Spring Valley Metropolitan District No. 3
Elbert County, Colorado

FINANCIAL STATEMENTS

December 31, 2025

Spring Valley Metropolitan District No. 3

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Fiscal Focus Partners LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Spring Valley Metropolitan District No. 3
Elbert County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Spring Valley Metropolitan District No. 3 (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Fiscal Focus Partners, LLC

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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.

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 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.

Other Matters

Economic Dependency

As disclosed in Note 11 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer for funding continued operations.

Fiscal Focus Partners, LLC

Arvada, Colorado
July 21, 2026

BASIC FINANCIAL STATEMENTS

Spring Valley Metropolitan District No. 3

STATEMENT OF NET POSITION

December 31, 2025

		Governmental Activities
ASSETS		
Cash and investments	$	30,152
Cash and investments - Restricted		23,162
Receivable from County Treasurer		4,851
Prepaid expense		450
Property taxes receivable		466,628
Total assets		525,243
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized bond insurance		128,592
Cost of refunding, net		51,444
Total deferred outflows of resources		180,036
LIABILITIES		
Accounts payable		5,481
Due to other governments		16,020
Accrued interest		25,555
Noncurrent liabilities		
Due within one year		60,000
Due in more than one year		11,231,260
Total liabilities		11,338,316
DEFERRED INFLOWS OF RESOURCES		
Property tax revenue		466,628
Total deferred inflows of resources		466,628
NET POSITION		
Restricted for:		
Emergency reserves		3,100
Unrestricted		(11,102,765)
Total net position	$	(11,099,665)

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

Spring Valley Metropolitan District No. 3

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

Functions/Programs	**Expenses**	**Program Revenue** Charges for Services	**Program Revenue** Operating Grants and Contributions	**Program Revenue** Capital Grants and Contributions	**Net (Expense) Revenue and Change in Net Position** Governmental Activities
Governmental Activities:					
General government	$ 1,677,283	$ -	$ -	$ -	$ (1,677,283)
Dedication of asset to District No. 1	2,472,058	-	-	-	(2,472,058)
Dedication of asset to Elbert County	1,830,234	-	-	-	(1,830,234)
Interest on long-term debt and related costs	828,040	-	-	-	(828,040)
Total governmental activities	$ 6,807,615	$ -	$ -	$ -	(6,807,615)
	General revenues:				
	Property taxes				470,182
	Specific ownership taxes				61,166
	Investment income				19,913
	Total general revenues				551,261
	Change in net position				(6,256,354)
	Net position - beginning				(4,843,311)
	Net position - ending				$ (11,099,665)

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

Spring Valley Metropolitan District No. 3

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and investments	$ 30,152	$ -	$ -	$ 30,152
Cash and investments - Restricted	3,100	20,062	-	23,162
Receivable from County Treasurer	802	4,049	-	4,851
Prepaid expense	450	-	-	450
Property taxes receivable	78,189	388,439	-	466,628
Total assets	$ 112,693	$ 412,550	$ -	$ 525,243
LIABILITIES				
Accounts payable	$ 5,481	$ -	$ -	$ 5,481
Due to other governments	16,020	-		16,020
Total liabilities	21,501	-	-	21,501
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	78,189	388,439	-	466,628
Total deferred inflows of resources	78,189	388,439	-	466,628
FUND BALANCES				
Nonspendable:				
Prepaid amounts	450	-	-	450
Restricted for:				
Emergencies	3,100	-	-	3,100
Debt service	-	24,111	-	24,111
Unassigned	9,453	-	-	9,453
Total fund balances	13,003	24,111	-	37,114
Total liabilities, deferred inflows of resources and fund balances	$ 112,693	$ 412,550	$ -	

Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Bond insurance, net	128,592
Cost of refunding, net	51,444
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(6,634,000)
Unamortized bond premium	(51,935)
Accrued interest	(25,555)
Developer advance payable	(4,448,292)
Accrued interest on developer advance	(157,033)
Net position of governmental activities	$ (11,099,665)

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

Spring Valley Metropolitan District No. 3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Property taxes	$ 77,693	$ 392,489	$ -	$ 470,182
Specific ownership taxes	10,106	51,060	-	61,166
Investment income	2,083	17,830	-	19,913
Total revenues	89,882	461,379	-	551,261
Expenditures				
Current				
Accounting	16,945	-	-	16,945
Audit	6,750	-	-	6,750
County Treasurer's fees	2,333	11,787	-	14,120
Election	580	-	-	580
Insurance and bonds	4,761	-	-	4,761
Legal services	7,006	-	-	7,006
Mangement	6,536	-	-	6,536
Miscellaneous	491	-	-	491
IGA Payment to Distrtict No. 1	56,520	-	-	56,520
Transfer to District No. 1 for capital	-	-	1,575,361	1,575,361
Capital outlay	-	-	4,302,292	4,302,292
Debt service				
Principal - 2025 Bonds	-	206,000	-	206,000
Interest - 2025 Bonds	-	226,924	-	226,924
Bond issuance costs	-	323,772	-	323,772
Bond insurance	-	133,072	-	133,072
Paying agent fees	-	7,000	-	7,000
Bank fees	-	1,472	-	1,472
Total expenditures	101,922	910,027	5,877,653	6,889,602
Excess of revenues over (under) expenditures	(12,040)	(448,648)	(5,877,653)	(6,338,341)
Other financing sources (uses)				
Bond proceeds, Series 2025A and 2025B	-	6,840,000	-	6,840,000
Bond premium, Series 2025A	-	53,745	-	53,745
Payment to escrow - refunded bonds	-	(5,602,412)	-	(5,602,412)
Developer advance	21,000	-	4,302,292	4,323,292
Transfer (to) from other funds	-	(1,575,361)	1,575,361	-
Total other financing sources and (uses)	21,000	(284,028)	5,877,653	5,614,625
Net change in fund balances	8,960	(732,676)	-	(723,716)
Fund balances - beginning	4,043	756,787	-	760,830
Fund balances - ending	$ 13,003	$ 24,111	$ -	$ 37,114

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

Spring Valley Metropolitan District No. 3

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

For the Year Ended December 31, 2025

Net change in fund balances - governmental funds:	$ (723,716)
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt (e.g. bonds, developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Developer advance	(4,323,292)
Bond proceeds, Series 2025A and 2025B	(6,840,000)
Bond premium, Series 2025A	(53,745)
Bond principal refunded, Series 2020A	4,060,000
Bond principal refunded, Series 2020B	1,275,000
Deferred costs of refunding, Series 2020A and 2020B	53,588
Bond insurance, Series 2025A	133,072
Current year bond principal payment	206,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization of bond premium	108,272
Amortization of costs of refunding	(2,144)
Amortization of bond insurance	(4,480)
Accrued interest - change in liability	(4,122)
Accrued interest on Developer advance payable - change in liability	(140,787)
Change in net position of governmental activities	$ (6,256,354)

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

Spring Valley Metropolitan District No. 3

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

For the Year Ended December 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	$ 77,769	$ 77,693	$ (76)
Specific ownership taxes	9,721	10,106	385
Investment income	600	2,083	1,483
Total revenues	88,090	89,882	1,792
EXPENDITURES			
Accounting	16,000	16,945	(945)
Audit	6,750	6,750	-
County Treasurer's fees	2,333	2,333	-
Election	1,000	580	420
Insurance and bonds	5,600	4,761	839
Legal services	15,000	7,006	7,994
Mangement	10,500	6,536	3,964
Miscellaneous	1,000	491	509
IGA Payment to District No. 1	58,325	56,520	1,805
Contingency	25,000	-	25,000
Total expenditures	141,508	101,922	39,586
Excess of revenues over (under) expenditures	(53,418)	(12,040)	41,378
OTHER FINANCING SOURCES (USES)			
Developer advance	54,000	21,000	(33,000)
Total other financing sources (uses)	54,000	21,000	(33,000)
Change in fund balance	582	8,960	8,378
Fund balances - beginning	10,266	4,043	(6,223)
Fund balances - ending	$ 10,848	$ 13,003	$ 2,155

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

Spring Valley Metropolitan District No. 3

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1 – DEFINITION OF REPORTING ENTITY

Spring Valley Metropolitan District No. 3 (the District) was organized pursuant to provisions set forth in the Colorado Special District Act. The District was organized in coordination with Spring Valley Metropolitan District No. 1 ("District No. 1"), Spring Valley Metropolitan District No. 2 ("District No. 2"), Spring Valley Metropolitan District No. 4 ("District No. 4"), Spring Valley Metropolitan District No. 5 ("District No. 5"), and Spring Valley Metropolitan District No. 6 ("District No. 6"). The purpose of the District is to provide for the design, acquisition, construction, installation and financing of water and sewer facilities, including storm drainage, street improvements, safety protection, park and recreation, transportation, television relay and translation, mosquito control and limited fire protection services. The governing body of the District consists of a five-member Board of Directors which is elected by the registered voters within the District.

District No. 1 provides management for all administrative and operations functions as well as construction or acquisition of infrastructure for all of the Districts. The District and District Nos. 2, 4, 5, and 6 ("Financing Districts") are responsible for providing funding for the construction and financing of certain facilities benefiting their respective districts. The water, sewer, and parks and recreation facilities will be retained by District No. 1 for ownership and operation. All other assets constructed are anticipated to be conveyed to other governmental entities for ownership and maintenance responsibilities. The Financing Districts will impose an operations and maintenance mill levy to assist the District in the costs of operations of the assets.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity, nor is the District a component unit of any other government. The District's financial statements include the accounts of all District operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

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

The statement of net position reports all financial resources of the District. The difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District 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 1) charges to customer or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayment of developer advances are recorded as a reduction in liabilities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 revenue 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, specific ownership taxes, and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

> *The General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.
>
> *The Debt Service Fund* is used to account for the accumulation of resources for, and payment of, long-term bond obligations and developer advance principal, interest and related costs.
>
> *The Capital Projects Fund* is used to account for proceeds from general obligation bonds and developer advances that are used to finance major capital improvements and equipment additions.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of estimates

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

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

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

Budgetary information

In accordance with the Colorado State Budget Law, the District's Board of Directors (the Board) holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The Board 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, 2025.

Bond insurance and original issue premium/discount

In the government-wide financial statements, bond insurance, bond premiums, and bond discounts are deferred and amortized over the life of the bonds using the effective interest method. In the fund financial statements, government fund types recognize bond insurance, bond premiums, and bond discounts during the current period. The face amount of debt issued is reported as other financing sources. Bond insurance, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Cost of refunding

In the government-wide financial statements, the deferred cost of the bond refunding is amortized over the remaining life of the deferred bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred outflow/inflow of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has two items that qualify for reporting in this category. Accordingly, the items, bond insurance and cost on refunding, are deferred and recognized as an outflow of resources in the period that the amounts are incurred.

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 or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital assets

All capital assets purchased or acquired with an original cost in excess of the capitalization thresholds set by the District are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date of the donation. Repairs and maintenance are recorded as expenditures as incurred; while additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Most capital assets acquired have been or will be dedicated to other local governments in accordance with the District's service plan.

Fund balances

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

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

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

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

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

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

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.

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	$	30,152
Cash and investments - Restricted		23,162
Total cash and investments	$	53,314

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

Deposits with financial institutions	$	30,107
Investments		23,207
Total cash and investments	$	53,314

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank balance of $9,107 and carrying balance of $30,107.

Investments

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

The District generally limits its investment 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 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 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 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

At December 31, 2025, the District had the following investment:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	$ 9,996
Invesco Short-Term Treasury	Weighted average under 43 days	13,211
Total investments		$ 23,207

COLOTRUST

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

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

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

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 Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly and there is no redemption notice period. The District invested in the COLOTRUST PLUS+ portfolio during 2025.

Invesco Short-Term Treasury

The Invesco Short-Term Treasury is rated AAAm by Standard & Poor's and the maturity is weighted average under 43 days. The Invesco Short-Term Treasury records its investments at fair value and the District records its investment in Invesco Short-Term Treasury using the net asset value method. The Invesco Short-Term Treasury is a money market fund with each share maintaining a value of $1.00. The money market fund invests in high quality debt securities issued by the U.S. Government.

NOTE 4 – CAPITAL ASSETS

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

	Balance at December 31, 2024	Additions	Deletions	Balance at December 31, 2025
Capital assets not being depreciated:				
Streets	$ -	$ 3,660,469	$ 3,660,469	$ -
Parks and recreation	-	641,823	641,823	-
Total capital assets not being depreciated	$ -	$ 4,302,292	$ 4,302,292	$ -

NOTE 5 – LONG-TERM OBLIGATIONS

Following is an analysis of changes in long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
General Obligation Bonds:					
G.O. Bonds 2020A	$ 4,060,000	$ -	$ 4,060,000	$ -	$ -
G.O. Bonds 2020A Unamortized premium	106,462	-	106,462	-	-
G.O. Bonds 2020B	1,275,000	-	1,275,000	-	-
G.O. Bonds 2020B Accrued interest 2020B	4,516	-	4,516	-	-
G.O. Refunding Bonds 2025A	-	5,760,000	145,000	5,615,000	60,000
G.O. Refunding Bonds 2025A Unamortized premium	-	53,745	1,810	51,935	-
G.O. Refunding Bonds 2025B	-	1,080,000	61,000	1,019,000	-
G.O. Refunding Bonds 2025B Accrued interest 2025B	-	45,938	45,938	-	-
Other Debt:					
Developer advance-operations	125,000	21,000	-	146,000	-
Developer advance-capital	-	4,302,292	-	4,302,292	-
Accrued interest - Developer advance operations	16,246	5,000	-	21,246	-
Accrued interest - Developer advance capital	-	135,787	-	135,787	-
Total long-term obligations	$ 5,587,224	$ 11,403,762	$ 5,699,726	$ 11,291,260	$ 60,000

$4,075,000 Series 2020A Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds (Series 2020A Bonds) and $2,661,000 Series 2020B(3) Subordinate Limited Tax General Obligation Bonds (Series 2020B Bonds)

On January 29, 2020, the District issued $4,075,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A (Series 2020A Bonds) and $2,661,000 Subordinate Limited Tax General Obligation Bonds, Series 2020B(3) (Series 2020B Bonds), together (the 2020 Bonds). Proceeds from the sale of the 2020 Bonds will be used for the purpose of funding a portion of the costs of acquiring, constructing and/or installing certain public improvements, and, with respect to the Series 2020A Bonds only, paying the cost of issuance of the 2020 Bonds, funding a reserve fund and funding capitalized interest.

The Series 2020A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2024 and are subject to optional 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, commencing on March 1, 2025, upon payment of par, accrued interest and a redemption premium that ranges between 0% and 3%. The Series 2020A Bonds are secured by the Senior Property Tax Revenue, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mil Levy, all pledged Capital Fees and any other legally available moneys as determined by the District. The Series 2020A Bonds are further secured by the Senior Reserve Fund in the amount of $324,750, Capitalized Interest Fund and moneys accumulated in the Surplus Fund, if any.

The Series 2020B Bonds are subject to optional and mandatory redemption prior to maturity at the prices and upon the terms set forth in the Limited Offering Memorandum. The Series 2020B Bonds are secured by the Subordinate Property Tax Revenue, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, Subordinate Capital Fee Revenue, amounts in the 2020A Surplus Fund upon the termination of such fund pursuant to the terms of the Series 2020A Indenture and any other legally available monies as determined by the District.

The Series 2020B Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Subordinate Pledged Revenue for payment. In the event any amounts due and owing on the Series 2020B Bonds remain outstanding on December 15, 2059 such amounts shall be deemed discharged and shall no longer be due and outstanding.

Interest on the Series 2020A Bonds is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2020 at the rate of 5.00% per annum. Interest on the Series 2020B Bonds is payable annually, to the extent Subordinate Pledge Revenue is available, on December 15, each year at a rate of 8.50%.

The Series 2020A Bonds and Series 2020B Bonds were fully refunded with the issuance of the Series 2025A Bonds and Series 2025B Bonds on April 10, 2025.

$5,760,000 Series 2025A General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds (Series 2025A Bonds) and $1,080,000 Series 2025B Subordinate General Obligation Limited Tax Refunding Bonds (Series 2025B Bonds)

On April 10, 2025, the District issued $5,760,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2025A (Series 2025A Bonds) and $1,080,000 Subordinate General Obligation Limited Tax Refunding Bonds, Series 2025B (Series 2025B Bonds), together (the 2025 Bonds). Proceeds from the sale of the 2025 Bonds will be used for the purpose of refunding the Series 2020A Bonds and Series 2020B Bonds, paying other costs incurred with the issuance of the 2025 Bonds, and, with respect to the Series 2025A Bonds only, funding the Senior Reserve Fund in the amount of the Required Reserve.

The Series 2025A Bonds maturing on December 1, 2045 are subject to mandatory sinking fund redemption commencing on December 1, 2036 and the bonds maturing on December 1, 2054 are subject to mandatory sinking fund redemption on December 1, 2046. The Series 2025A Bonds are subject to optional redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $5,000, in any order of maturity and in whole or partial maturities, commencing on June 1, 2030, upon payment of par, accrued interest and a redemption premium that ranges between 0% and 3%. The Series 2025A Bonds are secured by the Senior Property Tax Revenue, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mil Levy, and any other legally available moneys as determined by the District. The Series 2025A Bonds are further secured by the Senior Reserve Fund in the amount of the Required Reserve of $395,213, which will be satisfied by the issuance of the 2025A Reserve Policy.

The Series 2025B Bonds are subject to optional and mandatory redemption prior to maturity at the prices and upon the terms set forth in the Official Statement. The Series 2025B Bonds are secured by the Subordinate Property Tax Revenue, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, and any other legally available monies as determined by the District.

The Series 2025B Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Subordinate Pledged Revenue for payment. In the event any amounts due and owing on the Series 2025B Bonds remain outstanding on December 16, 2064 such amounts shall be deemed discharged and shall no longer be due and outstanding.

Interest on the Series 2025A Bonds is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2025 at the rate of 4.625% per annum with respect to bonds maturing on December 1, 2054 and 5.250% per annum with respect to bonds maturing on December 1, 2045. Interest on the Series 2025B Bonds is payable annually, to the extent Subordinate Pledge Revenue is available, on December 15, each year commencing December 15, 2025 at a rate of 6.250%.

Bond Maturities

Annual debt service requirements to maturity for the Series 2025A bonds are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	$ 60,000	$ 274,806	$ 334,806
2027	60,000	271,806	331,806
2028	70,000	268,806	338,806
2029	75,000	265,306	340,306
2030	85,000	261,556	346,556
2031-2035	530,000	1,237,280	1,767,280
2036-2040	785,000	1,077,381	1,862,381
2041-2045	1,105,000	839,557	1,944,557
2046-2050	1,435,000	531,412	1,966,412
2051-2054	1,410,000	166,501	1,576,501
	$ 5,615,000	$ 5,194,411	$ 10,809,411

A schedule for the Series 2025B Bonds is not presented as the repayment of those bonds is subject to cash availability.

Developer Advances

The developer of the area within the District has advanced funds to the District for operating needs (see Note 8 for descriptions of these agreements). Reimbursement of these advances are made as funds are available and as allowed by the bond indenture. These advances bear interest at 8.00% (after November 21, 2019, at 4%). Repayment of principal and interest is subject to available revenues. Therefore, interest and principal maturities are not reflected in this section.

Debt Authorization

The District, along with Spring Valley Metropolitan District Nos. 1, 2, 4, 5, and 6 (collectively the "Districts"), were organized to provide services to their respective service areas pursuant to their service plans. The District's Service Plan limits the District's ability to issue debt at $35,000,000 (the "Individual Service Plan Debt Limit"); provided, however, that refunding debt does not count against the Individual Service Plan Debt Limit. The Districts, in the aggregate, are limited in their ability to issue Debt as set forth in the Service Plans to a total amount of $250,000,000 (the "Aggregate Service Plan Debt Limit"); provided, however, that refunding debt does not count against the Aggregate Service Plan Debt Limit.

The District has the voter authorization to issue Bonds to the Aggregate Service Plan Debt Limit.

As of December 31, 2025, District No. 1 had not issued any debt; District No. 2 had issued $17,795,025 in G.O. Debt; the District had issued $6,736,000 in G.O. Debt; District No. 4 had issued $14,761,000 in G.O. Debt; District No. 5 had issued $15,318,000 in G.O. Debt; and District No. 6 had issued $15,070,000 in G.O. Debt. Thus, at December 31, 2025, the District had $28,264,000 in its remaining Individual Service Plan Debt Limit, and the remaining Aggregate Service Plan Debt Limit for all Districts was $180,319,975.

NOTE 6 – NET POSITION

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

Restricted assets include net position that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. At December 31, 2025, the District had restricted net position of $3,100 for emergency reserves.

The District had unrestricted net position (deficit) of ($11,102,765) at December 31, 2025. The deficit is the result of the District's responsibility for debt used to finance infrastructure constructed by District No. 1.

NOTE 7 – RELATED PARTIES

As of December 31, 2025, some of the occupied positions on the Board of Directors were held by Developer representatives. Such Board members may have potential conflicts of interest with respect to actions taken in their capacity as Board members. Disclosure of any potential conflicts of interest is made in accordance with Colorado law, in advance of each Board meeting.

NOTE 8 – DISTRICT AGREEMENTS

Facilities Funding, Construction, and Operations Agreement

The District, together with District Nos. 1, 2, 4, 5 and 6, is a party to the Second Amended and Restated Facilities Funding, Construction and Operations Agreement dated October 21, 2021 and effective as of February 25, 2021 (the "FFCOA"). The purpose of the FFCOA is to bind the parties thereto concerning capital expenditures and operation and maintenance expenses so that the cost of providing services to the Spring Valley Development (as defined therein) are shared by the users of the Primary Facilities (as defined therein), Secondary Facilities (as defined therein), and services under the numerous circumstances that may occur in the future. Pursuant to the terms of the FFCOA, each of District Nos. 1-6 agreed that District No. 1 will own (subject to potential transfer to other governmental entities or authorities), operate, maintain, finance and construct Primary Facilities and certain Secondary Facilities and that District Nos. 2-6 will contribute to the costs of construction, operation, and maintenance of such Primary Facilities and Secondary Facilities. District Nos. 2-6 acknowledged that District No. 1 is relying on their commitment to issue General Obligation Bonds and remit the net proceeds thereof to District No. 1 so it can pay for certain capital costs therein contemplated. District Nos. 2-6 also agreed to contribute to District No. 1's costs of construction, operation and maintenance, in part, by a pledge of the mill levy imposed for those purposes.

Outstanding Reimbursement Obligation and Infrastructure Funding Agreement

The District, together with District No. 1, District Nos. 4-6, and MG Land Investments, LLC (MGL) , is a party to the Amended and Restated Outstanding Reimbursement Obligation and Infrastructure Funding and Acquisition Agreement ("OROIFAA"). The OROIFAA sets forth the terms and conditions pursuant to which District No. 1 will design, construct and complete Facilities that benefit property within the service area of the Districts as contemplated by the FFCOA and MGL will advance funds to District No. 1 (MGL Advances) necessary to cover shortfalls in construction-related expenses incurred by District No. 1. The OROIFAA also sets for the terms and conditions pursuant to which District No. 1 may acquire Facilities constructed by MGL, including verified costs incurred by MGL (Verified Costs). The OROIFAA provides that District No. 1 will reimburse MGL for (i) MGL Advances, (ii) Verified Costs and (iii) outstanding amounts MGL advanced to District No. 2 for construction-related costs, the reimbursement obligation for which was transferred to District No. 1 with the consent of the other Districts and MGL. Interest accrues on MGL Advances and Verified Costs incurred prior to October 1, 2021, at 8% and thereafter at 4%. District No. 1's reimbursement obligation is subject to receipt of funding from the proceeds of General Obligation Bonds issued by the District and District Nos. 4-6 as anticipated in and required by the FFCOA. District No. 1's obligation to reimburse MGL under the OROIFAA is subject to annual appropriation. Any outstanding amount of principal and accrued interest not paid or reimbursed under the OROIFAA by December 31, 2059, whether invoiced or not, shall be deemed forever discharged and satisfied in full.

Fee Resolution

On August 22, 2019, the District and District No. 1 adopted Joint Resolution 2019-08-02 Authorizing Collection of the Capital Component (as defined therein) of Tap Fees (as defined therein) for repayment of Bonds, whereby the District was authorized to collect and use the Capital Component of the Tap Fees, not otherwise pledged, for repayment of the District's Series 2020A and Series 2020B Bonds, which were fully refunded from the proceeds of the Series 2025A and Series 2025B Bonds, to which no portion of Tap Fee revenue is pledged.

2019-2023 Operation Funding Agreement

The District and MG Land Investments, L.L.C. (the "Developer") entered into that certain 2019-2023 Operation Funding Agreement dated and effective November 21, 2019, which the District and the Developer subsequently replaced in its entirety by that certain Amended and Restated 2019-2023 Operation Funding Agreement dated October 21, 2021, made effective November 21, 2019 (the "OFA"). The OFA was subsequently amended on November 16, 2023 and November 21, 2024. The purpose of the OFA is to facilitate advances from the Developer to the District in order to fund the District's operation, maintenance, and administrative costs. Additionally, the OFA acknowledged certain advances the District received prior to the effective date of the OFA that the District must pay to the Developer. Thereunder, the Developer agreed to advance funds for costs up to the aggregate Shortfall Amount of $250,000 for fiscal years 2019 through 2025. The District agreed to reimburse the Developer for advances contemplated under the OFA that were made prior to November 21, 2019, at a rate of 8% per annum, and to reimburse the Developer for advances made on or after November 21, 2019, at a rate of 4% per annum. As of December 31, 2025, the outstanding balance due under this agreement is $146,000 in principal and $21,246 in accrued interest.

2020-2025 Facilities Funding and Acquisition Agreement

The District and the Developer entered into that certain 2020-2025 Facilities Funding and Acquisition Agreement dated and effective October 21, 2021 (the "FFAA"). The purpose of the FFAA is to is to facilitate advances from the Developer to the District in order to fund the Construction Related Expenses (as defined therein) and/or the District's acquisition of certain Improvements (as defined therein). Thereunder, the Developer agreed to make advances covering the aforementioned costs up to the Shortfall Amount of $5,000,000 for fiscal years 2020-2025. The District agreed to reimburse the Developer plus interest at a rate of 4% per annum. As of December 31, 2025, the outstanding balance due under this agreement is $4,302,292 in principal and $135,787 in accrued interest.

NOTE 9 – 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 personnel, 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, public officials' liability and worker's compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

On November 4, 2004, 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.

NOTE 11 – ECONOMIC DEPENDENCY

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

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SUPPLEMENTARY INFORMATION

Spring Valley Metropolitan District No. 3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended December 31, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	$ 392,872	$ 392,872	$ 392,489	$ (383)
Specific ownership taxes	39,287	39,287	51,060	11,773
Investment income	50,000	30,000	17,830	(12,170)
Total revenues	482,159	462,159	461,379	(780)
EXPENDITURES				
Bond principal - 2025 Bonds	132,000	205,000	206,000	(1,000)
Bond interest - 2025 Bonds	311,375	238,362	226,924	11,438
Paying agent fees	7,000	7,000	7,000	-
Bank fees	1,900	1,900	1,472	428
County treasurer	11,786	11,786	11,787	(1)
Bond issuance costs	-	553,485	456,844	96,641
Contingency	20,000	500,000	-	500,000
Total expenditures	484,061	1,517,533	910,027	607,506
Excess of expenditures over (under) revenues	(1,902)	(1,055,374)	(448,648)	606,726
OTHER FINANCING SOURCES (USES)				
Bond proceeds, Series 2025A and 2025B	-	7,070,000	6,840,000	(230,000)
Bond premium, Series 2025A	-	500,000	53,745	(446,255)
Bond discount, Series 2025A	-	(81,932)	-	81,932
Payment to escrow - refunded bonds	-	(5,585,113)	(5,602,412)	(17,299)
Transfer (to) from other funds	-	(1,387,902)	(1,575,361)	(187,459)
Total other financing sources (uses)	-	515,053	(284,028)	(799,081)
Net change in fund balances	(1,902)	(540,321)	(732,676)	(192,355)
Fund balances - beginning	752,592	756,787	756,787	-
Fund balances - ending	$ 750,690	$ 216,466	$ 24,111	$ (192,355)

Spring Valley Metropolitan District No. 3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2025

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Water and Sewer	2,000,000	-	-	-
Transfer to District No. 1 for capital	-	1,387,902	1,575,361	(187,459)
Capital	-	4,296,292	4,302,292	(6,000)
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	3,000,000	6,684,194	5,877,653	806,541
Excess of expenditures over (under) revenues	(3,000,000)	(6,684,194)	(5,877,653)	806,541
OTHER FINANCING SOURCES (USES)				
Developer advance	3,000,000	5,296,292	4,302,292	(994,000)
Transfer (to) from other funds	-	1,387,902	1,575,361	187,459
Total other financing sources (uses)	3,000,000	6,684,194	5,877,653	(806,541)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -