

**COLORADO EDUCATIONAL AND
CULTURAL FACILITIES AUTHORITY**

Financial Statements As Of
September 30, 2025

Together With Independent Auditors' Report

JDS professional
group
certified public accountants, consultants and advisors

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
YEAR ENDED SEPTEMBER 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Colorado Educational and Cultural Facilities Authority:

Opinion

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Colorado Educational and Cultural Facilities Authority (the "Authority") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority'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 business-type activities and discretely presented component unit of the Colorado Educational and Cultural Facilities Authority, as of September 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our 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 Authority'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.

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Independent Auditors' Report (Continued)**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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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.

Independent Auditors' Report (Continued)**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financials statements. The schedule of budget and actual revenues and expenses and schedules of combining financial statements are 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. The information has been subjected to the auditing procedures applied in the audit of the basic financials 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 schedule of budget and actual revenues and expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

JDS Professional Group

April 15, 2026

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025 AND 2024**

As management of the Colorado Educational and Cultural Facilities Authority (the "Authority"), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2025. This overview and analysis are required by accounting principles generally accepted in the United States of America ("GAAP") in Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements, and Management's Discussion and Analysis for State and Local Governments ("GASB 34").

FINANCIAL HIGHLIGHTS

The Authority's net position increased from \$6,002,678 to \$6,925,654 for the year ending September 30, 2025, which is an increase of \$922,976.

The dollar amount of bonds issued by the Authority over the last three fiscal years was:

FY 2022-2023: \$208,939,060

FY 2023-2024: \$288,502,165

FY 2024-2025: \$590,083,611

Total operating revenues for the year ended September 30, 2025, were \$1,800,832, which was an increase of \$764,094 over the prior year's operating revenues.

Initial Fee revenues were \$787,137 which was \$300,691 higher than the previous year. Annual Fee revenue was \$975,424 which was an increase of \$407,132 from the previous year. Management Fee revenue was \$38,271 which was an increase of \$38,271 from the previous year.

For the year ended September 30, 2025, total operating expenses including project financing costs totaled \$1,111,018, which was \$239,104 higher than the previous year, due to increases in proportional payments that are keyed off of initial fee revenue. For example, project financing costs (legal and financial advisors), which are related to the number, type and dollar volume of transactions completed, totaled \$351,557 for the current fiscal year. This was \$53,957 higher than in the prior year.

Operating expenses other than project financing costs increased from \$574,314 in the prior fiscal year to \$759,461 in the current fiscal year, an increase of \$185,147 primarily related to increased salaries and benefits costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of two parts: Management's discussion and analysis, and the financial statements of the Authority. This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority is a body corporate and political subdivision of the State of Colorado established by state statute. The financial statements are presented in a manner similar to that of a private business, using the accrual basis of accounting.

The financial statements report information for all Authority operations. The required financial statements are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows. The Statement of Net Position includes the Authority's assets, liabilities, and net position. Increases and decreases in net position can serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall position of the Authority.

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025 AND 2024**

All of the revenues and expenses of the Authority are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Revenues, Expenses, and Changes in Net Position reports the changes that have occurred during the year to the Authority's net position. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of related cash flows.

The Statement of Cash Flows is concerned solely with inflows and outflows of cash and cash equivalents. Only transactions that affect the Authority's cash position are reflected in this statement. Transactions are segregated and reported in two sections on the statement: (1) cash flows from operating activities, and (2) cash flows from investing activities. The Authority has no cash flows from noncapital financing activities or cash flows from capital and related financing activities.

FINANCIAL ANALYSIS OF THE AUTHORITY

Statement of Net Position

The net position of the Authority increased by \$922,976 since September 30, 2024. The following table summarizes the changes in assets, liabilities and net position between September 30, 2025 and 2024 and September 30, 2024 and 2023:

	2025	2024	Change	2024	2023	Change
Current assets	\$ 4,275,412	\$ 3,599,978	\$ 675,434	\$ 3,599,978	\$ 3,131,762	\$ 468,216
Other long-term assets	2,608,876	2,306,342	302,534	2,306,342	2,252,446	53,896
Capital assets, net	<u>247,044</u>	<u>258,859</u>	<u>(11,815)</u>	<u>258,859</u>	<u>270,674</u>	<u>(11,815)</u>
Total assets	<u>\$ 7,131,332</u>	<u>6,165,179</u>	<u>966,153</u>	<u>\$ 6,165,179</u>	<u>5,654,882</u>	<u>510,297</u>
Current liabilities	<u>205,678</u>	<u>162,501</u>	<u>43,177</u>	<u>162,501</u>	<u>150,765</u>	<u>11,736</u>
Investment in capital assets	247,044	258,859	(11,815)	258,859	270,674	(11,815)
Unrestricted	<u>6,678,610</u>	<u>5,743,819</u>	<u>934,791</u>	<u>5,743,819</u>	<u>5,233,443</u>	<u>510,376</u>
Total net position	<u>\$ 6,925,654</u>	<u>\$ 6,002,678</u>	<u>\$ 922,976</u>	<u>\$ 6,002,678</u>	<u>\$ 5,504,117</u>	<u>\$ 498,561</u>

Capital assets, net, consists of an office building owned by the Authority and related accumulated depreciation. The decrease of \$11,815 in both 2025 and 2024, represents depreciation expense recognized in each year.

The Authority's net position is impacted by Board policy regarding reserves. The Board modified its reserve policy on September 25, 2024, to revise metrics and purposes for its reserve funds. In view of uncertainties as to future changes in federal or state law that could adversely affect the ability of the Authority to issue tax-exempt obligations, competition from other issuers, fluctuations in the marketability of tax-exempt bonds, and other scenarios, the Authority affirmed an Operating Reserve goal sufficient to fund approximately three years of the Authority's typical operating expenses.

The Authority has also determined that an Office Reserve should be maintained for contingencies related to the Authority's office. Expenses could include expenditures for office and computer equipment, building maintenance and upgrades, property taxes, etc. The Authority has affirmed that approximately \$100,000 would be an adequate reserve to fund these costs. This amount equals the prior office reserve fund that was established to facilitate the Authority's move from its prior office space.

Third, the Authority increased its Litigation/Legislation Reserve to \$1,000,000 for expenses that could be incurred by the Authority in the event of a pending or actual payment or covenant default by an institution, which was financed through the Authority.

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025 AND 2024**

Fourth, To ensure sufficient funds remain available as obligated under the Severance Pay Agreement between the Authority and Mark Heller dated July 5, 2024 (which is intended by the parties to serve as a settlement agreement pursuant to Section 24-19-105, Colorado Revised Statutes), funds equaling one full year of Mr. Heller's full salary and benefits as of the date of severance shall be reserved. This reserve shall be automatically updated at the beginning of each fiscal year to reflect changes in salary and benefits.

Fifth, the Authority allocated any remaining reserve balance for the creation of new grant, loan, and other programming permitted by the CECFA statute.

These reserves may be expended as necessary or appropriate in the operations of the Authority with prior, specific approving action by the Board of Directors and at its sole discretion.

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes the changes in revenues and expenses between September 30, 2025 and September 30, 2024:

	2025		2024		Variance
REVENUES					
Annual Service Fees	\$ 975,424		\$ 568,292		\$ 407,132
Initial Fees	787,137		486,446		300,691
Management Fees	38,271				38,271
Investment Income	<u>233,162</u>		<u>315,737</u>		<u>(82,575)</u>
Total Revenue	2,033,994		1,370,475		663,519
EXPENSES					
Project Financing Costs	351,557		297,600		53,957
Operating Expenses					
General and Administrative	492,237		367,749		124,488
Professional Services	113,386		101,445		11,941
Depreciation Expense	11,815		11,815		-
Other Expenses	<u>142,023</u>		<u>93,305</u>		<u>48,718</u>
Total Expenses	<u>1,111,018</u>		<u>871,914</u>		<u>239,104</u>
Change in Net Position	922,976		498,561		424,415
Net Position - Beginning of Year	<u>6,002,678</u>		<u>5,504,117</u>		<u>498,561</u>
Net Position - End of Year	\$ <u>6,925,654</u>		\$ <u>6,002,678</u>		\$ <u>922,976</u>

Project financing costs, salary and benefits, and professional service expenses are the major expense categories. Project financing costs reflect the payments made to the Authority's counsel and financial advisor with respect to each new bond issue. Project financing costs relate directly to the type of transactions and dollar volume of bonds issued during the year.

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025 AND 2024**

Statement of Revenues, Expenses and Changes in Net Position (Continued)

The following table summarizes the changes in revenues and expenses between September 30, 2024 and September 30, 2023:

	2024	2023	Variance
REVENUES			
Annual Service Fees	\$ 568,292	\$ 567,621	\$ 671
Initial Fees	486,446	422,778	63,668
Investment Income	<u>315,737</u>	<u>156,329</u>	<u>159,408</u>
 Total Revenue	 1,370,475	 1,146,728	 223,747
 EXPENSES			
Project Financing Costs	297,600	286,736	10,864
Operating Expenses			
General and Administrative	367,749	317,845	49,904
Professional Services	101,445	80,439	21,006
Depreciation Expense	11,815	11,815	-
Other Expenses	<u>93,305</u>	<u>104,273</u>	<u>(10,968)</u>
Total Expenses	<u>871,914</u>	<u>801,108</u>	<u>70,806</u>
 Change in Net Position	 498,561	 345,620	 152,941
 Net Position - Beginning of Year	 <u>5,504,117</u>	 <u>5,158,497</u>	 <u>345,620</u>
 Net Position - End of Year	 \$ <u>6,002,678</u>	 \$ <u>5,504,117</u>	 \$ <u>498,561</u>

**COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025 AND 2024**

OTHER FINANCIAL ANALYSIS

Below is a comparison of the year ended September 30, 2025, budget compared to actual revenues and expenses:

Comparison of FY 2025 Budget to Actual Revenues and Expenses

	Budget	Actual	Variance
REVENUES			
Annual Service Fees	\$ 600,000	\$ 975,424	\$ 375,424
Initial Fees	300,000	787,137	487,137
Management Fees	-	38,271	38,271
Investment and Other Income	<u>175,000</u>	<u>233,162</u>	<u>58,162</u>
Total Revenue	1,075,000	2,033,994	958,994
EXPENSES			
Project Financing Costs	220,000	351,557	(131,557)
Operating Expenses			
General and Administrative	406,154	492,237	(86,083)
Professional Services	94,700	113,386	(18,686)
Depreciation Expense	-	11,815	(11,815)
Other Expenses	<u>139,380</u>	<u>142,023</u>	<u>(2,643)</u>
Total Expenses	<u>860,234</u>	<u>1,111,018</u>	<u>(250,784)</u>
Change in Net Position	\$ <u>214,766</u>	\$ <u>922,976</u>	\$ <u>708,210</u>

THE STANLEY PARTNERSHIP FOR ART, CULTURE, AND EDUCATION, LLC (SPACE)

Following the creation of SPACE in April, 2024 and the October 23, 2024 financing resolution authorizing bonds to acquire the Stanley Hotel and fund improvements, the Authority/SPACE engaged in daily negotiations with the then owner of the Stanley Hotel John Cullen, investment bank RBC, Sage Hospitality, and various advisors leading up to the financial closing of the transaction on May 15, 2025. The final par was approximately \$394 million dollars across five series of taxable and tax-exempt bonds. The Authority recouped at closing all of its expenses for the project through closing. However, the Authority was compelled to subordinate its \$100,000 per year issuer fee, its \$250,000/year (increasing at 3%/year) management fee, and SPACE's operating fees to below hotel operating expenses. Due to the extreme seasonality of the Stanley operations, this has meant that SPACE's monthly operating fees are paid out of the operating reserve fund during the off season, and that the Authority's annual fee and management fee are entirely unpaid during the off season but are recouped during the high season. While this is certainly not ideal, it is workable and hopefully temporary, as the overall project is intended to generate more business throughout the full year and reduce the seasonal fluctuations which should generate more consistent cash flow to pay all of the Authority's and SPACES's fees on time. Until this proves to be the case, the Authority will not commit this additional fee revenue to new programming that its recently expanded statutory scope might otherwise allow.

The bond financing included funds for purchase and improvements to the property. The purchase was accomplished on May 15, 2025. The improvement projects will include the following:

- Construction of a 68,000 sq. ft. event center with a 1,000-person theater
- A horror film museum and immersive experience curated by Blumhouse Productions
- Concerts, film festivals, workshops, and private/corporate events

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SEPTEMBER 30, 2025 AND 2024**

- Addition of 64 new hotel rooms via a connecting wing
- A new arrival experience with covered check-in and expanded lobby
- Conversion of the MacGregor Ballroom into an indoor-outdoor restaurant overlooking Rocky Mountain National Park
- Ongoing preservation and enhancement of the historic hotel

The event center construction began in September, 2024 and the hotel project began a few months later. Both projects are on schedule and meeting budget. The MacGregor ballroom conversion is also underway with completion anticipated by June, 2026.

Sage Hospitality was hired upon closing to manage the property. Various other project partners and occasional updates will be posted to the Authority's website at www.cecfa.org/space/

ECONOMIC FACTORS

The number of bond issues undertaken by the Authority in any year depends on many factors outside the control of the Authority, including tax laws and regulations, interest rates, borrowers' needs for capital facilities, bonds eligible for current refunding in that year, investor confidence, and borrower financial strength. Because of the unpredictability of the Authority's financings, the coming fiscal year's budget is conservative, projecting revenues based on only 10 transactions and stable interest rates and investment revenue.

The Authority's near future could be dramatically impacted in two very different ways. A positive change would be if the Stanley Project performs as expected, the Authority's annual revenue doubles, and due to its newly expanded scope, the Authority directs these new funds to new projects.

A strongly negative change would be if the Trump Administration and Congress eliminates or curtails tax-exempt bond financing. The Authority joined the Public Finance Network to successfully advocate for the preservation of tax-exempt bonds in the spring of 2025. We remain guardedly optimistic that tax-exempt bond financing will survive the current federal administration.

A wide range of other economic factors could negatively impact the Authority's traditional borrowers and the operation of the Stanley Hotel. These include the growing war against Iran, the impact of AI, the federal restrictions on immigration and the increasing difficulty in hiring foreign workers who used to fill low-paying hospitality jobs, the decrease of alcohol consumption which is a significant revenue line item for the Stanley Hotel, and the affordability crisis, which could negatively impact tourism to the Stanley Hotel. On the other hand, many of these same factors could actually enhance domestic tourism generally and visitation to the new and improved Stanley Hotel might increase. Time will tell.

REQUESTS FOR INFORMATION

This financial report is designed to give its readers a general overview of the Authority's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to: Executive Director, Colorado Educational and Cultural Facilities Authority, 1800 Glenarm Place, Suite 1201, Denver, CO 80202. For faster responses, readers should email questions to mheller@cecfa.org.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

Statement of Net Position
As Of September 30, 2025

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	Primary Government <u>CECFA</u>	Component Unit <u>SPACE</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 893,437	\$ 4,818,692
Accounts receivable	219,444	71,166
Lease receivable		785,447
Due from seller		2,491,426
Accrued interest receivable	23,262	
Inventory		443,128
Prepaid expenses and other assets	22,607	1,070,778
Investments	3,116,662	8,815,300
Total current assets	<u>4,275,412</u>	<u>18,495,937</u>
Noncurrent Assets:		
Investments	2,608,876	174,279,556
Capital assets:		
Land and construction in progress		39,619,836
Property and equipment, net	247,044	143,332,955
Total capital assets, net	<u>247,044</u>	<u>182,952,791</u>
Total noncurrent assets	<u>2,855,920</u>	<u>357,232,347</u>
TOTAL ASSETS	<u>\$ 7,131,332</u>	<u>\$ 375,728,284</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$</u>	<u>\$ 18,306,750</u>
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	\$ 19,460	\$ 1,703,673
Accrued expenses	75,432	1,351,809
Accrued interest payable		5,596,630
Retainage payable		245,244
Unearned revenues	110,786	2,544,403
Capital replacement reserve		721,046
Total current liabilities	<u>205,678</u>	<u>12,162,805</u>
Noncurrent Liabilities:		
Deferred cash payment		5,000,000
Bonds payable		385,339,168
Total noncurrent liabilities		<u>390,339,168</u>
Total Liabilities	<u>205,678</u>	<u>402,501,973</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$</u>	<u>\$ 734,320</u>
Net Position:		
Net investment in capital assets	247,044	(1,306,600)
Restricted		183,512,024
Unrestricted	6,678,610	(191,406,683)
Total net position	<u>6,925,654</u>	<u>(9,201,259)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 7,131,332</u>	<u>\$ 393,300,714</u>

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

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position
For The Years Ended September 30, 2025

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	Primary Government CECFA	Component Unit SPACE
Operating Revenues:		
Rooms, food and beverage and other sales, net	\$	\$ 14,912,184
Annual service fees	975,424	
Initial fees	787,137	
Management fees	38,271	
Other		1,186,511
Total operating revenues	1,800,832	16,098,695
Operating Expenses:		
Project financing costs	351,557	
Operating expense:		
General and administrative	492,237	6,054,924
Operations and maintenance		3,351,284
Professional services	113,386	
Depreciation and amortization expense	11,815	2,400,295
Other expenses	142,023	
Total operating expenses	1,111,018	11,806,503
 Net operating income	 689,814	 4,292,192
Nonoperating Revenue (Expense):		
Gain (loss) on investments	8,695	
Unrealized gain (loss) on investments	33,667	
Interest income	190,800	2,303,019
Interest expense		(10,426,881)
Debt issuance costs		(2,945,357)
Management fee		(1,074,458)
Other		(1,249,104)
Total nonoperating revenue (expense)	233,162	(13,392,781)
 CHANGE IN NET POSITION	 922,976	 (9,100,589)
 Net Position, Beginning Of Year	 6,002,678	 (100,670)
 NET POSITION, END OF YEAR	 \$ 6,925,654	 \$ (9,201,259)

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

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

Statements of Cash Flows
For The Years Ended September 30, 2025

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	Primary Government CECFA	Component Unit SPACE
Cash flows from operating activities:		
Cash received from institutions and sales	\$ 1,755,741	\$ 16,029,379
Cash paid to suppliers	(616,236)	(3,874,619)
Cash paid to employees	(466,255)	(4,007,959)
Net cash provided by operating activities	673,250	8,146,801
Cash flows from capital and related financing activities:		
Purchases of capital assets		(183,900,839)
Proceeds from bonds		390,115,000
Interest paid on long-term debt		(4,679,485)
Payments of bond issuance costs		(2,945,357)
Net cash provided by financing activities		198,589,319
Cash flows from investing activities:		
Purchases of investments	(2,315,713)	(185,200,447)
Proceeds from maturities and sales of investments	1,810,000	
Interest and dividends received	179,513	2,303,019
Cash paid for acquisition		(19,020,000)
Net cash (used in) investing activities	(326,200)	(201,917,428)
NET INCREASE IN CASH AND CASH EQUIVALENTS	347,050	4,818,692
Cash and Cash Equivalents, Beginning of Year	546,387	
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 893,437	\$ 4,818,692
Reconciliation of net operating income to net cash provided by operating activities:		
Operating income	\$ 689,814	\$ 4,292,192
Adjustments to reconcile net operating income to net cash:		
Depreciation and amortization expense	11,815	2,400,295
(Increase) decrease in accounts receivable	(57,207)	(71,166)
(Increase) decrease in lease receivable		(785,447)
(Increase) decrease in inventory		(443,128)
(Increase) decrease in due from seller		(2,491,426)
(Increase) decrease in prepaid expenses and other assets	(14,349)	(1,070,773)
Increase (decrease) in accounts payable	5,079	964,676
Increase (decrease) in accrued expenses	25,982	1,351,809
Increase (decrease) in unearned revenue	12,116	2,544,403
Increase (decrease) in capital replacement reserve		721,046
(Increase) decrease in deferred inflow of resources		734,320
Net cash provided by operating activities	\$ 673,250	\$ 8,146,801

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

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

Notes To Financial Statements
For the Years Ended September 30, 2025 and 2024

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(1) Reporting Entity

The Colorado Educational and Cultural Facilities Authority (the “Authority”) is a body corporate and political subdivision of the State of Colorado established pursuant to the Colorado Educational and Cultural Facilities Authority Act, Title 23, Article 15 of the Colorado Revised Statutes, as amended (the “Act”). Operations of the Authority commenced in 1981.

The Authority was created to facilitate alternative financial methods by which nonprofit educational and cultural institutions in Colorado may refund or refinance outstanding indebtedness and finance additional facilities and other capital expenditures. Statutory revisions during the 2000 legislative session expanded the mission of the Authority to include financing for out-of-state networks and organizations, as long as the financing provides benefits to the citizens of Colorado.

The tax-exempt revenue bonds and notes or other obligations issued by the Authority do not constitute a debt of the Authority, the State of Colorado, its legislature, or any political subdivision. Such obligations are the liability of the educational or cultural institution for which the bonds are issued and are payable solely by the borrowing institution or third-party credit enhancers, such as bond insurance companies or issuers of letters of credit. Each January the Authority provides the State Auditor with statutorily required reports on financial operations and the Moral Obligation credit enhancement program.

The Authority’s Board of Directors (the “Board”) consists of seven members, each appointed by the Governor of Colorado with the consent of the Senate. Ultimate authority and responsibility for the activities of the Authority rest with the Board. The Authority is a special purpose governmental entity reporting as a primary government as defined by Governmental Accounting Standards Board (GASB) pronouncements. The Authority has determined and considered all potential component units. The accompanying financial statements present the Authority and its discretely presented component unit, the Stanley Partnership for Art Culture and Education, LLC (SPACE), a Colorado limited liability company, for which the Authority is considered to be financially accountable. SPACE has a December 31 year-end, however, has been incorporated as of September 30, 2025. Separate audited financial statements for SPACE as of December 31, 2025, may be obtained by contacting the Authority.

SPACE is a limited liability company created in 2024, as a wholly owned subsidiary of the Authority, for the acquisition and revitalization of the Stanley Project and the related ownership and contracting for the Stanley Hotel.

The Authority has implemented GASB Statement No. 61, *The Financial Statement Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34*, and believes that SPACE is included as a discrete component unit in the Authority’s financial statements because of the Authority’s ability to appoint SPACE’s governing authority and approve the budget and its revision, however, the Authority does not have any responsibilities to fund SPACE operating deficiencies or deficits.

(2) **Summary Of Significant Accounting Policies**

Measurement Focus, Basis of Accounting and Basis of Presentation

The Authority reports its financial activities on the basis of the governmental proprietary fund accounting concept as a single-column business-type activity, using the economic resources measurement focus and the accrual basis of accounting. This means that revenues are recognized when earned, and expenses are recognized when a liability is incurred on the accrual basis regardless of the timing of related cash flows. The focus of proprietary funds is on the measurement of net income and allows for the reporting of all assets and liabilities of the Authority. The Authority does not have any fiduciary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expense result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The revenues and expenses related to continuing operations of the Authority are reported as operating income. The nonoperating revenues and expenses in these financial statements result primarily from financing and investment activity.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents consist of demand deposits and all short-term marketable securities with original maturities of ninety days or less. Certificates of deposit with maturities greater than ninety days are reported as investments.

Inventories and Prepaid Expenses

Inventories primarily consist of food, beverages and operating supplies (guest amenities, linens) and are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The consumption method is used to recognize expense in the period service is provided.

Restricted Assets

Resources set aside for repayment of debt and construction of various projects are classified as restricted on the statement of net position because their use is limited by applicable debt covenants and/or as mandated by indenture. As of September 30, 2025, SPACE's total investments of \$183,094,856 are considered restricted for future debt service and project construction.

(2) **Summary Of Significant Accounting Policies** (Continued)

Capital Assets

Capital assets are reported at cost. Depreciation of capital assets is computed on the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss included in the results of operations. It is the Authority’s policy to capitalize expenditures for items in excess of \$5,000 and an estimated useful life of more than one year.

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

	<u>Estimated Useful Lives</u>
Building (Authority)	30 years
Building (SPACE)	40 years
Furniture and Equipment (SPACE)	10 years

Repairs and maintenance charges which do not increase the useful lives of the assets are charged to operations as incurred. Assets are assessed for impairment annually; there were no impaired assets during the year ended September 30, 2025.

Leases

As Lessor, SPACE recognizes a lease receivable and deferred inflow of resources on the statement of net position. At the commencement of the lease, SPACE initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue on a straight-line basis over the life of the lease term. Variable lease payments based on future performance of the lessee are not included in the lease receivable calculations but are recognized as inflows of resources in the period in which those payments occur.

Key estimates and judgments include how SPACE determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts. SPACE uses the market rate of interest at the lease’s inception as the discount rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lease.

(2) **Summary Of Significant Accounting Policies** (Continued)

Leases (Continued)

SPACE monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Unearned Revenue

Payments received before eligibility requirements have been met must be matched by a corresponding liability for unearned revenue. Unearned revenue represents annual service fees collected in advance of the months to which they relate, guest reservations/room deposits paid in advance of stay and tour tickets purchased in advance of the scheduled tour.

Compensated Absences

Authority employees receive paid time off which includes vacation, sick leave and personal time. Paid time off accrues from the first day of employment at a rate based on the tenure of the employee's year of employment. No more than 31 days may be accumulated at any point in time. Accrued paid time off balances are paid upon termination up to the maximum allowed. Liabilities related to compensated absences are included in accrued expenses.

Long-Term Obligations

Bond insurance costs are prepaid and amortized over the term of the bonds. All other debt issuance costs are reported as expenses in the period incurred. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Long-term liabilities are reported net of the applicable debt premium or discount.

Deferred Inflows and Outflows of Resources

A deferred outflow of resources is a consumption of net assets that is applicable to future reporting periods.

The Authority accounts for acquisitions in accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, wherein assets acquired and liabilities assumed are generally measured at their acquisition values at the date of acquisition. If the consideration provided exceeds the net position acquired, the difference is recorded as a deferred outflow of resources. As of September 30, 2025, SPACE has recorded a deferred outflow of resources for its acquisition of the Stanley Hotel, which is amortized over 10 years.

A deferred inflow of resources is an acquisition of net assets that is applicable to future reporting periods.

(2) **Summary Of Significant Accounting Policies** (Continued)

As of September 30, 2025, SPACE has recorded a deferred inflow of resources related to a lease that is reported in accordance with GASB Statement No. 87, *Leases*.

General Budget Policies And Procedures

The Authority adopts its budget annually on a basis consistent with generally accepted accounting principles (GAAP). Revenues are forecasted by source and expenses are forecasted by object of expenditure. The Board approves modifications to the budget during the fiscal year. During 2025 the original budget was not amended.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition - Authority

Initial fees are received from institutions at the inception of each bond issue. The initial fee covers direct expenses such as legal and financial advice incurred in connection with the issuance of the bonds. The Authority determines the amount of the initial fee based on the size of the transaction. The rates for transactions which qualify for the Small Borrower program are lower than standard rates.

At the time their application is submitted, institutions pay an application fee which is non-refundable. If the transaction closes, the application fee is credited against the amount of the initial fee, which is payable at closing from the proceeds of the bond issue.

Annual fees are charged to borrowers each calendar year, and are billed semi-annually from January through June, and July through December. One-twelfth of the amounts billed are recognizable as income each month. The Board reviews fees each year and with the last additional increase effective July 1, 2018.

(2) **Summary Of Significant Accounting Policies** (Continued)

Net Position

Net position results from the accumulation of net earnings from operating income and nonoperating revenues and expenses, and are classified in the financial statements as follows:

Investment in Capital Assets - The investment in capital assets consists of capital assets, net of accumulated depreciation.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This classification includes the residual net position that does not meet the classification of “investment in capital assets” or “restricted.”

When both restricted and unrestricted resources are available for use, it is the Authority’s practice to use restricted resources first, then unrestricted resources as they are needed.

Subsequent Events

Management has performed an evaluation of subsequent events through April 15, 2026, which is the date the financial statements were available to be issued, and considered any relevant matters in the preparation of the financial statements.

(3) **Cash And Investments**

Cash

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government, and entities such as the Authority, 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 the aggregate uninsured deposits.

The State Regulatory Commissions 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.

(3) **Cash And Investments** (Continued)

For deposits, custodial credit risk is the risk that in the event of a bank failure the Authority's deposits might not be returned. Each of the Authority's accounts are either insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized in accordance with the State of Colorado Public Deposit Protection Act. The cash demand deposits are held at financial institutions where deposits are insured up to \$250,000 per institution by the FDIC.

Investments

The Authority's investment policy specifies investment instruments meeting defined rating, maturity and risk criteria, which includes the following:

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

Deposits and investments of the Authority are made in accordance with deposit and investment guidelines authorized by State statute and pursuant to an investment policy adopted by the Board.

The Authority categorizes its fair value measurements with the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets.

Level 2 inputs include prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Securities that are categorized as Level 2 include certificates of deposit.

Interest Rate Risk: Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. The Authority's investment policy limits investment maturities to no longer than 5 years and an average life no longer than 3 years.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

(3) **Cash And Investments** (Continued)

As of September 30, 2025, the Authority had the following investments:

<u>Investment type</u>	<u>Fair Value</u>	<u>Measurement</u>	<u>Rating</u>	<u>Maturity</u>
Certificates of deposit	\$ 1,135,218	Fair Value Level 2	None	Less than 1 year
Certificates of deposit	2,608,876	Fair Value Level 2	None	1 - 5 years
CSAFE	1,981,444	Net Asset Value	AAAf	Less than 1 year
Total	<u>\$ 5,725,538</u>			

Concentration of Credit Risk: The Authority does not have a policy that addresses specific limitations on the amount that can be invested in any one issuer. As of September 30, 2025, the Authority’s investments were concentrated 65% in certificates of deposit and 35% in local government investment pools as described below.

Local Government Investment Pools

The Authority has invested in the Colorado Surplus Asset Fund Trust (CSAFE) and the CSAFE Core Fund (the “Trusts”). SPACE has invested in CSAFE. The Trusts are investment vehicles 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 Trusts operate similarly to a money market fund. CSAFE is measure at net asset value per share, with each share valued at \$1.00. CSAFE Core Fund is measure at net asset value per share, with each share valued at \$2.00. 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 Trusts. Both CSAFE and the CSAFE Core Funds are rated AAAf by Fitch Ratings. For CSAFE, there are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. For CSAFE Core Fund, there are no unfunded commitments, the redemption frequency is limited to three redemptions per month with a redemption notice of one business day. As of September 30, 2025, the Authority had invested \$389,651 in CSAFE and \$1,591,793 in CSAFE Core Fund. As of September 30, 2025, SPACE had invested \$8,815,301 in CSAFE. Combined investment in the Trusts for the year ended September 30, 2025, represented 35% of the Authority’s total investment portfolio. CSAFE investment for the year ended September 30, 2025, represented 5% of SPACE’s total investment portfolio.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

(3) **Cash And Investments** (Continued)

Deposits and investments of SPACE are made in accordance with deposit and investment guidelines authorized by State statute and those permitted by the bond indenture and held with the trustee as described in Note 6.

As of September 30, 2025, SPACE had the following investments:

<u>Investment type</u>	<u>Fair Value</u>	<u>Measurement</u>	<u>Rating</u>	<u>Maturity</u>
GIC NAF 4.49%	\$ 37,503,271	Fair Value Level 2	A-	1 - 5 years
GIC NAF 4.52%	106,673,784	Fair Value Level 2	A-	1 - 5 years
GIC SG 4.982%	30,102,500	Fair Value Level 2	A-	> 5 years
CSAFE	8,815,301	Net Asset Value	AAAf	Less than 1 year
Total investments	<u>183,094,856</u>			
Cash held at Trustee	417,167			
Total restricted cash and investments	<u>\$ 183,512,023</u>			

Per the trust indenture (Note 7), SPACE purchased investments from bond proceeds and entered into two guaranteed investment contracts (GIC) with two separate providers. SPACE holds GICs with Societe Generale, New York Branch (SG) and Nomura Corporate Funding Americas, LLC (NAF). On May 15, 2025, bonds proceeds of \$30,102,500 and \$151,098,281, were transferred to SG and NAF, respectively, from the CECFA Series 2025A-1, 2025A-2 and 2025B bonds as the initial cost basis of the contracts. These contracts are non-participating interest-earning investment contracts. These contracts are reported at amortized cost, which approximates fair value.

Concentration of Credit Risk: SPACE does not have a policy that addresses specific limitations on the amount that can be invested in any one issuer. As of September 30, 2025, SPACE's investment in NAF GIC and SG GIC represent 79% and 16%, respectively, of SPACE's total investment portfolio.

(4) **Accounts Receivable**

The Authority's receivables are owed by a small number of institutions. Generally, the Authority does not require collateral or other security to support institution receivables.

As of September 30, 2025, \$2,491,426 was due to SPACE from the seller of the Stanley Hotel as part of the post-closing true-up and prorations for acquired assets and liabilities at the time of purchase. This amount was fully received subsequent to year-end.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

(5) **Lease Receivable**

Upon its acquisition of the Stanley Hotel, SPACE assumed a commercial lease originally executed in June 2019, with a tenant, which was extended through January 1, 2028. Equal monthly lease payments commenced July 1, 2021 and are due in advance through the term. Two additional commercial leases exist with variable payments only. Variable lease payments of \$118,790 were received during the year ended September 30, 2025, which are not included in the lease receivable

(6) **Capital Assets**

Capital asset activity for the Authority for the year ended September 30, 2025, was as follows:

	Balance September 30, 2024	Additions	(Deletions)	Balance September 30, 2025
Capital assets, being depreciated				
Building	\$ 354,364	\$	\$	\$ 354,364
Less:				
Accumulated depreciation	(95,505)	(11,815)		(107,320)
Total Capital Assets, net	<u>\$ 258,859</u>	<u>\$ (11,815)</u>	<u>\$</u>	<u>\$ 247,044</u>

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

(6) **Capital Assets** (Continued)

Capital asset activity for SPACE for the year ended September 30, 2025, was as follows:

	Balance September 30, 2024	Additions	(Deletions)	Balance September 30, 2025
Capital assets, not being depreciated				
Land	\$	\$ 32,000,000	\$	\$32,000,000
Construction in progress		6,494,836		6,494,836
Collections		1,125,000		1,125,000
Total capital assets, not being depreciated		39,619,836		39,619,836
Capital Assets, being depreciated				
Buildings		134,055,000		134,055,000
Furniture and equipment		10,965,000		10,965,000
Total capital assets, being depreciated		145,020,000		145,020,000
Less: Accumulated depreciation -				
Buildings		(1,275,858)		(1,275,858)
Furniture and equipment		(411,187)		(411,187)
Total accumulated depreciation		(1,687,045)		(1,687,045)
Total capital assets, being depreciated, net		143,332,955		143,332,955
Total capital assets, net	\$	\$ 182,952,791	\$	\$182,952,791

SPACE has active construction projects as of September 30, 2025. The projects include Stanley Hotel remodeling and renovations, museum renovations and event center construction. Commitments with contractors as of September 30, 2025, were as follows:

	Project Spent-to-Date	Remaining Commitment
Stanley Hotel	\$ 2,796,377	\$ 47,766,278
Museum	1,012,894	15,038,375
Event Center	2,624,040	36,673,895
Total	\$ 6,433,311	\$ 99,478,548

(6) **Capital Assets** (Continued)

SPACE has entered into two separate development management agreements for the Stanley Hotel and the Event Center. Under both agreements, the Development Manager will receive a development fee equal to 5% of the Development Budget (excluding premium costs, owner contingency, debt service and interest expense, if any), and payable, to the extent permitted under the trust indenture, in a lump sum upon the issuance of the Development Manager delivering to SPACE a final certificate of occupancy and an Architect's Certificate of Substantial Completion. As of September 30, 2025, no development fee was due.

(7) **Long-Term Debt**

On May 15, 2025, the Authority issued the following:

\$227,610,000 Cultural Facilities Revenue Bonds, Senior Lien Series 2025A-1 (2025A-1)
\$23,250,000 Cultural Facilities Revenue Bonds, Senior Lien Series 2025A-2 (2025A-2)
\$50,165,000 Cultural Facilities Revenue Bonds, Subordinate Lien Series 2025B (2025B)
\$19,260,000 Cultural Facilities Revenue Bonds, Junior Lien Series 2025C-1 (2025C-1)
\$22,740,000 Cultural Facilities Revenue Bonds, Junior Lien Series 2025C-2 (2025C-2)
\$38,000,000 Cultural Facilities Revenue Bonds,
Subordinate Junior Lien Series 2025D-1 (2025D-1)
\$14,090,000 Cultural Facilities Revenue Bonds,
Subordinate Junior Lien Series 2025D-2 (2025D-2)

Bond proceeds were loaned to SPACE to acquire the Stanley Hotel, renovate certain existing facilities, construct certain additional facilities and finance certain additional costs, project funds, reserve funds, debt service funds and pay costs of issuance. SPACE is required to make loan payments to the trustee, for payment of the bonds.

The 2025A-1, 2025A-2 and 2025B bonds bear interest payable semiannually on August 1 and February 1 of each year. Principal is payable annually on each February 1 as follows: 2025A-1, beginning February 1, 2038; 2025A-2, beginning February 1, 2033; 2025B, beginning February 1, 2036.

2025C-2, 2025D-1 and 2025D-2 bear interest payable semiannually on August 15 and February 15 each year. Principal is payable annually on each February 1 as follows: 2025C-1, beginning February 15, 2044; 2025C-2, beginning February 15, 2045; 2025D-1, beginning February 15, 2030; 2025D-2, beginning February 15, 2030. However, payment of interest and principal for the 2025C-1, 2025C-2, 2025D-1 and 2025D-2 as Junior bonds, are subordinate to the Senior bonds.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

(7) **Long-Term Debt** (Continued)

Long-term debt activity for the year ended September 30, 2025, was as follows:

	Balance September 30, 2024	Additions	Reductions	Balance September 30, 2025
2025A-1 6.5%-6.875%	\$	\$ 227,610,000	\$	\$ 227,610,000
2025A-1 discount		(8,458,288)	124,387	(8,333,901)
2025A-2 10%		23,250,000		23,250,000
2025A-2 discount		(465,000)	11,625	(453,375)
2025B 8.5%		50,165,000		50,165,000
2025B discount		(1,003,300)	14,754	(988,546)
2025C-1 10%		19,260,000		19,260,000
2025C-2 12%		22,740,000		22,740,000
2025C-2 discount		(10)		(10)
2025D-1 10%		38,000,000		38,000,000
2025D-2 12%		14,090,000		14,090,000
Total	\$	\$ 385,188,402	\$ 150,766	\$ 385,339,168

On May 15, 2025, certain bond proceeds as described were allocated towards the purchase price of the Stanley Hotel. At the purchase date, upon closing, the seller was entitled to a deferred cash payment of \$5,000,000 to be paid in a future period in accordance with the trust indenture. As of September 30, 2025, \$5,000,000 was recorded as a deferred cash payment liability on the Statement of Net Position.

Annual debt service requirements to maturity are as follows:

Year Ended September 30,	Principal	Interest	Total
2026	\$	\$ 29,775,181	\$ 29,775,181
2027		32,311,581	32,311,582
2028		32,311,581	32,311,581
2029		32,311,581	32,311,581
2030	260,000	32,311,581	32,571,581
Thereafter	394,855,000	697,555,451	1,092,410,451
Total	\$ 395,115,000	\$ 856,576,956	\$ 1,251,691,957

(8) **Project Financing Costs**

Project financing costs include estimated costs incurred by the financial advisors and general counsel in connection with bond issues that have not yet closed. They include unbilled expenses that have been recognized in the financial statements.

(9) **Qualified Management Agreement**

During May 2025, SPACE entered into a fifteen year qualified management agreement (“QMA”) with a property manager (the “Manager”) to operate the Stanley Hotel. The QMA may renew for one additional term of ten years. SPACE shall have the right to terminate the QMA upon a sale of the facilities to a third-party purchaser buying the facilities or substantially all of the assets, subject to certain termination fees and additional clauses.

Under the QMA, the Manager receives a Base Management Fee equal to 3% of Gross Revenues as defined by total operating revenue under the Uniform System of Accounts, calculated monthly, subject to a minimum \$25,000 per month. The Manager receives an Incentive Management Fee equal to 7.5% of Gross Revenues in excess of Gross Revenues projected on the Approved Operating Budget for such applicable operating year, provided that the Stanley Hotel receives a negotiated and agreed upon average guest satisfaction score. The Incentive Management Fee shall not exceed 1% of Gross Revenues for the applicable operating year and any earned Incentive Management Fee will only be payable from the amount on deposit in the Incentive Management Fee Account. During the period ended September 30, 2025, SPACE paid Base Management Fees of \$540,784 with \$136,176 due and payable, which is included in accrued expenses.

In addition to management fees, SPACE will pay for the costs of the Manager’s centralized services and reimburse the Manager for actual out-of-pocket costs, as defined in the QMA. The maximum amount of annual management fees and centralized services due and payable in any calendar year is 6% of Gross Revenues for such calendar year. The maximum amount of annual centralized services due and payable in any calendar year is 2% of annual Gross Revenues for such calendar year.

(10) **Pledged Revenues**

On February 17, 2015, the City of Loveland, Town of Windsor, Town of Estes Park, and Larimer County; Colorado (collectively the “Local Governments”) created the Northern Colorado Regional Tourism Authority (NCRTA) and requested the dedication of a state sales tax to support a regional tourism project generally referred to as the “GO NoCO Project.” On December 10, 2025, the Colorado Economic Development Commission (the “Commission”) set the percentage of sales tax increment revenue (“Dedicated Revenue”) dedicated to the Go NoCO Project at 20.48%. One of the project elements approved by the Commission was the Stanley Film Center (SFC) Project.

(10) **Pledged Revenues** (Continued)

Pursuant to the Second Amended Resolution No. 4 (the “Resolution”) as contained in the Loan Agreement between the Authority and SPACE and as referenced in the trust indenture, Dedicated Revenue in the maximum amount of \$46,399,582, will be available to pay certain eligible costs of the SFC, including debt service on the 2025B bonds (Note 7), the proceeds of which are being used in the construction and equipping of the SFC, and after completion of the project, such Dedicated Revenue shall continue to be transferred to the trustee to be applied exclusively to pay debt service on the 2025B bonds. The Dedicated Revenue Fund will receive deposits of Dedicated Revenue from time-to-time from the Aurora Urban Renewal Authority (AURA) under a separate Cooperation Agreement as AURA replaced NCRTA as the financing entity to collect the dedicated sales tax increment allocated to the SFC.

Pursuant to the First Amendment to the Resolution, the Stanley Film Center Owner is defined as the Authority. Pursuant to the Second Amendment to the Resolution, the required completion date of the SFC was extended to December 31, 2027, then extended again to December 31, 2028, under the Third Amendment to the Resolution. Also pursuant to the Third Amendment to the Resolution, upon successful retirement of the bonds (Note 7), the Authority will receive subordinated issuer and manager fees. Then beginning in year five, SPACE will receive \$500,000, which increases annually at 3% per year for the Stanley Arts and Culture Fund which will provide monies for Colorado middle school arts education programming. The Fourth Amendment to the Resolution redefined the final completion date of the SFC to be 6.5 years after the date of the bond issuance (May 15, 2025). In addition, as contained in the Fourth Amendment and as a component of the bond issuance, Land Use Restrictive Covenants were recorded against the land on which the eligible improvements for the SFC are located which require SPACE to construct and operate or cause to be constructed and operated the SFC in a manner consistent with the Resolution.

As of September 30, 2025, no sales tax increment revenue was used to pay debt service on the CECFA Revenue Bonds.

Historic Preservation Fee (HPF)

On May 15, 2025, the Authority and the Manager entered into an agreement for the Collection of the Stanley Sales and Lodging Historic Preservation Fee (the “Collection Agreement”). The agreement terminates on December 31, 2025, with automatic renewal on January 1 of each year. The Collection Agreement includes the Declaration of Covenants Imposing and Implementing the Stanley Sales and Lodging Historic Preservation Fee (“HPF Covenant”). The HPF is a fee imposed on retailers or lodging providers to pay or reimburse certain expenditures of the Authority. The HPF is calculated and imposed on all taxable sales and lodging sales at the rates set forth in the HPF Covenant prior to the calculation and assessment of sales tax and before any other State, county, municipal or other sales taxes required to be imposed by law. The HPF is collected monthly by the HPF Collection Agent (initially established as the Manager). During the year ended September 30, 2025, HPF collected was \$190,550.

(11) **Commitments And Contingencies**

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. However, management believes the Authority is exempt from the provisions of the Amendment. In addition, the Authority has received an opinion from its general counsel that the Authority qualifies as an enterprise fund under the amendment and therefore is exempt from its provisions.

Claims and Judgements

The Authority is named in a legal claim. Management is vigorously defending such matter. Although the outcome of this litigation cannot be predicted with certainty, the Authority expects to prevail and the claim is not expected to result in a material liability which would not be covered by current insurance or have a material effect on the Authority's financial statements.

(12) **Conduit Debt**

The Authority has issued conduit tax-exempt revenue bonds, the proceeds of which were made available to various nonprofit educational and cultural institutions with facilities, operations, or related entities in Colorado for refunding and refinancing outstanding indebtedness and for financing additional facilities and other capital expenditures. Existing balances as of June 30, 2025, (latest report available) plus balances of bonds closed between July 1 and September 30, 2025, were \$3,416,363,194. The bonds are payable solely from funds of the institutions obtaining the financing. The bonds do not constitute a debt or pledge of the faith or credit of the Authority, the State of Colorado, its legislature, or any political subdivision, and accordingly, they have not been reported in the accompanying financial statements.

(13) **Risk Management**

The Authority is exposed to various risks of loss related to torts, errors and omissions, and disasters, natural or otherwise. The Authority carries insurance for risks of loss as follows: comprehensive general liability insurance for \$2,000,000, an umbrella liability policy for \$1,000,000, a public official liability policy for \$5,000,000, and a commercial crime policy for \$10,000. The Authority has not had losses exceeding coverage in the last three years.

(14) **Retirement Plan**

Effective January 1, 2010, the Authority initiated a qualified retirement plan created in accordance with Internal Revenue Code Section 401(a). The plan requires all eligible employees to contribute 2% of their eligible compensation. The Authority is required under the plan agreement to make a matching contribution of 9% of eligible salaries. The plan is available to full-time employees defined as employees working at least 24 hours per week. Employee and employer contributions to the plan are limited to the lesser of \$40,000 or the employee's salary. The Authority is responsible for the organization and administration of the plan. Employer contributions to the plan during 2025 were \$25,377.

The Authority also initiated a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b) on January 1, 2010. The plan permits Authority employees to defer a portion of their salary until future years. An amount up to \$23,500 in calendar year 2025 may be contributed by the employee to the plan. An additional \$7,500 catch-up contribution is permitted for employees over the age of 50. The deferred compensation is not available to employees until termination, retirement, death or an unforeseen emergency. No employer contributions were made to the plan during the years ended September 30, 2025.

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

Supplemental Schedule of Budget And Actual Revenues And Expenses -
 Primary Government
 For The Year Ended September 30, 2025

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Annual service fees	\$ 600,000	\$ 975,424	\$ 375,424
Initial fees	300,000	787,137	487,137
Management fees	-	38,271	38,271
Total operating revenues	<u>900,000</u>	<u>1,800,832</u>	<u>900,832</u>
Operating Expenses:			
Project financing costs			
Legal services - bond issues	120,000	233,432	(113,432)
Financial services - bond issues	100,000	118,125	(18,125)
Total project financing costs	<u>220,000</u>	<u>351,557</u>	<u>(131,557)</u>
Other operating expenses			
General and Administrative	406,154	492,237	(86,083)
Professional services	94,700	113,386	(18,686)
Depreciation expense	-	11,815	(11,815)
Other expenses	139,380	142,023	(2,643)
Total other operating expenses	<u>640,234</u>	<u>759,461</u>	<u>(119,227)</u>
Total operating expenses	<u>860,234</u>	<u>1,111,018</u>	<u>(250,784)</u>
Change in Net Position from Operating Activities	39,766	689,814	650,048
Nonoperating Revenue (Expense):			
Gain (loss) on investments	-	42,362	42,362
Interest and dividends on investments	175,000	190,800	15,800
Total nonoperating revenue	<u>175,000</u>	<u>233,162</u>	<u>58,162</u>
CHANGE IN NET POSITION	<u>\$ 214,766</u>	<u>\$ 922,976</u>	<u>\$ 708,210</u>