LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

TOWN OF JOHNSTOWN, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ledge Rock Center Commercial Metropolitan District
Town of Johnstown, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Ledge Rock Center Commercial 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.

BiggsKofford LLP

Colorado Springs, Colorado
September 11, 2026

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ 415,003
Cash and investments - restricted	14,331,926
Property taxes receivable	117,084
PIF receivable	145,160
Capital assets:	
Capital assets, not depreciable	71,086,201
Total assets	86,095,374
LIABILITIES	
Accounts payable	57,140
Accrued interest	803,477
Noncurrent liabilities:	
Due in more than one year	77,245,397
Total liabilities	78,106,014
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	117,084
Total deferred inflows of resources	117,084
NET POSITION	
Restricted for:	
Emergency reserve	2,700
Capital projects	7,319
Unrestricted	7,862,257
Total net position	$ 7,872,276

The accompanying notes and independent auditor's report should be read with these financial statements.

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS / PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Primary government					
Government activities:					
General government	$ 121,264	$ -	$ -	$ -	$ (121,264)
Interest and related costs on long-term debt	5,942,291	-	-	-	(5,942,291)
Total government activities	$ 6,063,555	$ -	$ -	$ -	(6,063,555)
GENERAL REVENUES					
Property taxes					29,854
Specific ownership taxes					1,209
Interest income					686,526
PIF revenue					1,719,706
Other revenue					202
Total general revenues					2,437,497
Change in net position					(3,626,058)
Net position, beginning of year					11,498,334
Net position, end of year					$ 7,872,276

The accompanying notes and independent auditor's report
should be read with these financial statements.

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS

DECEMBER 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and investments	$ -	$ 415,003	$ -	$ 415,003
Cash and investments - restricted	2,700	10,437,524	3,891,702	14,331,926
Property taxes receivable	57,634	59,450	-	117,084
PIF receivable	-	145,160	-	145,160
Due from other funds	5,831	-	-	5,831
Total assets	$ 66,165	$ 11,057,137	$ 3,891,702	$ 15,015,004
LIABILITIES				
Accounts payable	$ 30,564	$ 26,576	$ -	$ 57,140
Due to other funds	-	5,787	44	5,831
Total liabilities	30,564	32,363	44	62,971
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	57,634	59,450	-	117,084
Total deferred inflows of resources	57,634	59,450	-	117,084
FUND BALANCES				
Restricted for:				
Emergency reserve	2,700	-	-	2,700
Debt service	-	10,965,324	-	10,965,324
Capital projects	-	-	3,891,658	3,891,658
Unassigned:				
Unrestricted	(24,733)	-	-	(24,733)
Total fund balances	(22,033)	10,965,324	3,891,658	14,834,949
Total liabilities, deferred inflows of resources, and fund balances	$ 66,165	$ 11,057,137	$ 3,891,702	

Amounts reported in 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:	
Capital assets, not depreciable	71,086,201
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(76,004,000)
Accrued interest on bonds payable	(2,752,926)
Discount on bonds payable	1,652,898
Developer advances	(643,043)
Accrued interest on developer advances	(301,803)
Net position of governmental activities	$ 7,872,276

The accompanying notes and independent auditor's report should be read with these financial statements.

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Property taxes	$ 14,927	$ 14,927	$ -	$ 29,854
Specific ownership taxes	604	605	-	1,209
Interest income	-	520,052	166,474	686,526
PIF revenue	-	1,719,706	-	1,719,706
Other revenue	202	-	-	202
Total revenues	15,733	2,255,290	166,474	2,437,497
EXPENDITURES				
Current:				
County Treasurer fees	224	224	-	448
District management	14,706	-	-	14,706
Dues and subscriptions	413	-	-	413
Election	995	-	-	995
PIF collection fees	-	31,614	-	31,614
Professional fees	64,560	-	-	64,560
Insurance	2,813	-	-	2,813
Website	3,592	-	-	3,592
Debt service:				
Bond interest payments	-	4,820,863	-	4,820,863
Trustee fees	-	7,000	-	7,000
Capital projects:				-
Capital outlay	-	-	1,180,069	1,180,069
Engineering	-	-	2,123	2,123
Developer payment	-	-	3,161	3,161
Total expenditures	87,303	4,859,701	1,185,353	6,132,357
Excess of revenues over expenditures	(71,570)	(2,604,411)	(1,018,879)	(3,694,860)
OTHER FINANCING SOURCES AND USES				
Developer advance	47,612	-	1,196,061	1,243,673
Developer advance repayment	-	-	(1,643,634)	(1,643,634)
Total other financing sources and uses	47,612	-	(447,573)	(399,961)
Net change in fund balances	(23,958)	(2,604,411)	(1,466,452)	(4,094,821)
Fund balances, beginning of year	1,925	13,569,735	5,358,110	18,929,770
Fund balances, end of year	$ (22,033)	$ 10,965,324	$ 3,891,658	$ 14,834,949

The accompanying notes and independent auditor's report
should be read with these financial statements.

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

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

Net change in fund balances	$ (4,094,821)
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 assets over the estimated useful lives of the assets. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:	
Capital outlay	1,180,069
The issuance of long-term debt (such as bonds, leases, and developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Developer advance proceeds	(1,243,673)
Developer advance payments	1,614,404
Some items in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization of bond discount	(122,847)
Change in accrued interest on bonds payable	(936,540)
Change in accrued interest on developer advances	(22,650)
Change in net position	$ (3,626,058)

The accompanying notes and independent auditor's report should be read with these financial statements.

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(BUDGET AND ACTUAL)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 14,927	$ 14,927	$ -
Specific ownership taxes	597	604	7
Other revenue	-	202	202
Total revenues	15,524	15,733	209
EXPENDITURES			
Professional fees	100,135	64,560	35,575
Contingency	20,341	-	20,341
County Treasurer fees	224	224	-
Dues and subscriptions	500	413	87
Insurance	3,500	2,813	687
District management	37,800	14,706	23,094
Miscellaneous	1,500	-	1,500
Election	3,000	995	2,005
Website	3,000	3,592	(592)
Total expenditures	170,000	87,303	82,697
Excess of revenues over expenditures	(154,476)	(71,570)	82,906
OTHER FINANCING SOURCES AND USES			
Developer advance	151,751	47,612	(104,139)
Total other financing sources and uses	151,751	47,612	(104,139)
Net change in fund balance	$ (2,725)	(23,958)	$ (21,233)
Fund balance, beginning of year		1,925	
Fund balance, end of year		$ (22,033)	

The accompanying notes and independent auditor's report
should be read with these financial statements.

1. DEFINITION OF REPORTING ENTITY

Ledge Rock Center Commercial Metropolitan District ("District"), a quasi-municipal corporation and political I subdivision of the state of Colorado, was formed in December 2021, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Weld County, Colorado ("County"). The District was organized to construct public improvements including grading, roadway improvements, potable waterline improvements, sanitary sewer and storm drainage improvements, open space, parks and trails, infrastructure, and land. The District operates under a Service Plan approved by the Town of Johnstown ("Town") on September 8, 2021, as amended and restated on June 6, 2022, and again on March 18, 2024.

The District was organized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, repair, replacement, and operations and maintenance of the public improvements from the proceeds of debt that may be issued by the District and to provide for the ownership, operation, or maintenance by the Town or District where appropriate.

The District follows 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, and potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Material interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

Measurement focus, basis of accounting, and financial statement position

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 when they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The 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. 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* accounts for all financial resources of the District except those required to be accounted for in another fund.

The *debt service fund* accounts for the servicing of general long-term debt and revenues generated and received by the District that are required to be used for repayment of debt.

The *capital projects fund* accounts for financial resources to be used for the acquisition and construction of capital equipment and facilities.

Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures, fund balance remaining, 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 incurred expenditures in excess of appropriations for the year ended December 31, 2025 in the debt service fund, which may be a violation of state budget law.

Pooled cash and investments

The District follows the practice of pooling cash and investments of funds to maximize investment earnings. Except when required by trust or other agreements, 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 balance.

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 and attaches as an enforceable lien as of January 1 of the following year. The County Treasurer collects the taxes during the ensuing calendar year. The taxes are payable by April or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

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

Capital assets

Capital assets, which include property, equipment, and infrastructure assets (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 and a useful life greater than one year. Such assets are recorded at cost or estimated cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date of contribution.

Maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of depreciable assets, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is reflected in revenues or expenses.

Capital assets which are anticipated to be conveyed to other governmental entities are not depreciated or included in the calculation of net investment in capital assets component of the District's net position.

Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position and fund balances

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 balances

Fund balances for governmental funds are 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. 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:

The *nonspendable fund balance* is the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventories) or is legally or contractually required to be maintained intact.

The *restricted fund balance* is 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.

The *committed fund balance* is 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.

The *assigned fund balance* is 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.

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

For fund presentation purposes, 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.

General fund deficit

The general fund reported a fund balance deficit as of December 31, 2025. The deficit is expected to be eliminated with the receipt of property taxes in the future.

Use of estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The District has evaluated subsequent events through the date of the attached independent auditor's report, the date these financial statements were available to be issued.

New accounting pronouncement

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance. The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

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	$ 415,003
Cash and investments - restricted	14,331,926
	$ 14,746,929

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2025, are as follows:

Deposits with financial institutions	$ 417,703
Investments	14,329,226
	$ 14,746,929

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. The 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 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.

As of December 31, 2025, the District's cash deposits had a bank balance of $417,703 and a carrying balance of $417,703.

Investments

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

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

Colorado revised statutes limit investment maturities to five years or less unless otherwise 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 US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

Investment	Maturity	Amount
Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	$ 14,329,226

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust ("COLOTRUST" or "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 offers three portfolios: COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund in which each share is equal in value to $1, offer daily liquidity. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable net asset value ("NAV") local government investment pool, offers weekly liquidity and is managed to approximate a $10 transactional share price. COLOTRUST EDGE may invest in US Treasury securities, repurchase agreement collateralized by US Treasury securities, certain obligations of US 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 investment at fair value and the District records its investment in COLOTRUST at NAV as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, is as follows:

	Balance 01-01-25	Additions	Dispositions	Reclassifications	Balance 12-31-25
Governmental activities					
Capital assets, not depreciable:					
Land	$ 27,728,676	$ 1,180,069	$ -	$ -	$ 28,908,745
Construction in progress	42,177,456	-	-	-	42,177,456
Capital assets, not depreciable	$ 69,906,132	$ 1,180,069	$ -	$ -	$ 71,086,201

5. LONG-TERM OBLIGATIONS

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

	Balance 01-01-25	Additions	Repayments / Amortization	Balance 12-31-25	Due Within One Year
Governmental activities					
Bonds payable:					
Series 2022A Bonds	$ 66,815,000	$ -	$ -	$ 66,815,000	$ -
Series 2022B Bonds	9,189,000	-	-	9,189,000	-
Accrued interest on Series 2022B	1,012,909	936,540	-	1,949,449	-
Discount on Series 2022A Bonds	(1,681,303)	-	80,369	(1,600,934)	-
Discount on Series 2022B Bonds	(94,442)	-	42,478	(51,964)	-
Total bonds payable	75,241,164	936,540	122,847	76,300,551	-
Other long-term obligations:					
Developer advance - operating	294,161	47,612	-	341,773	-
Developer advance - capital	719,613	1,196,061	(1,614,404)	301,270	-
Accrued interest on developer advance - operating	28,953	26,666	-	55,619	-
Accrued interest on developer advance - capital	250,200	25,214	(29,230)	246,184	-
Total other long-term obligations	1,292,927	1,295,553	(1,643,634)	944,846	-
Total long-term obligations	$ 76,534,091	$ 2,232,093	$ (1,520,787)	$ 77,245,397	$ -

General Obligation Limited Tax Bonds, Series 2022A

The District issued General Obligation Limited Tax Bonds, Series 2022A ("Senior Bonds") on December 2, 2022, in the amount of $66,815,000.

Proceeds from the sale of the Senior Bonds were used for the purpose of: (a) paying or reimbursing project costs; (b) paying capitalized interest on the bonds; (c) funding a deposit to the surplus fund in the amount of the initial surplus deposit; and (d) paying certain costs incurred in connection with the issuance of the bonds. The Senior Bonds have no unused lines of credit.

The Senior Bonds were issued as four term bonds bearing interest at the rate of 6.500%, 7.125%, 7.375% and 7.000% per annum, respectively, payable to the extent of Senior Pledged Revenue on each May 1 and November 1, commencing on May 1, 2023. Annual mandatory sinking fund principal payments are due on each November 1, beginning November 1, 2027. The Senior Bonds mature on November 1, 2052.

To the extent principal of the Senior Bonds is not paid when due, such principal will remain outstanding until paid and continue to bear interest at the rate then borne by the bonds. To the extent interest on the Senior Bonds is not paid when due, such interest will compound on each interest payment date, at the rate then borne by the Senior Bonds. Principal and interest will be deemed paid and discharged on the termination date, November 2, 2062, regardless of the amount of principal and interest paid prior to the termination date. The Senior Bonds may be subject to acceleration pursuant to extraordinary mandatory redemption provisions as described in the indenture.

Senior pledged revenue

The Senior Bonds are secured by and payable solely from and to the extent of senior pledged revenue derived by the District from the following sources: the senior required mill levy; the portion of the specific ownership tax which is collected as a result of imposition of the senior required mill levy; credit PIF revenue; add-on PIF Revenue; and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the trustee for application as senior pledged revenue.

Senior required mill levy

The senior required mill levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but (i) not in excess of 5 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2021), and (ii) for so long as the surplus fund is less than the maximum surplus amount, not less than 5 mills (as adjusted) or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the surplus fund up to the maximum surplus amount.

Surplus fund

The Senior Bonds are also secured by the surplus fund which was partially funded in the amount of the initial deposit of $6,497,000 from proceeds of the Senior Bonds. In addition to the initial deposit to the surplus fund, senior pledged revenue that is not needed to pay debt service of the Senior Bonds in any year will be deposited to and held in the surplus fund, up to the maximum surplus amount of $13,363,000. The surplus fund is to be maintained for so long as any senior bond is outstanding and is pledged to the payment of the Senior Bonds.

Optional redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on November 1, 2029, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
November 1, 2029 to October 31, 2030	3.00%
November 1, 2030 to October 31, 2031	2.00%
November 1, 2031 to October 31, 2032	1.00%
November 1, 2032 and thereafter	0.00%

Events of default of the Senior Bonds

Events of default occur if the District fails to impose the senior required mill levy, or to apply the senior pledged revenues as required by the senior indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the senior indenture.

The District's long-term obligations on the Senior Bonds mature as follows:

Years Ending December 31,	Principal	Interest	Total
2026	$ -	$ 4,820,863	$ 4,820,863
2027	425,000	4,820,863	5,245,863
2028	505,000	4,793,238	5,298,238
2029	595,000	4,760,413	5,355,413
2030	685,000	4,721,738	5,406,738
2031 - 2035	5,085,000	22,784,331	27,869,331
2036 - 2040	8,790,000	20,500,769	29,290,769
2041 - 2045	14,140,000	16,647,250	30,787,250
2046 - 2050	21,915,000	10,442,769	32,357,769
2051 - 2052	14,675,000	1,738,672	16,413,672
Total	$ 66,815,000	$ 96,030,906	$ 162,845,906

Subordinate Limited Tax General Obligation Bonds, Series 2022B

The District issued the Subordinate Limited Tax General Obligation Bonds, Series 2022B ("Subordinate Bonds") on December 2, 2022, in the amount of $9,189,000.

Proceeds from the sale of the Subordinate Bonds are being used for the purpose of (a) paying or reimbursing project costs; and (b) paying certain costs incurred in connection with the issuance of the bonds. The Subordinate Bonds have no unused lines of credit.

The Subordinate Bonds were issued bearing interest at the rate of 9.250% per annum, respectively, payable to the extent of subordinate pledged revenue on each December 1, commencing on May 1, 2023. Annual mandatory sinking fund principal payments are due on each December 1, beginning December 1, 2023. The Subordinate Bonds mature on December 1, 2052. The bonds are structed as cash flow bonds meaning that there are no scheduled payments of principal or interest and the annual debt service requirements are determined based on the availability of pledged revenue.

To the extent principal of any Subordinate Bonds is not paid when due, such principal will remain outstanding until paid and continue to bear interest at the rate then borne by the bond. To the extent interest on any Subordinate Bonds is not paid when due, such interest will compound on each interest payment date, at the rate then borne by the Subordinate Bonds. Principal and interest will be deemed paid and discharged on the termination date, December 2, 2062, regardless of the amount of principal and interest paid prior to the termination date. The Subordinate Bonds may be subject to acceleration pursuant to extraordinary mandatory redemption provisions as described in the indenture.

Optional redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2029, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
December 1, 2029 to November 31, 2030	3.00%
December 1, 2030 to November 31, 2031	2.00%
December 1, 2031 to November 31, 2032	1.00%
December 1, 2032 and thereafter	0.00%

Subordinate pledged revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of subordinate pledged revenue derived by the District from the following sources: the subordinate required mill levy; the portion of the specific ownership tax which is collected as a result of imposition of the subordinate required mill levy; subordinate credit PIF revenue; subordinate add-on PIF revenue, excess surplus fund amount; and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the trustee for application as pledged revenue.

The subordinate required mill levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Subordinate Bonds as they come due, but not in excess of 5 mills less the senior bond mill levy (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2021).

Events of default of the Subordinate Bonds

Events of default occur if the District fails to impose the subordinate required mill levy, or to apply the subordinate pledged revenues as required by the subordinate indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the subordinate indenture.

Funding and reimbursement agreement

The District has approved a Multiple-Year Funding and Reimbursement Agreement (“FRA”) with Ledge Rock Center, LLC, a Kansas limited liability company (“Developer”) with an effective date of December 14, 2021. The FRA sets forth the terms upon which the Developer is to advance funds to the District to pay, or will directly pay, its ongoing operations, maintenance, and administrative expenses which enable it to provide administrative and operations services for itself on a periodic basis as needed from the date of the FRA up to an aggregate amount of $1,000,000 upon written notice from the District.

The FRA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each advance from the date such loan amount is made to the District, until paid. At December 31, 2025, there was $341,773 in unpaid principal and $55,619 in unpaid interest.

Advance and reimbursement agreement - joint

The District has approved a Multiple-Year Advance and Reimbursement Agreement (“ARA”) with the Developer with an effective date of December 14, 2021. The ARA sets forth the terms upon which the Developer is to advance funds to the District to for formation and organization costs, construction, installation, and acquisition of public improvements as needed from the date of the ARA up to an aggregate amount of $173,785,000.

The ARA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each advance from the date such loan amount is made to the District, until paid. At December 31, 2025, there was $301,270 in unpaid principal and $246,184 in unpaid interest.

Advance and reimbursement agreement

The District has approved a Multiple-Year Advance and Reimbursement Agreement (“ARA2”) with Ledge Rock Center Residential Metropolitan District No. 1, Ledge Rock Center Residential Metropolitan District No. 2, and the Developer with an effective date of December 14, 2021. The ARA2 sets forth the terms upon which the Developer is to advance funds to the District to for formation and organization costs, construction, installation, and acquisition of public improvements as needed from the date of the ARA2 up to an aggregate amount of $173,785,000.

The ARA2 provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each advance from the date such loan amount is made to the District, until paid. At December 31, 2025, there was $0 advanced under this agreement.

Funding and reimbursement agreement - joint

The District has approved a Multiple-Year Funding and Reimbursement Agreement ("FRA") with the Developer, Ledge Rock Center Residential Metropolitan District No. 1, and Ledge Rock Center Residential Metropolitan District No. 2, with an effective date of December 14, 2021. The FRA sets forth the terms upon which the Developer is to advance funds to the District to pay, or will directly pay, its ongoing operations, maintenance, and administrative expenses which enable it to provide administrative and operations services for itself on a periodic basis as needed from the date of the FRA up to an aggregate amount of $500,000 upon written notice from the District.

The FRA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each advance from the date such loan amount is made to the District, until paid. At December 31, 2025, there was $0 in unpaid principal and $0 in unpaid interest.

Authorized debt

On November 2, 2021, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $3,128,133,600 at an interest rate not to exceed 8% per annum. As of December 31, 2025, the District had authorized but unissued electoral indebtedness of $3,052,129,600.

As set forth in the District's Service Plan, the Town has limited the amount of debt to be issued by the District to a total of $204,894,000 without further approval by the City. The District may levy up to 25.000 mills, as adjusted, for debt service and 25.000 mills, as adjusted, for general operations and administrative expenses due to the ongoing operations and maintenance to be undertaken by the District. As of December 31, 2025, the District has had authorized but unissued service plan indebtedness of $128,890,000.

6. NET POSITION

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

Restricted net position includes balances with external restrictions 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:

Restricted net position:	
Emergency reserve (Note 11)	$ 2,700
Capital projects	7,319
	$ 10,019

7. AGREEMENTS

District/Developer operations and maintenance agreement

The District entered into a District/Developer Operations and Maintenance Agreement ("O&M Agreement") with the Developer, effective March 18, 2024. Under the terms of the O&M Agreement, the Developer agrees to operate and maintain certain public improvements within the District to a defined Maintenance Standard, which includes maintaining landscaping, pedestrian walkways, public plazas, parking facilities, and other infrastructure in first-class condition consistent with the original installation specifications approved by the Town. The Developer is responsible for collecting and applying common area maintenance charges to fund these activities. The agreement also outlines the Developer's obligation to provide annual maintenance reports and budgetary information to the District, which in turn submits these to the Town.

Operations and maintenance agreement – amended and restated

The District entered into an Amended and Restated Operations and Maintenance Intergovernmental Agreement (“O&M IGA”) with the Town, effective March 18, 2024. The agreement outlines the District’s obligation to operate and maintain certain public improvements within the Ledge Rock Center Commercial development to a defined maintenance standard, which includes landscaping, pedestrian walkways, public plazas, parking facilities, and other infrastructure. The District may contract with the Developer to perform these duties, subject to Town approval.

The O&M IGA requires the District to submit annual maintenance reports and budgets to the Town, and to appropriate sufficient funds to maintain the improvements. If the District fails to meet its obligations, the Town may perform corrective work and seek reimbursement. In such cases, the District must reimburse the Town within 30 days of notice, or certify a mill levy not to exceed 20 mills to cover the costs. Interest on unpaid reimbursements accrues at the statutory rate until paid.

The agreement remains in effect unless terminated by mutual written consent and includes provisions for inspection rights, indemnification, insurance, and dispute resolution through mediation.

Development and reimbursement agreement

The District, the Developer and The Town entered into a Development and Reimbursement Agreement, dated, February 18, 2022, as amended on April 18, 2022, September 12, 2022, and January 18, 2023 (Collectively, "DRA"). The DRA, outlines the development obligations and the funding plan for the purpose of construction and/or acquisition of public improvements.

Improvement acquisition agreement

The District has approved an Improvement Acquisition Agreement, with an effective date of December 14, 2021 (“IAA”) with the Developer, setting forth the rights, obligations and procedures for the acquisition of public improvements from the Developer and for the reimbursement by the District to the Developer of costs related to public improvements.

8. RELATED PARTIES

The developers of the property within the District are Ledge Rock Center, LLC and Carson Development Inc. The members of the board of directors are officers, employees, or associated with the developers and may have conflicts of interest in dealing with the District.

9. ECONOMIC DEPENDENCY

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

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 ("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, 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.

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 within the state of Colorado.

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. On November 2, 2021, the District's voters approved a ballot issue allowing the District to retain all revenues.

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.

District management believes the District 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 likely 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.

On May 5, 2026, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S. for 2026 and all future budget years. 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.

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SUPPLEMENTARY INFORMATION

LEDGE ROCK CENTER COMMERCIAL 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	Variance
REVENUES			
Property taxes	$ 14,927	$ 14,927	$ -
Specific ownership taxes	597	605	8
Interest income	630,000	520,052	(109,948)
PIF revenue	1,100,000	1,719,706	619,706
Total revenues	1,745,524	2,255,290	509,766
EXPENDITURES			
Contingency	10,414	-	10,414
County Treasurer fees	224	224	-
PIF collection fees	16,500	31,614	(15,114)
Trustee fees	2,000	7,000	(5,000)
Bond interest payments	4,820,862	4,820,863	(1)
Total expenditures	4,850,000	4,859,701	(9,701)
Net change in fund balance	$ (3,104,476)	(2,604,411)	$ 500,065
Fund balance, beginning of year		13,569,735	
Fund balance, end of year		$ 10,965,324	

The accompanying notes and independent auditor's report
should be read with these financial statements.

LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT

CAPITAL PROJECTS FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual	Variance
REVENUES			
Interest income	$ 200,000	$ 166,474	$ (33,526)
Total revenues	200,000	166,474	(33,526)
EXPENDITURES			
Capital outlay	8,693,006	1,180,069	7,512,937
Contingency	500,300	-	500,300
Developer payment	-	3,161	(3,161)
Engineering	40,000	2,123	37,877
Professional fees	72,000	-	72,000
Total expenditures	9,305,306	1,185,353	8,119,953
Excess of revenues over expenditures	(9,105,306)	(1,018,879)	8,086,427
OTHER FINANCING SOURCES AND USES			
Developer advance	8,612,000	1,196,061	(7,415,939)
Developer advance repayment	(8,500,000)	(1,643,634)	6,856,366
Total other financing sources and uses	112,000	(447,573)	(559,573)
Net change in fund balance	$ (8,993,306)	(1,466,452)	$ 7,526,854
Fund balance, beginning of year		5,358,110	
Fund balance, end of year		$ 3,891,658	

The accompanying notes and independent auditor's report should be read with these financial statements.