Brighton Crossing Metropolitan District No. 6
Brighton, Colorado

Financial Statements and
Supplementary Information
Year ended December 31, 2025

Clinger Hagerman

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Clinger Hagerman

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brighton Crossing Metropolitan District No. 6
Brighton, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brighton Crossing Metropolitan District No. 6 (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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Correction of an Error

As discussed in Note 11 to the financial statements, the District identified an error in previously issued financial statements related to accrued interest and bond premium amortization. As a result, beginning net position of governmental activities has been restated to correct the error. Our opinion is not modified with respect to this matter.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule – General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management 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 accompanying budgetary comparison schedule – Debt Service Fund and budgetary comparison schedule – Capital Projects Fund are presented for purposes of additional analysis and are 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 budgetary comparison schedule – Debt

Service Fund and budgetary comparison schedule – Capital Projects Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule outlined in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Clinger Hagerman, LLC

Greeley, Colorado
September 15, 2026

Basic Financial Statements

Brighton Crossing Metropolitan District No. 6
Statement of Net Position
December 31, 2025

	Governmental Activities
ASSETS	
Cash and investments - restricted	$ 6,142,906
Property taxes receivable	755,483
Receivable from county treasurer	1,919
Service fee receivable	4,635
Due from Brighton Crossing Operations Board	402,000
Prepaid items	10,084
Total Assets	7,317,027
LIABILITIES	
Accounts payable	15,858
Payable to Brighton Crossing Operations Board	862,463
Accrued interest - bonds	1,555,406
Non-current liabilities:	
Due in more than one year	76,337,827
Total Liabilities	78,771,554
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	755,483
Total Deferred Inflows of Resources	755,483
NET POSITION	
Restricted for:	
Emergency	24,588
Debt service	5,657,239
Unrestricted	(77,891,837)
Total Net Position	$ (72,210,010)

Brighton Crossing Metropolitan District No. 6
Statement of Activities
Year Ended December 31, 2025

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Primary Government
Primary Government					
Governmental Activities:					
General government	$ 142,507	$ 719,813	$ -	$ -	$ 577,306
Payment to Brighton Crossing Operations Board	499,191	-	-	-	(499,191)
Interest on long-term debt	3,583,494	1,032,240	-	-	(2,551,254)
Capital outlay expensed	17,368,488	1,446,055	-	-	(15,922,433)
Total Governmental Activities	21,593,680	3,198,108	-	-	(18,395,572)
Total Primary Government	$ 21,593,680	$ 3,198,108	$ -	$ -	$ (18,395,572)

General revenues	
Property tax	526,945
Specific ownership tax	25,837
Net investment income	290,435
Total General revenues	843,217
Change in Net Position	(17,552,355)
Net Position, beginning of year, as previously reported	(54,784,991)
Error correction	127,336
Net Position, beginning of year, as restated	(54,657,655)
Net Position, end of year	$ (72,210,010)

Brighton Crossing Metropolitan District No. 6
Balance Sheet – Governmental Funds
December 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments - restricted	$ 483,271	$ 5,659,635	$ -	$ 6,142,906
Receivables:				
Property taxes	125,908	629,575	-	755,483
Receivable from county treasurer	315	1,604	-	1,919
Service fee receivable	4,635	-	-	4,635
Due from Brighton Crossing Operations Board	402,000	-	-	402,000
Prepaid expenses	10,084	-	-	10,084
Total Assets	$ 1,026,213	$ 6,290,814	$ -	$ 7,317,027
LIABILITIES				
Accounts payable	$ 11,858	$ 4,000	$ -	$ 15,858
Payable to Brighton Crossing Operations Board	862,463	-	-	862,463
Total Liabilities	874,321	4,000	-	878,321
DEFERRED INFLOWS OF RESOURCES				
Property taxes	125,908	629,575	-	755,483
FUND BALANCES				
Nonspendable	10,084	-	-	10,084
Restricted:				
Emergency reserves	24,588	-	-	24,588
Debt service	-	5,657,239	-	5,657,239
Unassigned	(8,688)	-	-	(8,688)
Total Fund Balances	25,984	5,657,239	-	5,683,223
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,026,213	$ 6,290,814	$ -	$ 7,317,027

Brighton Crossing Metropolitan District No. 6
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
December 31, 2025

Fund balances - total governmental funds	$	5,683,223
Amounts reported for the governmental activities in the Statement of Net Position are different for the following reasons:		
Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the governmental funds.		
Bonds payable		(60,000,000)
Developer advances and accrued interest		(15,534,183)
Accrued interest - bonds		(1,555,406)
Unamortized premium on bonds, net		(803,644)
Net position of governmental activities	$	(72,210,010)

Brighton Crossing Metropolitan District No. 6
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Property taxes	$ 86,413	$ 440,532	$ -	$ 526,945
Specific ownership taxes	4,237	21,600	-	25,837
Service fees	662,813	1,032,240	-	1,695,053
Development fees	57,000	-	1,446,055	1,503,055
Interest income	9,123	272,920	8,392	290,435
Total revenues	819,586	1,767,292	1,454,447	4,041,325
Expenditures				
General government	135,897	6,610	-	142,507
Payment to Brighton Crossing Operations Board	499,191	-	-	499,191
Debt service				
Principal	-	-	3,192,680	3,192,680
Interest and fiscal charges	-	2,209,662	-	2,209,662
Capital outlay	-	-	17,368,488	17,368,488
Total expenditures	635,088	2,216,272	20,561,168	23,412,528
Excess Revenues Over Expenditures	184,498	(448,980)	(19,106,721)	(19,371,203)
Other Financing Sources (Uses)				
Developer advances	-	-	17,362,683	17,362,683
Bond proceeds	-	1,552,000	-	1,552,000
Transfers in (out)	(192,038)	(1,552,000)	1,744,038	-
Total other financing sources (uses)	(192,038)	-	19,106,721	18,914,683
Net Change in Fund Balance	(7,540)	(448,980)	-	(456,520)
Fund Balance, beginning of year	33,524	6,106,219	-	6,139,743
Fund Balance, end of year	$ 25,984	$ 5,657,239	$ -	$ 5,683,223

Brighton Crossing Metropolitan District No. 6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities
Year Ended December 31, 2025

Net change in fund balances - total governmental funds	$ (456,520)
Amounts reported for governmental activities in the Statement of Activities are different for the following reasons:	
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Repayment of developer advances	3,192,680
The issuance of long-term debt provided current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources.	
Bond proceeds	(1,552,000)
Proceeds from developer advances	(17,362,683)
Some expenses reported in the Statement of Activities do not require current financial resources and are not reported as expenditures in governmental funds. Premiums on debt issuance are recognized as a current resource at issuance in governmental funds but are amortized over the life of the debt.	
Amortization of premiums	32,146
Change in accrued interest payable on bonds	(1,178,900)
Change in accrued interest payable on developer advances	(227,078)
Change in net position governmental activities	$ (17,552,355)

Note 1 – Definition of Reporting Entity

Brighton Crossing Metropolitan District No. 6 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, is organized pursuant to the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The Service Plan for Brighton Crossing Metropolitan District 5-8 (the Original Service Plan) was approved by the City Council for the City of Brighton, Colorado (the City) on March 6, 2018, and subsequently amended on July 7, 2020. The District is a quasi-municipal governmental entity with the power to impose property taxes and other fees and charges for services within its boundaries and is an independent unit of local government, separate and distinct from the City, within which the District is located. Pursuant to the Service Plan for Brighton Crossing Metropolitan Districts 5-8 (the Districts), the District has the ability to construct and finance major public improvements as well as additional amenities, including, but not limited to parks and recreation, landscaping, water, drainage, wastewater, and road improvements within its boundaries.

The District is governed by an elected Board of Directors.

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

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The District follows GASB guidance in determining the financial reporting entity. Under GASB standards, legally separate organizations are included within the reporting entity if the District is financially accountable for those organizations or if the nature and significance of the relationship is such that exclusion would cause the financial statements to be misleading or incomplete.

Based upon the application of the criteria established by GASB, the District has determined that no legally separate organizations should be included as component units of the District. The District is not a component unit of any other governmental entity.

Note 2 – Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the governmental activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes, specific ownership taxes, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, specific ownership taxes, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for 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. Under this method, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property and specific ownership taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Revenues are considered 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 year-end.

Property taxes, specific ownership taxes, interest revenue, and certain intergovernmental revenues associated with the current fiscal period are considered susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are recognized when cash is received because they are generally not measurable until actually received. Developer advances are not considered revenues of the District.

Expenditures generally are recognized when the related liability is incurred. However, principal and interest on long-term debt are recognized as expenditures only when payment is due.

The District reports the following major governmental funds:

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

Debt Service Fund – The Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term debt.

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.

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

For the year ended December 31, 2025, the District's General and Debt Service Fund expenditures exceeded expenditure appropriations. This may be a violation of State statutes.

Fair Value of Financial Instruments
The District's financial instruments include cash and investments, 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.

Cash and investments
Cash includes demand deposits, savings accounts, and other highly liquid investments with maturities of three months or less from the date of acquisition. Certain cash and investments are restricted pursuant to the Indenture of Trust and Pledge related to the District's debt. Restricted amounts are held by the Trustee and may be used only for debt service purposes as provided in the bond documents.

Long-Term Obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the related debt using the straight-line method. Management has determined that this method is not materially different from the effective interest method.

In the governmental fund financial statements, proceeds from the issuance of long-term debt are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Principal and interest payments are reported as debt service expenditures when due. Long-term debt is not reported as a liability in the governmental fund financial statements because those statements are prepared using the current financial resources measurement focus.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently reports no deferred outflows of resources.

In addition to liabilities, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred property taxes as deferred inflows and recognizes them as revenue when the amounts become available.

Net Position and Fund Balance Classifications
Government-wide Statements

Net position is displayed in three components:

Net investment in capital assets — Capital assets, net of accumulated depreciation, plus capital related deferred outflows of resources reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. The District functions as a financing arm of the development and has no capital assets, and therefore no net investment in capital assets.

Restricted net position — Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position — Residual net position that does not meet the definition of “restricted net position” or “net investment in capital assets.”

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

Fund Statements
The residual amount remaining after liabilities and deferred inflows of resources are subtracted from the sum of assets and deferred outflows of resources is called fund balance. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* fund balance is classified into five components: nonspendable, restricted, committed, assigned, and unassigned. Definitions are presented below:

Nonspendable Fund Balance – This classification reflects the portion of net resources that is inherently nonspendable because of its form or because it must be maintained intact.

Restricted Fund Balance – The portion of fund balance for which there are legally enforceable restrictions on use, either by limitations imposed 1) by creditors, grantors, contributors, or laws and regulations of other governments or 2) by laws through constitutional provisions or enabling legislation.

Committed Fund Balance – The portion of net resources for which there are self-imposed limitations enacted by the District that 1) require formal action at the same level to remove and 2) are set in place prior to the end of the period. Fund balance commitments are established, modified, or rescinded through a resolution enacted by the Board of Directors in accordance with Colorado law. 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 net resources after nonspendable, restricted, committed, and assigned amounts have been determined in the General Fund. No other funds report unassigned fund balance, unless expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, resulting in a negative unassigned fund balance value.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – first committed, then assigned and unassigned.

Revenues, Expenditures and Expenses

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. Property taxes are certified to the County Commissioners no later than December 15 for collection in the following year. The County Treasurer collects the taxes and remits collections to the District throughout the year. The taxes are payable by April or 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.

Property taxes are recognized in accordance with GAAP. Property taxes levied for the subsequent year are recorded as deferred inflows of resources when measurable and recognized as revenue in the year for which they are levied, provided they are available to finance current operations. Any taxes not considered available are reported as deferred inflows of resources until the period in which they become available.

Use of Estimates
Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Recently Adopted Accounting Pronouncements
GASB Statement No. 102, *Certain Risk Disclosures*, was implemented by the District for the fiscal year ended December 31, 2025. Management determined that no concentrations or constraints requiring disclosure were present; therefore, implementation had no impact on the District's financial statements and no additional disclosures were required.

Subsequent Events
Management has evaluated subsequent events through September 15, 2026, the date the financial statements were available to be issued. Based on this evaluation, no events occurred that require recognition or disclosure in the accompanying financial statements.

Note 3 – Cash and Investments

The District's cash and investments as of December 31, 2025 consist of the following:

Cash and Investment Type	
Deposits	$ 11,985
Colorado Liquid Asset Trust (COLOTRUST)	6,130,921
Total cash and investments	$ 6,142,906

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 had no cash deposits in excess of FDIC limits.

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

The District generally limits its investments to those which are believed to have 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 statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2025, the District's investment consisted entirely of an investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST) totaling $6,130,921.

COLOTRUST
The District invested in the Colorado Local Government Liquid Asset 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 COLOTRUST. COLOTRUST offers shares in two portfolios, COLOTRUST Prime and COLOTRUST Plus. 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 repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for COLOTRUST'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 COLOTRUST. COLOTRUST is

rated AAAm by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. As of December 31, 2025, the District has $6,130,921 invested in COLOTRUST.

Fair Value Measurement and Application
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; and Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. The District values its investment in COLOTRUST using the net asset value method (NAV) per share.

Note 4 – Interfund Transfers

During 2025, the District made transfers between funds to provide resources for various operating, debt service, and capital purposes. Significant transfers during the year consisted of the following:

- The $192,038 transfer from the General Fund to the Capital Projects Fund was made to provide funding for capital outlay expenses.

- The $1,552,000 transfer from the Debt Service Fund to the Capital Projects Fund was made to provide bond proceeds for repayment of developer advances.

Interfund transfers are reported as other financing sources and uses in the governmental funds.

Note 5 – Long-term Debt

The following is a summary of the changes in long-term debt of the District for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Governmental Activities					
General Obligation Bonds					
2020A Bonds	$ 43,570,000	$ -	$ -	$ 43,570,000	$ -
2024B Bonds	14,878,000	1,552,000	-	16,430,000	-
Unamortized premium - 2020A Bonds	835,790	-	32,146	803,644	-
	$ 59,283,790	$ 1,552,000	$ 32,146	$ 60,803,644	$ -
Developer Advances					
Capital - Principal	158,526	17,362,683	3,192,680	14,328,529	-
Capital - Interest	847,110	220,738	-	1,067,848	-
Operations - Principal	97,541	-	-	97,541	-
Operations - Interest	33,925	6,340	-	40,265	-
	1,137,102	17,589,761	3,192,680	15,534,183	-
Total Governmental Activities Long-term Liabilities	$ 60,420,892	$ 19,141,761	$ 3,224,826	$ 76,337,827	$ -

General Obligation Bonds

The District has issued the following general obligation bonds and reimbursement obligations:

Series 2020A Bonds
On December 23, 2020, the District issued $43,570,000 Limited Tax General Obligation Bonds, Series 2020A (Series 2020A Bonds) for the purpose of financing Public Improvements, repaying Brookfield Residential, LLC (the Developer), paying the cost of issuance of the Bonds and funding capitalized interest and a surplus fund.

The Series 2020A Bonds bear an interest rate of 5.0%, payable semiannually on each June 1 and December 1, commencing on June 1, 2021. The Series 2020A Bonds have annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2028. The term bonds mature on December 1, 2035, December 1, 2040, and December 1, 2050, respectively.

The Series 2020A Bonds are secured by the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, and any other legally available moneys as determined by the District. The Series 2020A Bonds are also secured by the Surplus Fund.

The original issue premium on the Series 2020A Bonds is being amortized over the term of the bonds using the straight-line method, which approximates the effective interest rate method. Accumulated amortization of original issue premium amounted to $160,799, with an unamortized balance of $803,644 at December 31, 2025.

Series 2024B Bonds
On October 23, 2024, the District issued $14,878,000 of $16,430,000 Subordinate Limited Tax General Obligation Bonds, Series 2024B (Series 2024B Bonds) for the purpose of repaying Brookfield Residential, LLC (the Developer) in accordance with the Public Improvements Acquisition and Reimbursement Agreement for project costs incurred and paying the cost of issuance of the Bonds. During 2025, the District issued the remaining $1,552,000.

The Series 2024B Bonds bear an interest rate of 7.5%, payable annually on each December 15, commencing on December 15, 2024, to the extent of available subordinate pledged revenue.

Events of Default
The bond resolutions contain customary events of default, including the failure to impose or apply the required mill levy or pledged revenues, failure to perform material covenants contained in the bond resolutions, failure to cure defaults after required notice, and the filing of certain bankruptcy or insolvency proceedings by the District. Because repayment is limited to pledged revenues, an insufficiency of pledged revenues, by itself, does not constitute an event of default where provided by the applicable bond resolution.

Developer Advances

Public Improvements Acquisition and Reimbursement Agreement (Capital Costs)
On June 29, 2020, the District entered into a Public Improvements Acquisition and Reimbursement Agreement (Agreement) by and between the District and the Developer. The District agreed to reimburse the Developer for District Eligible Costs, together with interest thereon. The obligations to reimburse for District Eligible Costs do not constitute multiple fiscal year financial obligations of the District and are subject to annual appropriation by the District. The accepted District Eligible Costs bear interest at a rate of 6.5% per annum from the date of the District's acceptance. The District Eligible Costs are to be repaid using any legally available revenues, including bond proceeds. As of December 31, 2025, the District had outstanding capital advances totaling $14,328,529 and accrued interest due of $1,067,848.

Funding and Reimbursement Agreement (Operations and Maintenance)
A Funding and Reimbursement Agreement was entered into as of June 11, 2019 by and between the District and the Developer. In accordance with the agreement, the Developer agrees to loan to the District an amount of money not to exceed $100,000. The parties may also increase the loan amount by execution of a supplement to the agreement. The District intends to repay any advances made under this agreement from the proceeds of any revenues determined by the District to be available. The indebtedness bears interest at 6.5% per annum. The amounts due are payable from any available revenue but the property tax mill levy is limited to 50 mills. This agreement terminated on December 31, 2020 with all outstanding balances remaining due to the Developer. As of December 31, 2025, the District had outstanding operating advances totaling $97,541 and accrued interest due of $40,265.

Authorized Debt
As of December 31, 2025, the District had remaining voted debt authorization of $0.

Annual Debt Service Requirements
The annual requirements to amortize the outstanding bonds as of December 31, 2025 are as follows:

	Governmental Activities		
	Principal	Interest	Total
2026	$ -	$ 2,178,500	$ 2,178,500
2027	-	2,178,500	2,178,500
2028	230,000	2,178,500	2,408,500
2029	245,000	2,167,000	2,412,000
2030	400,000	2,154,750	2,554,750
2031-2035	3,305,000	10,568,842	13,873,842
2036-2040	6,680,000	15,662,126	22,342,126
2041-2045	11,165,000	14,509,824	25,674,824
2046-2050	21,545,000	17,021,450	38,566,450
2051-2054	16,430,000	8,674,575	25,104,575
Total	$ 60,000,000	$ 77,294,067	$137,294,067

Note 6 – District Agreements

Brighton Crossing Authority Establishment Agreement
Brighton Crossing Metropolitan Districts 5-8 have been formed on adjacent property within the Brighton Crossings development, and each has the ability to provide similar services on behalf of their respective residents and taxpayers. In an effort to simplify the overall governance structure within the community, each of the Brighton Crossing Metropolitan Districts 4-8 entered into a Brighton Crossings Authority Establishment Agreement on April 15, 2019, to oversee the operation and maintenance of various public improvements and provide covenant enforcement services on behalf of the entirety of Brighton Crossings. Use of an Authority will allow for a single entity to provide consistent services throughout the Brighton Crossings community, as well as realize certain cost savings which each individual district would be unable to obtain directly. On June 11, 2019, the Board approved a first amendment to the Brighton Crossings Authority Establishment Agreement. This amendment changed the name of the Authority to Brighton Crossings Operations Board. The Authority currently owns, operates, and maintains various public improvements, and provides covenant enforcement and design review services on behalf of its residents and taxpayers.

Note 7 – Related Parties

The District is part of the Brighton Crossing multiple-district structure and enters into transactions with Brighton Crossing Operations Board and Brighton Crossing Metropolitan District Nos. 4, 5, 7, and 8 pursuant to intergovernmental agreements. These transactions may include service fees, reimbursements, cost allocations, and other amounts contemplated by the agreements.

At December 31, 2025, amounts reported in the accompanying financial statements included $862,463 due to Brighton Crossing Operations Board and $402,000 due from Brighton Crossing Operations Board. Amounts due to related parties are payable as funds become available.

Note 8 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool), an intergovernmental risk-sharing organization established to provide property, liability, public officials' liability, and other insurance coverage to participating special districts. The District pays annual premiums to the Pool for this

coverage. In the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and accumulated reserves, the Pool may require additional contributions from participating members.

There have been no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded insurance coverage during any of the past three fiscal years.

Note 9 – Taxpayer's Bill of Rights (TABOR)

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 and 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.

Note 10 – Deficit Net Position

The District reported a deficit net position of $(72,210,010) at December 31, 2025. The deficit is primarily attributable to the District's financing of public infrastructure improvements that have been conveyed to other governmental entities. The debt issued to finance those improvements remains an obligation of the District until repaid from pledged revenues. Accordingly, the deficit net position is an expected result of the District's financing structure and does not reflect the District's ability to meet its debt service obligations.

Note 11 – Error Correction

During the year ended December 31, 2025, the District identified errors in its previously issued financial statements related to accrued interest and the amortization of a bond premium. As of December 31, 2024, accrued interest and bond premium associated with governmental activities had previously been reported as $609,285 and $730,346, respectively.

Accrued interest as of December 31, 2024, was overstated by $232,779 as a result of an incorrect calculation, while the bond premium was understated by $105,443 as a result of incorrect amortization. The correction decreased accrued interest by $232,779, increased the bond premium by $105,443, and increased net position of governmental activities by $127,336.

Accordingly, net position of governmental activities as of December 31, 2024, which was previously reported as $(54,784,991), has been restated to $(54,657,655).

Required Supplementary Information

Brighton Crossing Metropolitan District No. 6
Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2025

	Budget		
	Original and Final	Actual	Variance with Final Budget
REVENUES			
Property taxes	$ 87,814	$ 86,413	$ (1,401)
Specific ownership taxes	4,830	4,237	(593)
Services fees	525,985	662,813	136,828
Development fees	126,000	57,000	(69,000)
Interest income	50,000	9,123	(40,877)
TOTAL REVENUES	794,629	819,586	24,957
EXPENDITURES			
General government	168,880	135,897	32,983
Payment to Brighton Crossing Operations Board	613,000	499,191	113,809
Contingency	15,000	-	15,000
TOTAL EXPENDITURES	796,880	635,088	161,792
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,251)	184,498	186,749
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(192,038)	(192,038)
TOTAL OTHER FINANCING SOURCES (USES)	-	(192,038)	(192,038)
NET CHANGE IN FUND BALANCE	(2,251)	(7,540)	(5,289)
Fund Balance, beginning of year	33,524	33,524	-
Fund Balance, end of year	$ 31,273	$ 25,984	$ (5,289)

See accompanying notes to the required supplementary information.

Note 1: Stewardship, Compliance, and Accountability

Budgets

The District follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the District Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the District Board.
- Budgets are legally adopted for all funds of the District. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

Brighton Crossing Metropolitan District No. 6
Budgetary Comparison Schedule – Debt Service Fund
Year Ended December 31, 2025

	Budget		
	Original and Final	Actual	Variance with Final Budget
REVENUES			
Property taxes	$ 439,079	$ 440,532	$ 1,453
Specific ownership taxes	24,149	21,600	(2,549)
Service fees	1,044,477	1,032,240	(12,237)
Interest income	200,000	272,920	72,920
TOTAL REVENUES	1,707,705	1,767,292	59,587
EXPENDITURES			
General government	6,586	6,610	(24)
Contingency	5,000	-	5,000
Debt service			
Interest and fiscal charges	2,186,500	2,209,662	(23,162)
TOTAL EXPENDITURES	2,198,086	2,216,272	(18,186)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(490,381)	(448,980)	41,401
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	1,552,000	1,552,000
Transfers in (out)	-	(1,552,000)	(1,552,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	(490,381)	(448,980)	41,401
Fund Balance, beginning of year	6,106,219	6,106,219	-
Fund Balance, end of year	$ 5,615,838	$ 5,657,239	$ 41,401

	Budget		
	Original and Final	Actual	Variance with Final Budget
REVENUES:			
Development fees	$ -	$ 1,446,055	$ 1,446,055
Interest income	150,000	8,392	(141,608)
TOTAL REVENUES	150,000	1,454,447	1,304,447
EXPENDITURES			
General government	149,995	-	149,995
Contingency	1,000,000	-	1,000,000
Debt service			
Principal	-	3,192,680	(3,192,680)
Capital outlay	32,412,293	17,368,488	15,043,805
TOTAL EXPENDITURES	33,562,288	20,561,168	13,001,120
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(33,412,288)	(19,106,721)	14,305,567
OTHER FINANCING SOURCES (USES)			
Developer advances	33,412,288	17,362,683	(16,049,605)
Transfers in (out)	-	1,744,038	1,744,038
TOTAL OTHER FINANCING SOURCES (USES)	33,412,288	19,106,721	(14,305,567)
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance, beginning of year	-	-	-
Fund Balance, end of year	$ -	$ -	$ -

Other Information

Brighton Crossing Metropolitan District No. 6
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected
Year Ended 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	
2019	$ 28,180	-	-	$ -	$ -	0.00%
2020	24,840	10.070	50.350	1,501	1,501	100.00%
2021	55,730	10.070	50.349	3,367	3,344	99.32%
2022	1,947,740	10.070	50.350	117,683	117,683	100.00%
2023	4,730,510	10.002	50.008	283,878	283,878	100.00%
2024	6,360,080	10.579	52.896	403,706	405,192	100.37%
2025	8,056,400	10.726	54.681	526,944	526,945	100.00%
Estimated for year ending December 31, 2026	11,221,770	11.220	56.103	755,483		

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.