BRAMMING FARM METROPOLITAN DISTRICT NO. 1

Financial Statements

Year Ended December 31, 2025
with

Independent Auditor's Report

CONTENTS

	Page
Independent Auditor's Report	I
Basic Financial Statements	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	18
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	19
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	20

FLYNN CPA, LLC
Bill@flynn-cpa.com
(303) 970-9698

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Bramming Farm Metropolitan District No. 1

Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Bramming Farm Metropolitan District No. 1 (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 District, as of December 31, 2025, and the respective changes in financial position and the budgetary comparison for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental 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 the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The Supplemental Information, as listed in the table of contents, is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Castle Pines, Colorado
August 6, 2026

Bramming Farm Metropolitan District No. 1

BALANCE SHEET/STATEMENT OF NET POSITION -
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
ASSETS						
Cash	$ 72,136	$ -	$ -	$ 72,136	$ -	$ 72,136
Cash - restricted	2,048	13,503	69,407	84,958	-	84,958
Receivable - County Treasurer	67	1,417	-	1,484	-	1,484
Property taxes receivable	18,930	311,086	-	330,016	-	330,016
Prepaid expenses	2,386	-	-	2,386	-	2,386
Total Assets	$ 95,567	$ 326,006	$ 69,407	$ 490,980	-	490,980
DEFERRED OUTFLOWS OF RESOURCES						
Deferred cost of refunding	-	-	-	-	43,767	43,767
Total Deferred Outflows of Resources	-	-	-	-	43,767	43,767
Total Assets and Deferred Outflows of Resources	$ 95,567	$ 326,006	$ 69,407	$ 490,980		
LIABILITIES						
Accounts payable	$ 53,346	$ -	$ -	$ 53,346	-	53,346
Accrued interest on long term debt	-	-	-	-	22,182	22,182
Long-term liabilities:						
Due within one year	-	-	-	-	57,000	57,000
Due in more than one year	-	-	-	-	7,437,417	7,437,417
Total Liabilities	53,346	-	-	53,346	7,516,599	7,569,945
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	18,930	311,086	-	330,016	-	330,016
Total Deferred Inflows of Resources	18,930	311,086	-	330,016	-	330,016
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepaids	2,386	-	-	2,386	(2,386)	-
Restricted:						
Emergencies	2,048	-	-	2,048	(2,048)	-
Debt service	-	14,920	-	14,920	(14,920)	-
Capital projects	-	-	69,407	69,407	(69,407)	-
Unassigned	18,857	-	-	18,857	(18,857)	-
Total Fund Balances	23,291	14,920	69,407	107,618	(107,618)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 95,567	$ 326,006	$ 69,407	$ 490,980		
Net Position:						
Restricted for:						
Emergencies					2,048	2,048
Capital projects					69,407	69,407
Unrestricted					(7,436,668)	(7,436,668)
Total Net Position					$ (7,365,213)	$ (7,365,213)

The notes to the financial statements are an integral part of these statements.

Bramming Farm Metropolitan District No. 1

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES -
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Activities
EXPENDITURES						
Accounting	$ 10,131	$ -	$ -	$ 10,131	$ -	$ 10,131
Audit	5,700	-	-	5,700	-	5,700
Directors fees	800	-	-	800	-	800
Payroll taxes	61	-	-	61	-	61
Insurance	2,710	-	-	2,710	-	2,710
Legal	23,079	-	-	23,079	-	23,079
Maintenance - HOA	49,798	-	-	49,798	-	49,798
Miscellaneous	1,646	-	-	1,646	-	1,646
Treasurer's fees	275	5,842	-	6,117	-	6,117
Trustee fee	-	3,500	-	3,500	-	3,500
Interest expense	-	155,803	-	155,803	116,259	272,062
Bond defeasance	-	5,933,585	-	5,933,585	(5,774,000)	159,585
Cost of Issuance	-	124,000	-	124,000	-	124,000
Total Expenditures	94,200	6,222,730	-	6,316,930	(5,657,741)	659,189
GENERAL REVENUES						
Property taxes	18,340	389,185	-	407,525	-	407,525
Specific ownership taxes	917	19,462	-	20,379	-	20,379
Interest income	13,085	896	-	13,981	-	13,981
Payment in lieu of taxes	19,104	-	-	19,104	-	19,104
Total General Revenues	51,446	409,543	-	460,989	-	460,989
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,754)	(5,813,187)	-	(5,855,941)	5,657,741	(198,200)
OTHER FINANCING SOURCES (USES)						
Loan proceeds	-	5,774,000	-	5,774,000	(5,774,000)	-
Total Other Financing Sources (Uses)	-	5,774,000	-	5,774,000	(5,774,000)	-
NET CHANGES IN FUND BALANCES	(42,754)	(39,187)	-	(81,941)	81,941	
CHANGE IN NET POSITION					(198,200)	(198,200)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	66,045	54,107	69,407	189,559	(7,356,571)	(7,167,012)
END OF YEAR	$ 23,291	$ 14,920	$ 69,407	$ 107,618	$ (7,472,831)	$ (7,365,213)

The notes to the financial statements are an integral part of these statements.

Bramming Farm Metropolitan District No. 1

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 18,340	$ 18,340	$ -
Specific ownership taxes	1,467	917	(550)
Interest income	1,042	13,085	12,043
Payment in lieu of taxes	20,000	19,104	(896)
Total Revenues	40,849	51,446	10,597
EXPENDITURES			
Accounting	13,750	10,131	3,619
Audit	6,500	5,700	800
Directors fees	3,000	800	2,200
Payroll taxes	230	61	169
Election expenses	7,500	-	7,500
Insurance	4,000	2,710	1,290
Legal	22,000	23,079	(1,079)
Maintenance - HOA	16,500	49,798	(33,298)
Miscellaneous	2,000	1,646	354
Treasurer's fees	275	275	-
Contingency	43,222	-	43,222
Emergency reserve	2,273	-	2,273
Total Expenditures	121,249	94,200	27,049
NET CHANGE IN FUND BALANCE	(80,400)	(42,754)	37,646
FUND BALANCE:			
BEGINNING OF YEAR	80,400	66,045	(14,355)
END OF YEAR	$ -	$ 23,291	$ 23,291

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Bramming Farm Metropolitan District No. 1 (the "District"), located in the City of Thornton, Adams County, Colorado ("County"), conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on December 2, 2010, as a quasi-municipal corporation and political subdivision established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows GASB Pronouncements' which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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 the related cash flows. Property taxes are recognized as revenues in the year in which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

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

In September 2025, the District amended the total appropriations in the Debt Service Fund from $412,964 to $6,300,000 primarily due to the refunding of the Series 2015 Bonds and Series 2019B(3) Bonds. (see Note 4).

Assets, Liabilities and Net Position:

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2025, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred cost on refunding reported in the government-wide statement of net position. A deferred cost on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. At December 31, 2025, all capital improvements in the District have been conveyed to other governments.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of $2,386 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $2,048 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $14,920 is restricted for the payment of the debt service costs associated with the General Obligation debt (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of $69,407 is restricted for the payment of the costs for capital improvements within the District.

Committed Fund Balance
The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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
Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance
Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets. The District does not have any amounts to report in this category.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position 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.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

Note 2: Cash and Investments

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

Statement of Net Position:	
Cash and investments	$ 72,136
Cash and investments - Restricted	84,958
Total	$ 157,094

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

Deposits with financial institutions	$ 22,594
Investments - COLOTRUST	134,500
	$ 157,094

Deposits:

Custodial Credit Risk

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. 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.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments:

Credit Risk

The District has adopted an investment policy by which it follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method ("NAV") per share.

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes 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 repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2025, the District had $134,500 invested in COLOTRUST.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Custodial and Concentration of Credit Risk
None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk
Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Note 3: Capital Assets

All fixed assets were conveyed by the District to other local governments. The District is only responsible for maintenance of certain roundabouts, to be administered by the Association (see Note 5).

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2025, is as follows:

General Obligation (Limited Tax Convertible to Unlimited Tax) Capital Appreciation Bonds, Series 2015 - On January 15, 2015, the District issued $4,050,000 of General Obligation (Limited Tax Convertible to Unlimited Tax) Capital Appreciation Bonds, Series 2015 (the "Series 2015 Bonds") dated January 15, 2015 with an original issue price of $3,416,377 for the purpose of funding public capital facilities for the District and paying the costs of issuing the bonds. On December 1, 2017, to the date of maturity or prior redemption, the Series 2015 Bonds bear interest at the rate of 6.00% per annum. Interest is calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available on each June 1 and December 1, commencing June 1, 2018 (prior to June 1, 2018, the Series 2015 Bonds shall pay no current interest yet will accrete in value in accordance with the Accretion Table supplied by the underwriter at the time of closing, compounding semi-annually on each June 1 and December 1, commencing June 1, 2015). The Series 2015 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2018. The Bonds mature on December 1, 2044. On September 30, 2025, the Series 2015 Bonds were refunded with the Series 2025 Loan.

Subordinate General Obligation Limited Tax Bonds, Series 2019B(3) - On December 13, 2019, the District issued $1,405,000 of Subordinate General Obligation Limited Tax Bonds Series 2019B(3) (the "Series 2019B(3) Bonds") dated December 13, 2019, to reimburse the Developer for certain costs related to installing and constructing public improvements pursuant to the Facilities Funding and Acquisition Agreement (see Note 5). The Series 2019B(3) Bonds bear interest at the rate of 8.5% and mature on December 15, 2049. Principal and interest is due on the Series 2019B(3) Bonds on each December 15 only to the extent Subordinate Pledged Revenue is available therefore, and there is no expectation that principal or interest payments will be made in any year. On September 30, 2025, the Series 2019B(3) Bonds were refunded with the Series 2025 Loan.

General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Loan Series 2025 - On September 30, 2025, the District received a General Obligation (Limited Tax Convertible to Unlimited Tax Refunding Loan Series 2025 from Flagstar Public Funding Corp (the "Series 2025 Loan") in the principal amount of $5,774,000. The proceeds of the Series 2025 Loan were used to refund and fully defease the Series 2015 Bonds and the Series 2019B(3) Bonds. The Series 2025 Loan matures on December 1, 2035, and bears interest at 4.61% payable each June and December 1, commencing December 1, 2025. Principal payments on the Series 2025 Loan are payable each December 1 through the maturity date, commencing December 1, 2026. The 2025 Loan is secured by pledged revenues, including the Required Mill Levy, the portion of Specific Ownership Tax collected as a result of the Required Mill Levy and any other legally available funds which the Board determines in its sole discretion to apply as pledged revenue. The District realized a Net Present Value savings of $902,958 through this refunding.

As a result of the issuance of the Series 2025 Loan, the Series 2015 and 2019B$_{(3)}$ Bonds, (the "refunded bonds") are considered to be defeased at the issuance of the Series 2025 Loan. The reacquisition price of the refunded bonds exceeded the net carrying amount by $44,879. This amount is recorded as a deferred outflow and is being amortized over the life of the Series 2025 Loan.

The following is a summary of the annual long-term principal and interest requirements for the Series 2025 Loan:

	Principal	Interest	Total
2026	$ 57,000	$ 266,181	$ 323,181
2027	59,000	263,554	322,554
2028	68,000	260,834	328,834
2029	71,000	257,699	328,699
2030	80,000	254,426	334,426
2031-2035	5,439,000	1,211,139	6,650,139
	$ 5,774,000	$ 2,513,833	$ 8,287,833

The following is an analysis of changes in long-term debt for the period ending December 31, 2025:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Current Portion
General Obligation Bonds					
General Obligation Bonds - Series 2015	$ 3,690,000	$ -	$ 3,690,000	$ -	$ -
Subordinate General Obligation Bonds - Series 2019B(3)	1,405,000	-	1,405,000	-	-
Direct Borrowings					
General Obligation Refunding Loan - Series 2025	-	5,774,000	-	5,774,000	57,000
Other					
Funding & Acq. Agreement - Principal	1,162,100	-	-	1,162,100	-
Funding & Acq. Agreement - Accrued Interest	465,350	92,967	-	558,317	-
Total	$ 6,722,450	$ 5,866,967	$ 5,095,000	$ 7,494,417	$ 57,000

Debt Authorization

The limit on the District's ability to issue Debt is set forth in its Service Plan as $10,000,000 (the "Service Plan Debt Issuance Limit"). In no event is the District authorized to issue Debt in excess of the Service Plan Debt Issuance Limit.

The District has voter authorization of $90,000,000, which is in excess of the Service Plan Debt Issuance Limit, as at the time of the election or elections, the actual costs of construction were not known. Without knowing the costs of construction it was not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power.

Note 5: Agreements

Facilities Funding and Acquisition Agreement: On December 13, 2010, the District entered into the Facilities Funding and Acquisition Agreement (the "Acquisition Agreement") with the Developer. The Developer has agreed to advance funds to the District to design, construct and complete the infrastructure improvements within the District outlined in the Service Plan in an amount not to exceed $10,000,000 as needed for fiscal years 2010 – 2050. In lieu of advancing funds to the District, the Developer may complete such improvements subject to future acceptance and acquisition by the District. Any advances made under the Acquisition Agreement will earn interest of 8% per annum. As of December 31, 2025, the principal outstanding was $1,162,100 and interest accrued in the amount of $558,317.

Common Area Maintenance and License Agreement: On July 29, 2014, the District entered into the Common Area Maintenance and License Agreement (the "Agreement") with the Bramming Farm Homeowners Association, Inc. (the "Association"). The District will own certain landscaping improvements within the common area in the District. The Association has agreed to operate and maintain the improvements subject to the District's contribution of costs and expenses per annum, such contribution to be determined through procedures set forth in the Agreement. The District paid $49,798 to the Association for 2025 maintenance, which is payable to the Association at December 31, 2025.

Contribution Agreement: On August 26, 2015, the District entered into a Contribution Agreement with BSLC Thornton, LLC, which owns and operates Park Regency Thornton Assisted Living (the "Property"). The owner of the Property applied for and received a tax-exempt status causing the District to no longer receive any operations and maintenance mill levy imposed by the District. Therefore, the owner of the Property agreed to make a payment in lieu of taxes to the District on an annual basis. The amount will be equal to the District's general fund mill levy on the assessed value of the Property. In 2025, the District received $19,104 per the agreement.

Resolution Regarding the Imposition of System Development Fees – On August 26, 2011, the District adopted a resolution imposing System Development Fees ("SDF fees") due and payable upon issuance of a building permit to a buyer by Adams County. The SDF fees, at the District's discretion, may be used for costs associated with capital improvements, operations and maintenance, and/or pledged for debt service payments. The SDF fees are $1,000 per single family unit; $2,000 per attached family unit that is a duplex or paired home intended for sale; and $.30 per square foot of commercial land. During 2025, the District collected $0.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

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.

On November 2, 2010, 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 Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The *Governmental Funds Balance Sheet/Statement of Net Position* includes an adjustments column. The adjustments may have the following elements:

1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and

2) unamortized debt insurance, deferred cost on refunding and original issue premium are not financial resources and, therefore are not reported in the funds; and,

3) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities* includes an adjustments column. The adjustments may have the following elements:

1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or capitalized and depreciated over their useful lives;

2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and

3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

Bramming Farm Metropolitan District No. 1

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

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 389,185	$ 389,185	$ 389,185	$ -
Specific ownership taxes	22,779	22,779	19,462	(3,317)
Interest income	1,000	1,000	896	(104)
Total Revenues	412,964	412,964	409,543	(3,421)
EXPENDITURES				
Treasurer's fees	5,838	6,697	5,842	855
Trustee fee	7,500	7,500	3,500	4,000
Interest expense	324,626	155,803	155,803	-
Principal expense	75,000	-	-	-
Bond defeasance	-	6,000,000	5,933,585	66,415
Cost of Issuance	-	130,000	124,000	6,000
Total Expenditures	412,964	6,300,000	6,222,730	77,270
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(5,887,036)	(5,813,187)	73,849
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	6,000,000	5,774,000	(226,000)
Total Other Financing Sources (Uses)	-	6,000,000	5,774,000	(226,000)
NET CHANGE IN FUND BALANCE	-	112,964	(39,187)	(152,151)
FUND BALANCE:				
BEGINNING OF YEAR	-	-	54,107	54,107
END OF YEAR	$ -	$ 112,964	$ 14,920	$ (98,044)

The notes to the financial statements are an integral part of these statements.

Bramming Farm Metropolitan District No. 1

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

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
System development fees	$ -	$ -	$ -
Total Revenues	-	-	-
EXPENDITURES			
Capital projects	69,407	-	69,407
Total Expenditures	69,407	-	69,407
NET CHANGE IN FUND BALANCE	(69,407)	-	69,407
FUND BALANCE:			
BEGINNING OF YEAR	69,407	69,407	-
END OF YEAR	$ -	$ 69,407	$ 69,407

The notes to the financial statements are an integral part of these statements.

Bramming Farm Metropolitan District No. 1

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Tax		Percent Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2012	$ 10	0.000	0.000	$ -	$ -	0.00%
2013	$ 30,400	50.000	0.000	$ 1,520	$ 1,520	100.00%
2014	$ 269,610	50.000	0.000	$ 13,481	$ 13,481	100.00%
2015	$ 583,440	10.000	50.000	$ 35,006	$ 3,595	10.27% (1)
2016	$ 804,940	10.000	50.000	$ 48,296	$ 48,296	100.00%
2017	$ 1,798,740	10.000	50.000	$ 107,924	$ 107,924	100.00%
2018	$ 3,800,610	10.000	55.277	$ 248,092	$ 248,758	100.27%
2019	$ 4,303,420	10.000	55.277	$ 280,914	$ 280,914	100.00%
2020	$ 4,918,670	7.000	55.664	$ 308,224	$ 308,223	100.00%
2021	$ 4,925,020	5.000	55.664	$ 298,771	$ 298,771	100.00%
2022	$ 4,920,300	3.000	55.664	$ 288,644	$ 288,645	100.00%
2023	$ 4,678,190	3.000	56.933	$ 280,378	$ 280,378	100.00%
2024	$ 6,104,890	3.355	63.663	$ 409,138	$ 409,759	100.15%
2025	$ 6,113,210	3.000	63.663	$ 407,525	$ 407,525	100.00%
Estimated for year ending December 31, 2026	$ 5,994,410	3.158	51.896	$ 330,016		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

(1) There was a change of status of an assisted living facility, located within the District, from taxable to non-taxable, refer to Note 5.