

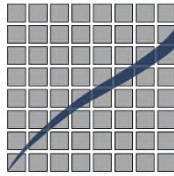
NBC METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

**NBC METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2025**

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
NBC Metropolitan District
Jefferson County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of NBC Metropolitan District ("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, the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of 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. Such 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 supplementary information is 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, as identified in the table of contents. The other information 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 provide any 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.

BiggsKofford LLP

Colorado Springs, Colorado
August 31, 2026

**NBC METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 914,126
Cash and Investments - Restricted	1,065,455
Prepaid Insurance	17,126
Receivable from County Treasurer	6,835
Property Tax Receivable	1,116,934
Capital Assets:	
Capital Assets Net of Depreciation	<u>3,706,142</u>
Total Assets	<u>6,826,618</u>
LIABILITIES	
Accounts Payable	19,660
Accrued Interest	15,591
Noncurrent Liabilities:	
Due Within One Year	435,000
Due in More Than One Year	<u>6,970,000</u>
Total Liabilities	<u>7,440,251</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	<u>1,116,934</u>
Total Deferred Inflows of Resources	<u>1,116,934</u>
NET POSITION	
Net Investment in Capital Assets	(1,180,665)
Restricted for:	
Emergency Reserve	15,300
Debt Service	694,797
Net Position - Unrestricted	<u>(1,259,999)</u>
Total Net Position	<u><u>\$ (1,730,567)</u></u>

See accompanying Notes to Basic Financial Statements.

**NBC METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

FUNCTIONS/PROGRAMS

Primary Government:
Governmental Activities:
General Government
Transfer of Public Improvements
to Another Government
Interest on Long-Term Debt
and Related Costs

Total Governmental Activities

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
	\$ 473,857	\$ 23,285	\$ -	\$ -	\$ (450,572)
	1,716,353	-	-	-	(1,716,353)
	<u>229,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229,274)</u>
	<u>\$ 2,419,484</u>	<u>\$ 23,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,396,199)</u>
GENERAL REVENUES					
Property Taxes					1,113,910
Specific Ownership Taxes					83,992
Interest Income					96,501
Other Revenue					350
Total General Revenues and Transfers					<u>1,294,753</u>
CHANGES IN NET POSITION					(1,101,446)
Net Position - Beginning of Year					<u>(629,121)</u>
NET POSITION - END OF YEAR					<u>\$ (1,730,567)</u>

See accompanying Notes to Basic Financial Statements.

**NBC METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 914,126	\$ -	\$ -	\$ 914,126
Cash and Investments - Restricted	15,300	1,050,155	-	1,065,455
Receivable from County Treasurer	2,563	4,272	-	6,835
Prepaid Insurance	17,126	-	-	17,126
Property Tax Receivable	418,850	698,084	-	1,116,934
Total Assets	<u>\$ 1,367,965</u>	<u>\$ 1,752,511</u>	<u>\$ -</u>	<u>\$ 3,120,476</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 11,617	\$ 8,043	\$ -	\$ 19,660
Total Liabilities	<u>11,617</u>	<u>8,043</u>	<u>-</u>	<u>19,660</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	418,850	698,084	-	1,116,934
Total Deferred Inflows of Resources	<u>418,850</u>	<u>698,084</u>	<u>-</u>	<u>1,116,934</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	17,126	-	-	17,126
Restricted for:				
Emergency Reserves	15,300	-	-	15,300
Debt Service	-	1,046,384	-	1,046,384
Unassigned	905,072	-	-	905,072
Total Fund Balances	<u>937,498</u>	<u>1,046,384</u>	<u>-</u>	<u>1,983,882</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,367,965</u>	<u>\$ 1,752,511</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				3,706,142
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued Interest				(15,591)
Loans Payable				<u>(7,405,000)</u>
Net Position of Governmental Activities				<u>\$ (1,730,567)</u>

See accompanying Notes to Basic Financial Statements.

**NBC METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNEMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 417,716	\$ 696,194	\$ -	\$ 1,113,910
Specific Ownership Taxes	31,497	52,495	-	83,992
Interest Income	36,189	60,312	-	96,501
Other Revenue	350	-	-	350
Irrigation Service Fees	23,285	-	-	23,285
Total Revenues	509,037	809,001	-	1,318,038
EXPENDITURES				
Current:				
Accounting	41,041	-	-	41,041
Auditing	6,500	-	-	6,500
County Treasurer's Fee	6,243	10,405	-	16,648
District Management	37,695	-	-	37,695
Dues and Membership	590	-	-	590
Election	1,107	-	-	1,107
Insurance	16,635	-	-	16,635
Irrigation Repairs	22,451	-	-	22,451
Landscaping	46,221	-	-	46,221
Landscaping Maintenance-Floral	11,263	-	-	11,263
Legal	10,825	-	-	10,825
Miscellaneous	1,824	-	-	1,824
Non-Use Fee	-	8,043	-	8,043
Parks and Recreation	618	-	-	618
Pest control	1,248	-	-	1,248
Repairs and Maintenance	48,616	-	-	48,616
Site Lighting	1,430	-	-	1,430
Snow Removal	15,905	-	-	15,905
Utilities	54,545	-	-	54,545
Website	935	-	-	935
Debt Service:				
Loan Interest	-	210,537	-	210,537
Loan Principal	-	900,000	-	900,000
Paying Agent Fees	-	2,200	-	2,200
Capital Projects:				
Public Improvements	-	-	28,408	28,408
Total Expenditures	325,692	1,131,185	28,408	1,485,285
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	183,345	(322,184)	(28,408)	(167,247)
OTHER FINANCING SOURCES (USES)				
Transfers To/From Other Funds	(28,208)	-	28,208	-
Total Other Financing Sources (Uses)	(28,208)	-	28,208	-
NET CHANGE IN FUND BALANCES	155,137	(322,184)	(200)	(167,247)
Fund Balances - Beginning of Year	782,361	1,368,568	200	2,151,129
FUND BALANCES - END OF YEAR	<u>\$ 937,498</u>	<u>\$ 1,046,384</u>	<u>\$ -</u>	<u>\$ 1,983,882</u>

See accompanying Notes to Basic Financial Statements.

**NBC METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Net Change in Fund Balances - Total Governmental Funds	\$ (167,247)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	28,408
Depreciation Expense	(148,165)
Transfer of Public Improvements to Other Governments	(1,716,353)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Principal	900,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	1,911
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Changes in Net Position of Governmental Activities	<u>\$ (1,101,446)</u>
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**NBC METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Budgets		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property Taxes	\$ 464,560	\$ 443,090	\$ 417,716	\$ (25,374)
Specific Ownership Taxes	32,519	31,200	31,497	297
Interest Income	20,000	34,426	36,189	1,763
Other Revenue	1,000	800	350	(450)
Irrigation Service Fees	10,000	10,000	23,285	13,285
Total Revenues	528,079	519,516	509,037	(10,479)
EXPENDITURES				
Accounting	42,000	42,000	41,041	959
Auditing	6,500	6,500	6,500	-
Contingency	36,782	42,795	-	42,795
County Treasurer's Fee	6,968	6,646	6,243	403
District Management	53,000	40,700	37,695	3,005
Dues and Membership	550	590	590	-
Election	2,500	1,021	1,107	(86)
Insurance	19,500	16,385	16,635	(250)
Irrigation Repairs	20,000	20,000	22,451	(2,451)
Landscaping	60,000	60,000	46,221	13,779
Landscaping Maintenance-Floral	8,000	11,263	11,263	-
Legal	25,000	10,000	10,825	(825)
Miscellaneous	2,000	100	1,824	(1,724)
Parks and Recreation	700	700	618	82
Pest Control	3,000	3,000	1,248	1,752
Repairs and Maintenance	30,000	50,000	48,616	1,384
Site Lighting	5,000	2,000	1,430	570
Snow Removal	27,500	27,500	15,905	11,595
Utilities	50,000	58,000	54,545	3,455
Website	1,000	1,000	935	65
Total Expenditures	400,000	400,200	325,692	74,508
EXCESS OF REVENUES OVER EXPENDITURES	128,079	119,316	183,345	64,029
OTHER FINANCING SOURCES (USES)				
Transfers To Other Fund	-	(99,800)	(28,208)	71,592
Total Other Financing Sources (Uses)	-	(99,800)	(28,208)	71,592
NET CHANGE IN FUND BALANCE	128,079	19,516	155,137	135,621
Fund Balance - Beginning of Year	694,132	782,361	782,361	-
FUND BALANCE - END OF YEAR	<u>\$ 822,211</u>	<u>\$ 801,877</u>	<u>\$ 937,498</u>	<u>\$ 135,621</u>

See accompanying Notes to Basic Financial Statements.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 DEFINITION OF REPORTING ENTITY

NBC Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by court order on May 18, 2000, recorded on June 8, 2000, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County and entirely within the City of Westminster, Colorado (the City). The District was established to provide for the design, construction, installation, financing, and acquisition of certain street, safety protection, water, sanitation, transportation, television relay and translation, and park and recreation improvements in compliance with the Service Plan approved by the City Council.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District amended its annual budget for the year ended December 31, 2025.

Pooled Cash and Investments

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

Property Taxes

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

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

Capital Assets

Capital assets, which include infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Streets	20 Years
Street Lights	20 Years
Parks	20 Years
Monumentation	20 Years
Landscape Improvements	20 Years

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District does not have any items that qualify.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

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

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures (Statement 102). Statement 102 requires note disclosure when (a) a concentration 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 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.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 914,126
Cash and Investments - Restricted	<u>1,065,455</u>
Total Cash and Investments	<u><u>\$ 1,979,581</u></u>

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

Deposits with Financial Institutions	\$ 429,126
Investments	<u>1,550,455</u>
Total Cash and Investments	<u><u>\$ 1,979,581</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank and carrying balance of \$429,126.

Investments

The District has adopted a formal investment policy to follow the state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 1,182,186
First American Funds Governmental Fund		368,269
Total		<u>\$ 1,550,455</u>

COLOTRUST

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

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

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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

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

First American Government Obligation Fund

The debt service money that is included in the trust accounts at U.S. Bank is invested in the First American Government Obligation Fund. This portfolio is a money market mutual fund which invests in U.S. Government Securities, which are fully guaranteed as to principal and interest by the United States, with maturities of 43 days or less and repurchase agreements collateralized by U.S. Government Securities. The Fund is rated AAAm by Standard & Poor's.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 5,506,299	\$ 28,408	\$ 5,534,707	\$ -
Total Capital Assets, Not Being Depreciated	5,506,299	28,408	5,534,707	-
Capital Assets, Being Depreciated:				
Parks and Recreation	973,863	2,350,183	-	3,324,046
Furniture	-	254,770	-	254,770
Streets	1,797,204	-	-	1,797,204
Street Lights	415,699	-	-	415,699
Landscaping	45,302	688,923	-	734,225
Monumentation	91,930	247,116	-	339,046
Building and Equipment	-	277,362	-	277,362
Total Capital Assets, Being Depreciated	3,323,998	3,818,354	-	7,142,352
Less Accumulated Depreciation for:				
Parks and Recreation	973,863	78,339	-	1,052,202
Accumulated Depreciation - Furniture	-	19,725	-	19,725
Streets	1,797,204	-	-	1,797,204
Street Lights	394,475	2,927	-	397,402
Landscaping	30,578	25,229	-	55,807
Monumentation	91,925	12,700	-	104,625
Building and Equipment	-	9,245	-	9,245
Total Accumulated Depreciation	3,288,045	148,165	-	3,436,210
Total Capital Assets, Being Depreciated, Net	35,953	3,670,189	-	3,706,142
Governmental Activities Capital Assets, Net	<u>\$ 5,542,252</u>	<u>\$ 3,698,597</u>	<u>\$ 5,534,707</u>	<u>\$ 3,706,142</u>

Depreciation expense for 2025 was charged to the General Government function/program.

\$1,716,353 of construction in progress was conveyed to another governmental entity.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Series 2021 Limited Tax Improvement Loan Draw #1	\$ 8,305,000	\$ -	\$ 900,000	\$ 7,405,000	\$ 435,000
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	<u>8,305,000</u>	<u>-</u>	<u>900,000</u>	<u>7,405,000</u>	<u>435,000</u>
 Total Long-Term Obligations	 <u>\$ 8,305,000</u>	 <u>\$ -</u>	 <u>\$ 900,000</u>	 <u>\$ 7,405,000</u>	 <u>\$ 435,000</u>

The detail of the District's long-term obligations is as follows:

Limited Tax General Obligation Refunding and Improvement Loan, Series 2021

On April 13, 2021, the District entered into the Limited Tax General Obligation Refunding and Improvement Loan, Series 2021 in the maximum aggregate principal amount of up to \$12,868,000 (Series 2021 Loan) with U.S. Bank National Association. The initial advance amount under the Series 2021 Loan was issued in the principal amount of \$9,695,000 at the time of closing and matures on April 13, 2031. The initial advance of the Series 2021 Loan bears an interest rate of 2.50%, with interest payments calculated based on a 360-day year and the actual days elapsed in each period made on June 1 and December 1 of each year, and principal payments on December 1 of each year for the initial advance.

Proceeds were used and will be used for the purposes of prepayment in whole of the Series 2015 Note, refinancing certain public improvements, providing an initial deposit to the Reserve Fund, providing capitalized interest, and paying the costs of issuing the Series 2021 Loan.

The District shall pay to U.S. Bank National Association a Non-Use Fee in an annual amount equal to 0.25% of the portion of the Series 2021 Loan that has not been advanced determined and paid on December 1 of each year.

The pledged revenue under the Series 2021 Loan includes: a) all moneys derived from the Required Mill Levy; b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue. The Required Mill Levy is defined as the amount sufficient in each year to pay the Annual Debt Requirements and to replenish the Reserve Fund to the Required Reserve but not in excess of 50 mills, as may be adjusted so that to the extent possible, actual tax revenues generated by the District's mill levies are neither diminished nor enhanced as a result of changes to the method of calculating assessed valuation. The Series 2021 Loan is further secured by the debt service Initial Reserve Requirement of \$335,000 and, in the case of another draw, the Required Reserve that will increase the Initial Reserve Requirement by 4.43% of each additional advance.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Loan, Series 2021
(Continued)**

Events of Default of the Series 2021 Loan

The Loan Resolution of the Series 2021 Loan provides that the occurrence or existence of any one or more of the following events shall be an event of default.

- a) the District fails to transfer Pledged Revenue to the Custodian promptly upon the receipt thereof or fails to apply or cause the Pledged Revenue to be applied as required by this Agreement and the Custodial Agreement;
- b) the District fails to pay all amounts outstanding hereunder, under the Note, and the Custodial Agreement on the Maturity Date;
- c) the District fails to impose and certify the Required Mill Levy;
- d) the District fails to pay the principal of or interest on the Loan or any other amount payable to the Bank hereunder when due, other than on the Maturity Date;
- e) the District fails to prepare and file its annual budget in accordance with applicable State Law;
- f) the District fails to prepare and file its annual audited financial statements in accordance with applicable State Law;
- g) the occurrence and continuance of an event of default or an event of nonperformance under the Custodial Agreement or any of the other Financing Documents to which the District is a party after the expiration of any grace period specified therein;
- h) the District fails to observe or perform any other of the covenants, agreements or conditions on the part of the District in this Agreement or any of the other Financing Documents to which the District is a party and such failure is not remedied to the satisfaction of the Bank within 30 days after notice from the Bank to the District of such failure, which notice is intended to allow for a cure period but shall not constitute the notice of the Bank required above in order for such failure to constitute an Event of Default hereunder;
- i) any representation of warranty made by the District in this Agreement or in any other Financing Document to which the District is a party or any certificate, instrument, financial or other statement furnished by the District to the Bank, proves to have been untrue or incomplete in any material respect when made or deemed made;
- j) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$50,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay or satisfy such judgment or court order for 60 days;
- k) the District shall initiate, acquiesce or consent to any proceedings to dissolve the District or to consolidate the District with other similar entities into a single entity or the District shall otherwise cease to exist;
- l) the pledge of the Pledged Revenue or any other security interest created hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required hereunder or thereunder;

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Loan, Series 2021
(Continued)**

Events of Default of the Series 2021 Loan (Continued)

- m) (i) the District shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding or other action of a nature referred to in clause (m)(i) above and the same shall remain undismissed; or (iii) there shall be commenced against the District any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof, or (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the District shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;
- n) this Agreement, the Custodial Agreement or any other Financing Document, or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required hereunder or thereunder;
- o) the District's auditor delivers a qualified opinion with respect to the District's status as a going concern;
- p) any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder or under the Custodial Agreement shall become subject to any writ, judgment, warrant or attachment, execution or similar process; or

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Loan, Series 2021
(Continued)**

Events of Default of the Series 2021 Loan (Continued)

- q) any determination, decision, or decree is made by the Commissioner or any District Director of the Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on the portion of the Loan comprised of the principal amount for which Bond Counsel has given an opinion as to the exclusion of interest for state and federal income tax purposes on any Advance Date, is includable in the gross income for federal income tax purposes of the Bank or any Participant or the effective tax benefit of such interest to the Bank is reduced by virtue of the occurrence of any event, including any change in the Constitution or laws of the United States of America or the State of Colorado, which results in interest payable on the Loan becoming includable in the gross income of the Bank or any Participant pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder if and so long as such determination, decision or decree is not being appealed or otherwise contested in good faith by the District.

Remedies of Default

Upon the occurrence and during the continuance of any Event of Default, the Loan shall bear interest at the Default Interest Rate. In addition, upon the occurrence and during the continuance of any Event of Default the Bank, at its option, may do any one or more of the following:

- a) exercise any and all remedies available under the Custodial Agreement; or
- b) take any other action or remedy available under the other Financing Documents or any other document, or at law or in equity.

Notwithstanding the foregoing or anything else herein to the contrary: (i) for so long as the Required Mill Levy is limited as provided in the definition thereof and provided that an Event of Default has not occurred or is continuing under a) and c) above, no remedy will lie at law or in equity for any Event of Default consisting solely of the failure of the District to pay the principal of and interest on the Loan or any other Annual Debt Requirements when due (whether on the Maturity Date or otherwise), it being acknowledged by the Bank that the amount of Pledged Revenue is limited in accordance with the terms hereof, and (ii) acceleration shall not be an available remedy for an Event of Default. The foregoing shall not in any way restrict, impair, or limit the applicability of the Default Interest Rate of the Post-Maturity Default Interest Rate as set forth above and as otherwise herein.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Loan, Series 2021
(Continued)**

Remedies of Default (Continued)

The District's long-term obligations will mature as follows, assuming the Series 2021 Loan will continue to accrue interest at 2.50% after April 13, 2031:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 435,000	\$ 187,610	\$ 622,610
2027	440,000	176,660	616,660
2028	465,000	165,345	630,345
2029	475,000	153,665	628,665
2030	490,000	141,620	631,620
2031	5,100,000	129,210	5,229,210
Total	<u>\$ 7,405,000</u>	<u>\$ 954,110</u>	<u>\$ 8,359,110</u>

The Series 2021 Loan may include a second draw in 2026 in the principal amount of up to \$3,173,000. For any period of time that there are unpaid amounts due on the Series 2021 Loan after the Maturity Date, the post maturity default rate will be set on the maturity date and calculated by taking the sum of Daily Simple SOFR plus 5.00%.

The District may, at its option, prepay the Loan in whole or in part on any date upon payment to the Bank of the principal amount so prepaid, plus accrued interest thereon at the rate then borne by the Loan to the date the Bank received such prepayment, without prepayment fee. Any partial prepayments of the Loan shall be applied to the principal balance of the Loan as determined by the Bank. The District shall, unless waived by the Bank, provide three (3) days of prior written notice to the Bank of its intent to prepay.

Authorized Debt

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$30,000,000 (Service Plan Debt Issuance Limit). In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is 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 relative to debt for public improvements. With that understanding, on May 2, 2000, and November 6, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$271,000,000 at an interest rate not to exceed 15% per annum. In addition, the electors authorized the refunding of up to \$61,000,000 in general obligation bonds at a higher interest rate. At December 31, 2025, the District had authorized but unissued indebtedness of \$299,692,643.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investments in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ (1,180,665)
Net Investment in Capital Assets	<u>\$ (1,180,665)</u>

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

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 15,300
Debt Service Reserve	694,797
Total Restricted Net Position	<u>\$ 710,097</u>

The District has a deficit in unrestricted net position. This deficit amount is the result of the District being responsible for the financing and repayment of bonds issued for the construction of public improvements which were dedicated to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTIES

The primary developer of vacant property within the District is CIO Circle Point Land, LP, a Delaware limited liability company (the Developer). All members of the Board of Directors of the District are affiliated with the Developer.

CIO Circle Point Land, LP reimburses the District for water and irrigation use on Circle Point Park and the park at West 112th Avenue and Westminster Boulevard. The District's irrigation service fees include payments from other non-developer entities and are for water and irrigation use.

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 8 AGREEMENTS

The District and CIO Circle Point Land, LP (the Developer) entered into a 2020-2025 Facilities Funding and Acquisition Agreement (FFAA) on March 2, 2021, with an effective date of January 1, 2020. Pursuant to the FFAA, the Developer agrees to advance funds to the District for the purpose of funding construction related expenses of public improvements and/or the acquisition of public improvements constructed by the Developer. The District agrees to repay these advances, together with accrued interest at a rate of 8% per annum. The FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through bond proceeds. At December 31, 2025, there was no principal and interest due under the FFAA.

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Capital Fund was related to capital expenditures in lieu of a developer advance.

NOTE 10 RISK MANAGEMENT

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

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

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

**NBC METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On May 2, 2000, and November 6, 2012, a majority of the District's electors authorized the District to collect and spend or retain in a reserve annually \$1,000,000 of all revenue of the District and authorized tax levies to produce taxes of \$1,000,000 annually for operations and maintenance without regard to any limitations under TABOR.

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.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

**NBC METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 774,266	\$ 696,194	\$ (78,072)
Specific Ownership Taxes	54,199	52,495	(1,704)
Interest Income	25,000	60,312	35,312
Total Revenues	853,465	809,001	(44,464)
EXPENDITURES			
County Treasurer's Fee	11,614	10,405	1,209
Paying Agent Fees	2,000	2,200	(200)
Loan Interest	210,028	210,537	(509)
Non-Use Fee	8,065	8,043	22
Loan Principal	900,000	900,000	-
Contingency	4,293	-	4,293
Total Expenditures	1,136,000	1,131,185	4,815
NET CHANGE IN FUND BALANCE	(282,535)	(322,184)	(39,649)
Fund Balance - Beginning of Year	1,357,917	1,368,568	10,651
FUND BALANCE - END OF YEAR	<u>\$ 1,075,382</u>	<u>\$ 1,046,384</u>	<u>\$ (28,998)</u>

**NBC METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Budgets		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Public Improvements	-	100,000	28,408	71,592
Total Expenditures	-	100,000	28,408	71,592
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(100,000)	(28,408)	71,592
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	99,800	28,208	(71,592)
Total Other Financing Sources (Uses)	-	99,800	28,208	(71,592)
NET CHANGE IN FUND BALANCE	-	(200)	(200)	-
Fund Balance - Beginning of Year	-	200	200	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

OTHER INFORMATION

**NBC METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025**

	\$12,868,000 Limited Tax General Obligation Refunding and Improvement Loan Series 2021 Initial Draw \$9,695,000 Dated April 13, 2021 Principal Due December 1 Interest Due June 1 and December 1 Interest at 2.50%		
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 435,000	\$ 187,610	\$ 622,610
2027	440,000	176,660	616,660
2028	465,000	165,345	630,345
2029	475,000	153,665	628,665
2030	490,000	141,620	631,620
2031	5,100,000	129,210	5,229,210
Total	<u>\$ 7,405,000</u>	<u>\$ 954,110</u>	<u>\$ 8,359,110</u>

**NBC METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2020/2021	\$ 16,742,118	0.9%	18.000	37.000	55.000	\$ 920,816	\$ 966,737	104.99 %
2021/2022	18,931,330	13.1%	18.000	33.100	51.100	967,391	972,535	100.53 %
2022/2023	20,409,720	7.8%	18.000	33.100	51.100	1,042,937	1,043,354	100.04 %
2023/2024	25,961,663	27.2%	18.000	33.100	51.100	1,326,641	1,297,026	97.77 %
2024/2025	25,808,870	-0.6%	18.000	30.000	48.000	1,238,826	1,113,910	89.92 %
Estimated for Year Ending December 31, 2026	\$ 23,269,455	-10.4%	18.000	30.000	48.000	\$ 1,116,934		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.

Information received from the Treasurer does not permit identification of specific year of levy.

Source: Jefferson County Assessor and Treasurer.