Estimated</u>		<u>2026 Adopted</u>
REVENUES					
Property taxes	\$ 141,941		\$ 145,859		\$ 152,870
Specific ownership taxes	11,826		11,669		12,230
Operations fees	272,223		270,000		270,000
Legal collections	2,862		180		250
Interest	2,083		10,000		8,500
Total revenues	<u>430,935</u>		<u>437,708</u>		<u>443,850</u>
EXPENDITURES					
Accounting and audit	47,598		42,000		42,000
Collection costs	7,145		7,157		7,500
County treasurer fees	2,131		2,188		2,293
Insurance and dues	3,626		3,675		5,000
Election	-		-		1,000
Landscape maintenance	68,108		90,289		80,000
Legal	55,037		60,000		50,000
District management	19,694		19,120		19,700
Miscellaneous	-		1,211		10,000
Reserve/Drainage/Roads/Fencing	-		-		75,000
Snow removal	30,659		13,040		50,000
Trash removal	42,115		40,226		45,000
Utilities	9,725		11,545		15,000
Emergency reserve (3%)	-		-		12,070
Total expenditures	<u>285,838</u>		<u>290,451</u>		<u>414,563</u>
NET CHANGE IN FUND BALANCE	145,097		147,258		29,287
BEGINNING FUND BALANCE (DEFICIT)	<u>(46,295)</u>		<u>98,802</u>		<u>246,060</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 98,802</u>		<u>\$ 246,060</u>		<u>\$ 275,347</u>

**VILLAS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2026 ADOPTED BUDGET
2024 ACTUAL AND 2025 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2024 Actual	2025 Estimated	2026 Adopted
REVENUES			
Property taxes	\$ 356,447	379,209	\$ 383,824
Specific ownership taxes	29,700	30,337	30,706
Interest	14,485	3,191	4,000
Total revenues	<u>400,632</u>	<u>412,737</u>	<u>418,530</u>
EXPENDITURES			
Bond interest 2024	51,734	235,750	229,750
Bond principal 2024	-	120,000	125,000
County treasurer fees	5,350	5,688	5,757
Total expenditures	<u>57,084</u>	<u>361,438</u>	<u>360,507</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	343,548	51,299	58,023
OTHER FINANCING SOURCES (USES)			
Bond proceeds	5,245,000	-	-
Bond premium	126,473	-	-
Transfer to escrow refunding agent	(5,379,674)	-	-
Total other financing sources (uses)	<u>(8,201)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	335,347	51,299	58,023
BEGINNING FUND BALANCE	<u>215,009</u>	<u>550,356</u>	<u>601,655</u>
ENDING FUND BALANCE	<u>\$ 550,356</u>	<u>601,655</u>	<u>\$ 659,678</u>

**VILLAS METROPOLITAN DISTRICT
 ASSESSED VALUATION AND PROPERTY TAXES
 DOUGLAS COUNTY**

	2022	2023	2024	2025	Final 2026
Assessed valuation	\$ 3,721,310	\$ 4,215,560	\$ 6,424,690	\$ 6,907,150	\$ 6,991,200
MILL LEVY					
General Fund	21.380	21.866	21.866	21.866	21.866
Temporary Mill Levy Reduction	-	-	-	(0.749)	-
Total General Fund Mill Levy	21.380	21.866	21.866	21.117	21.866
Debt Service Fund	53.679	54.901	54.901	54.901	54.901
Total Mill Levy	75.059	76.767	76.767	76.018	76.767
PROPERTY TAXES					
General Fund	\$ 79,562	\$ 92,177	\$ 140,482	\$ 151,032	\$ 152,870
Temp mill levy reduction	-	-	-	(5,173)	-
	79,562	92,177	140,482	145,859	152,870
Debt Service Fund	199,756	231,438	352,722	379,209	383,824
Total Property Taxes	\$ 279,318	\$ 323,615	\$ 493,204	\$ 525,068	\$ 536,694