

ASH PARK AND RECREATION DISTRICT

2025 ANNUAL REPORT

Pursuant to § 32-1-207(3)(c), C.R.S., and the Service Plan for Ash Park and Recreation District (the “**District**”), the District is required to provide an annual report to the City of Greeley (the “**City**”) regarding 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 changes or proposed changes to the boundaries of the District during the reporting year.

2. Intergovernmental Agreements entered into or terminated.

There were no Intergovernmental Agreements entered into or terminated with other governmental entities during the reporting year.

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

The District did not adopt any rules and regulations during the reporting year.

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

To our actual knowledge, based on review of the court records in Weld 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. Status of the construction of public improvements by the District.

The District has not constructed any public improvements.

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

The District has not constructed any public improvements that were conveyed or dedicated to the City.

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 \$20,470,200.

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

The District's 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 District's 2025 Audit is attached hereto as **Exhibit B**.

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 events of default that existed for more than ninety (90) days 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.

The District is not aware of any inability to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Service Plan Requirements

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year:

The District was organized in November 2022. The District is making progress on implementing its Service Plan. Public improvements are currently being designed, and the District anticipates seeking approvals from the City in 2026 and commencing construction in 2027.

2. Except when an exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the fiscal year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year.

The District's 2025 Audit is attached hereto as **Exhibit B**.

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.

The District's 2026 Budget is attached hereto as **Exhibit A**. Public improvements are currently being designed, and the District anticipates seeking approvals from the City in 2026 and commencing construction in 2027.

- 4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to debt retirement in the report year.**

The District's 2026 Budget is attached hereto as **Exhibit A**.

- 5. A summary of the development in the District for the report year.**

The District has not constructed any public improvements.

- 6. A summary of all fees, charges, and assessments imposed by the District as of January 1 of the report year.**

The District did not impose any fees, charges, or assessments during the reporting year.

- 7. Certification of the Board that no action, event, or condition has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by City Council.**

The Certification of Compliance is in process and will be provided in a supplemental report once available.

- 8. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.**

Tyler Richardson, President
c/o WBA, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

Collin Richardson, Secretary/Treasurer
c/o WBA, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

Logan Richardson, Assistant Secretary
c/o WBA, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

Chief Administrative Officer

None.

General Counsel

Zachary P. White, Esq.
WBA, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
zwhite@wbapc.com
Phone: 303-858-1800

2026 Meeting Dates

Regular meetings are scheduled for the first Thursday of July and December at 9:00 a.m. by telephone, electronic, or other means not requiring physical presence.

EXHIBIT A
2026 Budget

ASH PARK AND RECREATION DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

**ASH PARK AND RECREATION DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 5,527,639	\$ 9,984,048	\$ 12,020,513
REVENUES			
Property Taxes	151,651	58,555	45,368
Specific Ownership Taxes	147,267	68,000	49,000
Property Taxes - GURA Increment	3,914,335	1,534,700	1,180,844
Interest Income	307,640	444,000	500,000
Other Revenue	-	31,210	-
Total revenues	4,520,893	2,136,465	1,775,212
Total funds available	10,048,532	12,120,513	13,795,725
EXPENDITURES			
General and administrative			
Accounting	36,140	25,000	27,000
Auditing	5,600	5,800	6,100
County Treasurer's Fee	2,275	878	681
Dues and Membership	455	486	600
Insurance	-	2,193	4,000
Legal	12,879	12,000	25,000
Project Management	5,085	12,000	82,000
Website	2,050	1,400	1,400
Contingency	-	10,243	32,219
Operations and maintenance			
Engineering	-	30,000	100,000
Total expenditures	64,484	100,000	279,000
ENDING FUND BALANCES	\$ 9,984,048	\$ 12,020,513	\$ 13,516,725
EMERGENCY RESERVE	\$ 135,700	\$ 64,100	\$ 53,300
RESERVE FOR CAPITAL PROJECTS	9,848,348	11,956,413	13,463,425
TOTAL RESERVE	\$ 9,984,048	\$ 12,020,513	\$ 13,516,725

See summary of significant assumptions.

**ASH PARK AND RECREATION DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/26

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Industrial	\$ 221,270	\$ 221,270	\$ 312,960
Oil and Gas - Production	67,519,660	25,397,330	19,107,410
Oil and Gas - Pipelines & Equipment	14,830	941,720	1,012,620
Vacant land	24,350	24,350	34,220
State Assessed	18,290	2,920	30
Personal Property	-	-	2,960
	67,798,400	26,587,590	20,470,200
Adjustments	(65,274,289)	(25,611,842)	(19,714,060)
Certified Assessed Value	\$ 2,524,111	\$ 975,748	\$ 756,140

MILL LEVY

General	60.000	60.000	60.000
Total mill levy	60.000	60.000	60.000

PROPERTY TAXES

General	\$ 151,447	\$ 58,545	\$ 45,368
Levied property taxes	151,447	58,545	45,368
Adjustments to actual/rounding	204	10	-
Budgeted property taxes	\$ 151,651	\$ 58,555	\$ 45,368

BUDGETED PROPERTY TAXES

General	\$ 151,651	\$ 58,555	\$ 45,368
	\$ 151,651	\$ 58,555	\$ 45,368

**ASH PARK AND RECREATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Ash Park and Recreation District (the District) was organized by order and decree of the District Court of Weld County, Colorado, recorded on November 23, 2022, to finance and construct part or all of the Public Improvements for the use and benefit of all anticipated inhabitants, taxpayers of the District, and the general public. The District's Service Plan (Service Plan) was approved by the City Council of the City of Greeley (City) on September 20, 2020.

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

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

Revenues

Property Taxes

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

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

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

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

**ASH PARK AND RECREATION DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes the District's share will be equal to approximately 4.0% of the property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

General and Administrative Expenditures

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, dues, insurance, and other administrative expenses.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2026 as defined under TABOR.

This information is an integral part of the accompanying budget.

EXHIBIT B
2025 Audit

ASH PARK AND RECREATION DISTRICT
Weld County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

**ASH PARK AND RECREATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025**

INDEPENDENT AUDITOR'S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	5
NOTES TO BASIC FINANCIAL STATEMENTS	6
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	16

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ash Park and Recreation District
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ash Park and Recreation 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, 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.

I

Fiscal Focus Partners, LLC

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.

Other 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 other information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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.

Fiscal Focus Partners, LLC

Arvada, Colorado
May 12, 2026

BASIC FINANCIAL STATEMENTS

**ASH PARK AND RECREATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 12,042,087
Cash and Investments - Restricted	65,000
Prepaid Insurance	2,876
Property Tax Receivable	45,368
Incremental Property Tax Receivable	<u>1,180,844</u>
Total Assets	<u>13,336,175</u>
LIABILITIES	
Accounts Payable	<u>10,405</u>
Total Liabilities	<u>10,405</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	45,368
Deferred Incremental Property Taxes	<u>1,180,844</u>
Total Deferred Inflows of Resources	<u>1,226,212</u>
NET POSITION	
Restricted for:	
Emergency Reserve	65,000
Unrestricted	<u>12,034,558</u>
Total Net Position	<u><u>\$ 12,099,558</u></u>

See accompanying Notes to Basic Financial Statements.

**ASH PARK AND RECREATION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	<u>Expenses</u>				
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 50,126	\$ -	\$ -	\$ 1,534,700	\$ 1,484,574
Total Governmental Activities	<u>\$ 50,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,534,700</u>	1,484,574
GENERAL REVENUES					
Property Taxes					58,555
Specific Ownership Taxes					64,627
Interest Income					476,544
Other Revenue					<u>31,210</u>
Total General Revenues					<u>630,936</u>
CHANGES IN NET POSITION					2,115,510
Net Position - Beginning of Year					<u>9,984,048</u>
NET POSITION - END OF YEAR					<u>\$ 12,099,558</u>

See accompanying Notes to Basic Financial Statements.

**ASH PARK AND RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	<u>General</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and Investments	\$ 12,042,087	\$ 12,042,087
Cash and Investments - Restricted	65,000	65,000
Prepaid Insurance	2,876	2,876
Property Tax Receivable	45,368	45,368
Incremental Property Tax Receivable	<u>1,180,844</u>	<u>1,180,844</u>
Total Assets	<u><u>\$ 13,336,175</u></u>	<u><u>\$ 13,336,175</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	<u>\$ 10,405</u>	<u>\$ 10,405</u>
Total Liabilities	10,405	10,405
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax	45,368	45,368
Deferred Incremental Property Taxes	<u>1,180,844</u>	<u>1,180,844</u>
Total Deferred Inflows of Resources	1,226,212	1,226,212
FUND BALANCES		
Nonspendable:		
Prepaid Expense	2,876	2,876
Restricted for:		
Emergency Reserves	65,000	65,000
Unassigned	<u>12,031,682</u>	<u>12,031,682</u>
Total Fund Balances	<u><u>12,099,558</u></u>	<u><u>12,099,558</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 13,336,175</u></u>	<u><u>\$ 13,336,175</u></u>

Amounts reported for governmental activities in the statement of net position are the same as above.

**ASH PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025**

	General	Total Governmental Funds
REVENUES		
Property Taxes	\$ 58,555	\$ 58,555
Property Taxes - GURA Increment	1,534,700	1,534,700
Specific Ownership Taxes	64,627	64,627
Interest Income	476,544	476,544
Other Revenue	31,210	31,210
Total Revenues	<u>2,165,636</u>	<u>2,165,636</u>
EXPENDITURES		
Current:		
Accounting	24,000	24,000
Auditing	5,800	5,800
County Treasurer's Fee	878	878
Dues And Membership	486	486
Insurance	2,443	2,443
Legal	14,737	14,737
Project Management	382	382
Website	1,400	1,400
Total Expenditures	<u>50,126</u>	<u>50,126</u>
NET CHANGE IN FUND BALANCES	2,115,510	2,115,510
Fund Balances - Beginning of Year	<u>9,984,048</u>	<u>9,984,048</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 12,099,558</u></u>	<u><u>\$ 12,099,558</u></u>

Amounts reported for governmental activities in the statement of activities are the same as above.

**ASH PARK AND RECREATION DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 58,545	\$ 58,555	\$ 10
Property Taxes - GURA Increment	1,534,711	1,534,700	(11)
Specific Ownership Taxes	63,000	64,627	1,627
Interest Income	526,000	476,544	(49,456)
Other Revenue	-	31,210	31,210
Total Revenues	<u>2,182,256</u>	<u>2,165,636</u>	<u>(16,620)</u>
EXPENDITURES			
Accounting	25,000	24,000	1,000
Auditing	7,500	5,800	1,700
Contingency	41,722	-	41,722
County Treasurer's Fee	878	878	-
Engineering	100,000	-	100,000
Dues And Membership	600	486	114
Insurance	4,000	2,443	1,557
Legal	25,000	14,737	10,263
Project Management	40,800	382	40,418
Website	2,500	1,400	1,100
Total Expenditures	<u>248,000</u>	<u>50,126</u>	<u>197,874</u>
NET CHANGE IN FUND BALANCE	1,934,256	2,115,510	181,254
Fund Balance - Beginning of Year	<u>9,822,000</u>	<u>9,984,048</u>	<u>162,048</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,756,256</u>	<u>\$ 12,099,558</u>	<u>\$ 343,302</u>

See accompanying Notes to Basic Financial Statements.

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY

Ash Park and Recreation District (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court in and for Weld County, Colorado, on November 23, 2022, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

Pursuant to the Service Plan approved by the City of Greeley on September 20, 2022, the District was organized to provide financing for the construction, installation and operations of public improvements, including streets and park and recreation facilities.

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 organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental fund:

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

Budgets

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

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

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

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

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

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 two items that qualify for reporting in this category. Accordingly, the items, *deferred property tax revenue* and *deferred incremental property tax revenue*, are deferred and recognized as inflows of resources in the period that the amounts become available.

Equity

Net Position

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

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

Adoption of New Accounting Standards

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

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 12,042,087
Cash and Investments - Restricted	65,000
Total Cash and Investments	<u>\$ 12,107,087</u>

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

Deposits with Financial Institutions	\$ 9,280
Investments	12,097,807
Total Cash and Investments	<u>\$ 12,107,087</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

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

At December 31, 2025, the District's cash deposits had a bank balance and carrying balance of \$9,280.

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 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.

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 12,097,807
		<u>\$ 12,097,807</u>

COLOTRUST

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS Section 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

COLOTRUST (Continued)

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

The District holds all its investments in the COLOTRUST PLUS+ portfolio.

NOTE 4 NET POSITION

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

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

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 65,000
Total Restricted Net Position	<u>\$ 65,000</u>

The District's unrestricted net position as of December 31, 2025 totaled \$12,034,558.

NOTE 5 COOPERATION AGREEMENT

In July 2023, the District entered into a Cooperation Agreement (Agreement) with the Greeley Urban Renewal Authority (GURA). Under the terms of the Agreement, GURA agreed to remit to the District property taxes allocated to the GURA as a result of the levy of the District upon taxable property within the Urban Renewal Area described in the Urban Renewal Plan for the Great Western Sugar Factory Area. After the deduction of an administrative fee of \$2,000 per year, GURA will transfer revenues attributable to the District on June 30th each year for 25 years from the effective date of the Agreement. The District received \$1,534,700 in revenues from GURA in 2025.

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 RELATED PARTIES

The Developer of the property which constitutes the District is Richmark Real Estate Partners, LLC. All members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 7 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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.

**ASH PARK AND RECREATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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

On November 8, 2022, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado. Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues. The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

OTHER INFORMATION

**ASH PARK AND RECREATION DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025**

Year Ended December 31,	Net Assessed Valuation	Percent Change	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General Operations	Total	Levied	Collected	
2023	\$ 3,304,988	n/a	60.000	60.000	\$ 198,300	\$ 198,123	99.91 %
2024	2,524,111	-23.6%	60.000	60.000	151,447	151,651	100.13 %
2025	975,748	-61.3%	60.000	60.000	58,545	58,555	100.02 %
Estimated for Year Ending December 31, 2026	\$ 756,140	-22.5%	60.000	60.000	45,368		

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

Source: Weld County Assessor and Treasurer.