

**Trailside Metropolitan District No. 6
Larimer County, Colorado**

**Financial Statements
December 31, 2025**



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Trailside Metropolitan District No. 6
Larimer County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Trailside Metropolitan District No. 6 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 the major funds of Trailside Metropolitan District No. 6, as of December 31, 2025, and 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 our report. We are required to be independent of Trailside Metropolitan District No. 6 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Trailside Metropolitan District No. 6'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.

Auditors' 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 opinion. 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, including omissions, 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 Trailside Metropolitan District No. 6'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 Trailside Metropolitan District No. 6'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

Management has omitted 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 opinion on the basic financial statements is 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 Trailside Metropolitan District No. 6's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
July 17, 2026

Basic Financial Statements

Trailside Metropolitan District No. 6

Statement of Net Position

December 31, 2025

Assets	Governmental Activities
Cash and investments	\$ 277
Cash and investments - restricted	780
Property tax receivable	161,993
Accounts receivable	10,136
Due from County	108
Capital assets, net	3,117,230
Prepaid expenses	6,682
Total Assets	<u><u>\$ 3,297,206</u></u>
Liabilities	
Current Liabilities	
Due To Trailside No. 1	\$ 4,000
Accounts payable	2,349
Service fee payable	11,132
Total Current Liabilities	<u><u>17,481</u></u>
Non-current liabilities:	
Developer advances interest payable	30,951
Developer advances payable	239,236
Bond interest payable	48,776
Bonds payable, net	3,475,000
Total non-current liabilities	<u><u>3,793,963</u></u>
Deferred Inflows of Resources:	
Deferred property tax revenue	161,993
Total liabilities	<u><u>3,973,437</u></u>
Net Position	
Net Investment in Capital Assets	(423,638)
Restricted for:	
Debt service	866
Unrestricted	(253,459)
Total Net Position	<u><u>(676,231)</u></u>
Total Liabilities, Deferred Inflows and Net Position	<u><u>\$ 3,297,206</u></u>

The accompanying notes are an integral part of these financial statements.

Trailside Metropolitan District No. 6
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and other fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 195,107	\$ -	\$ -	\$ -	\$ (195,107)
Interest and related costs on long term debt	<u>77,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,536)</u>
	<u>\$ 272,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (272,643)</u>
General Revenues					
Property taxes					20,999
Specific ownership taxes					1,313
Net investment income					<u>411</u>
Total general revenues					<u>22,723</u>
Change in net position					(249,920)
Net position - beginning of year					<u>(426,310)</u>
Net position - end of year					<u>\$ (676,230)</u>

The accompanying notes are an integral part of these financial statements.

Trailside Metropolitan District No. 6
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Position
December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and investments	\$ 257	\$ -	\$ 20	\$ 277
Cash and investments - restricted	384	396	-	780
Property tax receivable	5,490	156,503	-	161,993
Accounts receivable	10,012	-	124	10,136
Due from County	22	86	-	108
Prepaid expenses	6,682	-	-	6,682
Total assets	<u>22,847</u>	<u>156,985</u>	<u>144</u>	<u>179,976</u>
Liabilities				
Due to Trailside No. 1	4,000	-	-	4,000
Accounts payable	2,225	-	124	2,349
Service fee payable	11,132	-	-	11,132
Total liabilities	<u>17,357</u>	<u>-</u>	<u>124</u>	<u>17,481</u>
Deferred Inflows of Resources				
Deferred property tax revenue	<u>5,490</u>	<u>156,503</u>	<u>-</u>	<u>161,993</u>
Fund Balances				
Nonspendable	6,682	-	-	6,682
Assigned - capital projects	-	-	20	20
Restricted - debt service	384	482	-	866
Unassigned	<u>(7,066)</u>	<u>-</u>	<u>-</u>	<u>(7,066)</u>
Total fund balances	<u>-</u>	<u>482</u>	<u>20</u>	<u>502</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,847</u>	<u>\$ 156,985</u>	<u>\$ 144</u>	<u>\$ 179,976</u>

Total governmental fund balance per above \$ 502

Amounts reported for governmental activities in the statement of net position
excluded from the governmental fund balance because:

Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the funds.

Capital assets, net of accumulated depreciation 3,117,230

Long term liabilities not payable in the current year are excluded as
liabilities in the governmental funds. Interest on long-term debt is recognized
as an expenditure in governmental funds when due. These liabilities consist
of:

Developer advances payable (239,236)
Bonds payable, net (3,475,000)
Accrued interest on developer advances (30,951)
Accrued interest on bonds (48,776)

Net position of governmental activities \$ (676,231)

The accompanying notes are an integral part of these financial statements.

Trailside Metropolitan District No. 6
Governmental Fund Revenues, Expenditures, Changes in Fund
Balances and Reconciliation to Statement of Activities
For the Year Ended December 31, 2025

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 4,200	\$ 16,799	\$ -	\$ 20,999
Specific ownership	263	1,050	-	1,313
Interest income	178	233	-	411
Total Revenues	<u>4,641</u>	<u>18,082</u>	<u>-</u>	<u>22,723</u>
Expenditures				
General government	79,182	4,336	619	84,137
Debt service				
Bond interest	-	13,264	-	13,264
Total Expenditures	<u>79,182</u>	<u>17,600</u>	<u>619</u>	<u>97,401</u>
Excess Revenues Over (Under)				
Expenditures	(74,541)	482	(619)	(74,678)
Other Financing Sources (Uses)				
Developer advances	68,988	-	619	69,607
Total Other Financing Sources (Uses)	<u>68,988</u>	<u>-</u>	<u>619</u>	<u>69,607</u>
Net Change in Fund Balances	(5,553)	482	-	(5,071)
Fund balances				
Beginning of the year	<u>5,553</u>	<u>-</u>	<u>20</u>	<u>5,573</u>
End of the year	<u>\$ -</u>	<u>\$ 482</u>	<u>\$ 20</u>	<u>\$ 502</u>

Net change in fund balances - Governmental Funds (5,071)

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.

Depreciation expense (110,970)

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.

Developer advances (69,607)

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 - change in liability (64,272)

Change in Net Position of Governmental Activities \$ (249,920)

The accompanying notes are an integral part of these financial statements.

Trailside Metropolitan District No. 6
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 4,200	\$ 4,200	\$ -
Specific ownership taxes	168	263	95
Operating advances	96,639	68,988	(27,651)
Transfer fee	7,285	-	(7,285)
ARC fees	4,000	-	(4,000)
Interest & other	-	178	178
Total Revenues	<u>112,292</u>	<u>73,629</u>	<u>(38,663)</u>
Expenditures			
Accounting	20,034	20,150	(116)
Audit	8,400	7,800	600
District management	20,615	11,549	9,066
Engineering	2,500	-	2,500
Property transfers	7,285	4,844	2,441
ARC review	4,000	2,945	1,055
Covenant enforcement	930	1,356	(426)
Constituent communications	1,860	2,714	(854)
Insurance	6,200	6,308	(108)
Legal	20,000	1,722	18,278
Office, dues and other	3,684	2,393	1,291
Landscaping	12,500	-	12,500
Utilities	-	931	(931)
Payment for services to No. 1	4,284	16,470	(12,186)
Total Expenditures	<u>112,292</u>	<u>79,182</u>	<u>33,110</u>
Excess Revenues Over (Under) Expenditures	<u>-</u>	<u>(5,553)</u>	<u>(5,553)</u>
Fund Balance—Beginning of year	<u>-</u>	<u>5,553</u>	<u>5,553</u>
Fund Balance—End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Trailside Metropolitan District No. 6
Notes to Financial Statements
December 31, 2025

1. Definition of Reporting Entity

Trailside Metropolitan District No. 6 (the District) was organized pursuant to an Order and Decree issued by the Larimer County District Court on May 2, 2023, and recorded in the Larimer County real property records. Formation of the District was preceded by the approval thereof by the Town Council of Timnath, Colorado of a Consolidated Service Plan for Trailside Metropolitan District Nos. 1-5 (formerly known as Rendezvous Metropolitan District Nos. 1-5) and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Timnath on March 27, 2018. In 2023 the Service Plan was amended to allow for the formation of Trailside Metropolitan District No. 6. The District's service area is located entirely within the Town in Larimer County, Colorado. The District was organized to provide planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the public improvements needed for the project.

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.

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.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

The statement of activities demonstrates the degree to which the direct 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 financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. 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.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

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 fund.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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 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 presented on the modified accrual basis of accounting unless otherwise indicated.

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. Investments are carried at fair value.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure (e.g. roads, sidewalks and similar items), are reported in the applicable governmental activities column 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 in historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Fund Equity

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

The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

- *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 policy to use the most restrictive classification first.

Restricted Fund Balance

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 8).

The restricted fund balance in the Debt Service Fund is to be used exclusively for future payment of bond principal, interest and related costs.

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	\$ 277
Cash and investments—Restricted	<u>780</u>
	<u>\$ 1,057</u>

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

Deposits with financial institutions	<u>\$ 1,057</u>
Total cash and investments	<u>\$ 1,057</u>

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.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

3. Cash and Investments (continued)

As of December 31, 2025, the District's cash deposits had a carrying balance and bank balance of \$1,057, of which all was FDIC insured.

4. Capital Assets

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

	Balance December 31, 2024	Additions	Retirements / Conveyances	Balance December 31, 2025
Capital assets, not being depreciated:				
Concrete & paving	\$ 859,344	\$ -	\$ -	\$ 859,344
Total Capital assets, not being depreciated	<u>\$ 859,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 859,344</u>
Capital assets, being depreciated:				
Water and sewer system	\$ 1,621,508	\$ -	\$ -	\$ 1,621,508
Parks	<u>747,348</u>	<u>-</u>	<u>-</u>	<u>747,348</u>
Total Capital assets, being depreciated	2,368,856	-	-	2,368,856
Less accumulated depreciation	<u>-</u>	<u>(110,970)</u>	<u>-</u>	<u>(110,970)</u>
Total Capital assets, being depreciated, net	<u>2,368,856</u>	<u>(110,970)</u>	<u>-</u>	<u>2,257,886</u>
 Total Capital assets	 <u>\$ 3,228,200</u>	 <u>\$ (110,970)</u>	 <u>\$ -</u>	 <u>\$ 3,117,230</u>

A significant portion of capital assets will be conveyed by the District to other local governments. The District will not be responsible for the maintenance of those assets. Upon acceptance of the improvements by other local governments, the District will remove the cost of construction from its capital assets.

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Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

5. Long-Term Liabilities

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

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025	Due Within One Year
Series 2024A Senior Limited Tax					
General Obligation Bonds	\$ 2,181,000	\$ -	\$ -	\$ 2,181,000	\$ -
Series 2024B Subordinate Limited Tax					
General Obligation Bonds	1,294,000	-	-	1,294,000	-
Total Bonds	3,475,000	-	-	3,475,000	-
Developer Advances - Operating	103,856	68,987	-	172,843	-
Developer Advances - Capital	65,774	618	-	66,392	-
Total Developer Advances	169,630	69,605	-	239,235	-
Accrued Interest on					
Bonds					
Series 2024A Senior Limited Tax	-	16,750	(13,264)	3,486	-
Series 2024B Subordinate Limited Tax	-	45,290	-	45,290	-
Developer Advances - Operating	8,928	11,987	-	20,915	-
Developer Advances - Capital	3,850	6,186	-	10,036	-
Total Accrued Interest	12,778	80,213	(13,264)	79,727	-
Total	\$ 3,657,408	\$ 149,818	\$ (13,264)	\$ 3,793,962	\$ -

\$2,181,000 Senior Limited Tax General Obligation Bonds, Series 2024A

On May 30, 2024, Trailside Metropolitan District No. 6 issued \$2,181,000 (original issue amount) Senior Limited Tax General Obligation Bonds, Series 2024A. The bonds, maturing December 1, 2054, bear an interest rate of 7.750% per annum, calculated on a basis of a 360-day year of twelve 30-day months, payable annually on December 1, beginning December 1, 2024.

The 2024A Senior Bonds are subject to redemption, prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on June 1, 2029, and on any date thereafter, upon payment of par plus accrued interest to the date of redemption, with a redemption premium declining from 3.00% to 0.00% as follows:

- 3.00% if redeemed from June 1, 2029 to May 31, 2030
- 2.00% if redeemed from June 1, 2030 to May 31, 2031
- 1.00% if redeemed from June 1, 2031 to May 31, 2032
- 0.00% if redeemed on or after June 1, 2032

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

5. Long-Term Liabilities (continued)

Additionally, the 2024A Senior Bonds are subject to mandatory sinking fund redemption, in part, by lot, on December 1 of each year, beginning December 1, 2024, from amounts on deposit in the Senior Mandatory Redemption Account, at a redemption price equal to par plus accrued interest, without redemption premium.

\$1,294,000 Subordinate Limited Tax General Obligation Bonds, Series 2024B

On May 30, 2024, the District issued \$1,294,000 (original issue amount) Subordinate Limited Tax General Obligation Bonds, Series 2024B. The bonds, maturing March 1, 2064, bear an interest rate of 7.00% per annum, calculated on a basis of a 360-day year of twelve 30-day months, payable annually on December 15, commencing December 15, 2024, to the extent Subordinate Pledged Revenue is available. The 2024B Subordinate Bonds are subject to redemption, prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on any date, upon payment of par plus accrued interest, with no redemption premium. The 2024B Subordinate Bonds are also subject to mandatory sinking fund redemption, in part, by lot, on December 15, 2024, and on each December 15 thereafter prior to maturity, but only to the extent Subordinate Pledged Revenue is available, upon payment of par and accrued interest, without redemption premium. The bonds are secured by Subordinate Pledged Revenue, which includes property taxes collected under the Subordinate Required Mill Levy (up to 50 mills, less the Senior Bond Mill Levy), specific ownership taxes, and other legally available moneys, all subordinate to the Senior Bonds. Any unpaid principal or interest as of December 16, 2064, will be deemed discharged.

The events of default for the Trailside Metropolitan District No. 6 bonds—both Senior Limited Tax General Obligation Bonds, Series 2024A, and Subordinate Limited Tax General Obligation Bonds, Series 2024B—are defined in their respective indentures and summarized in the Limited Offering Memorandum. An event of default occurs if: (a) the District fails or refuses to impose the required mill levy (Senior or Subordinate, as applicable) or fails to apply the pledged revenues as required by the indenture; (b) the District defaults in the performance of any other covenant or obligation under the indenture or bond resolution and fails to cure such default within 30 days after notice (or longer if diligently pursuing a cure); or (c) the District files for bankruptcy or similar relief. Notably, failure to pay principal or interest when due does not, by itself, constitute an event of default due to the limited nature of the pledged revenues. Remedies upon default include the appointment of a receiver, legal action by the trustee at the request of 25% of bondholders, and other equitable remedies, but do not include acceleration of the bonds. Bondholders cannot initiate legal proceedings unless certain conditions are met, including notice to the trustee and indemnification.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

5. Long-Term Liabilities (continued)

Below is a summary of the future maturities of the Series 2024A Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 41,829	\$ 41,829
2027	-	134,296	134,296
2028	-	206,895	206,895
2029	-	240,748	240,748
2030	-	245,644	245,644
2031-2035	-	1,258,375	1,258,375
2036-2040	424,000	901,319	1,325,319
2041-2045	827,000	564,202	1,391,202
2046-2049	930,000	181,816	1,111,816
Total	<u>\$ 2,181,000</u>	<u>\$ 3,775,124</u>	<u>\$ 5,956,124</u>

Funding and Reimbursement Agreement (Operations and Maintenance Costs)

On July 18, 2023, Trailside Metropolitan District No. 6 (the “District”) entered into a Funding and Reimbursement Agreement (the “Agreement”) with CCW Development, LLC (the “Developer”) to provide financial support for the District’s administrative, operational, and maintenance costs. Under the Agreement, the Developer may advance up to \$500,000 to the District, which may be drawn in one or more installments. These advances are evidenced by promissory notes issued by the District, bearing interest at a rate equal to 2% plus the Federal Reserve Prime Rate. The notes mature annually on December 31 and may be refinanced if not repaid. Repayment is contingent upon the availability of legally available revenues, including ad valorem property taxes, and is subordinate to any senior bond obligations. The Agreement does not constitute a general obligation of the District and expressly provides that failure to repay due to insufficient funds does not constitute a default. The Developer’s obligation to advance funds terminates on July 18, 2024, except to the extent advance requests have been made and are pending, in which case requests will be honored subsequent to this date. The District’s repayment obligation continues until the earlier of full repayment or 40 years from the Agreement date.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

5. Long-Term Liabilities (continued)

Improvement Acquisition Agreement (Public Infrastructure Costs)

On July 18, 2023, Trailside Metropolitan District No. 6 (the “District”) entered into an Improvement Acquisition Agreement (the “Agreement”) with CCW Development, LLC (the “Developer”) to provide for the construction and acquisition of public infrastructure improvements benefiting the District. The Agreement does not establish a maximum amount that may be advanced by the Developer; however, reimbursement is limited to certified costs of eligible improvements, subject to an aggregate cap equal to the lesser of voter-authorized indebtedness or approximately \$49.8 million. The District anticipates financing such acquisitions through the issuance of general obligation bonds and, if necessary, subordinate obligations issued to the Developer; repayment is payable solely from legally available revenues, including ad valorem property taxes, fees, and bond proceeds, and is subject to the terms of any related bond documents. The District’s payment obligations are contingent upon its reasonable ability to pay, do not constitute a general obligation of the District, and failure to make payments due to insufficient available revenues does not constitute a default.

6. Net Position

Restricted net position include the net position that is 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 restricted net position as of December 31, 2025 as follows:

Restricted net position:

Debt service (see Note 5)	\$	866
Total restricted net position	\$	866

Unrestricted net position is in a deficit position of (\$253,459), due primarily to the District being responsible for debt used for the purchase of assets not held and maintained by the District. This will be eliminated in future years through the collection of property taxes.

7. Risk Management

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

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

7. Risk Management (continued)

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2025. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

8. Tax, Spending and Debt Limitations

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The District's TABOR reserves are held in Trailside Metropolitan District No. 1.

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.

Trailside Metropolitan District No. 6
Notes to Financial Statements (continued)
December 31, 2025

9. Related Parties

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. District management believes that all potential conflicts, if any, have been properly disclosed.

Supplementary Information

Trailside Metropolitan District No. 6
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Debt Service Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property tax	\$ 16,799	\$ 16,799	\$ 16,799	\$ -
Specific ownership tax	672	672	1,050	378
Interest income	-	-	233	233
Total Revenues	<u>17,471</u>	<u>17,471</u>	<u>18,082</u>	<u>611</u>
Expenditures				
County treasurer's fee	336	336	336	-
Annual trustee fee	4,000	4,000	4,000	-
Debt service				
Bond interest	<u>13,135</u>	<u>13,264</u>	<u>13,264</u>	<u>-</u>
Total Expenditures	<u>17,471</u>	<u>17,600</u>	<u>17,600</u>	<u>-</u>
Excess Revenue Over (Under)				
Expenditures	<u>-</u>	<u>(129)</u>	<u>482</u>	<u>611</u>
Fund Balance—Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ -</u>	<u>\$ (129)</u>	<u>\$ 482</u>	<u>\$ 611</u>

Trailside Metropolitan District No. 6
Statement of Revenue, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Developer advances	\$ 8,007,486	\$ 619	\$ (8,006,867)
Total revenues	<u>8,007,486</u>	<u>619</u>	<u>(8,006,867)</u>
Expenditures			
District management	9,240	619	8,621
Capital outlay	8,000,000	-	8,000,000
Repay developer advances	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,009,240</u>	<u>619</u>	<u>8,008,621</u>
Excess Revenue Over (Under)			
Expenditures	<u>(1,754)</u>	<u>-</u>	<u>1,754</u>
Fund Balance—Beginning of year	<u>-</u>	<u>20</u>	<u>20</u>
Fund Balance—End of Year	<u><u>\$ (1,754)</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 1,774</u></u>

Trailside Metropolitan District No. 6
Schedule of Debt Service Requirements to Maturity
For the Year Ended December 31, 2025

\$2,181,000 Limited Tax
Senior Limited Tax General Obligation Bonds
Series 2024A

Interest Rate 7.75%

Estimated Principal and Interest Due December 1

	Principal	Interest	Total
2026	\$ -	\$ 41,829	\$ 41,829
2027	-	134,296	134,296
2028	-	206,895	206,895
2029	-	240,748	240,748
2030	-	245,644	245,644
2031	-	245,644	245,644
2032	-	250,636	250,636
2033	-	250,637	250,637
2034	-	255,729	255,729
2035	-	255,729	255,729
2036	-	260,924	260,924
2037	83,000	177,332	260,332
2038	104,000	162,595	266,595
2039	111,000	154,535	265,535
2040	126,000	145,933	271,933
2041	136,000	136,168	272,168
2042	151,000	125,628	276,628
2043	163,000	113,925	276,925
2044	182,000	101,293	283,293
2045	195,000	87,188	282,188
2046	217,000	72,075	289,075
2047	233,000	55,258	288,258
2048	257,000	37,200	294,200
2049	223,000	17,283	240,283
	<u>\$ 2,181,000</u>	<u>\$ 3,775,124</u>	<u>\$ 5,956,124</u>

Trailside Metropolitan District No. 6
Summary of Assessed Valuation,
Mill Levy and Property Taxes Collected
For the Year Ended December 31, 2025

Year Ended	Prior Year Assessed Valuation for Current Year Property	Mills Levied			Total Property Taxes		Percentage
	Tax Levy	Contractual			Levied	Collected	Collected
		General	Obligations	Debt Service			
December 31,							
2024	\$ 109,686	11.487	0.000	0.000	\$ 1,260	\$ -	0.00%
2025	\$ 404,009	0.000	10.395	41.581	\$ 20,999	\$ 20,999	100.00%
Estimated for the year ending December 31,							
2026	\$ 3,628,298	0.000	1.513	43.134	\$ 161,993		