FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Foster Farm Business Improvement District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Foster Farm Business Improvement District (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, and the respective changes in financial position thereof, and the respective 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

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Auditor's Responsibility 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 GAAS 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 GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 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.

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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary and Other 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 and other information (together, the information) as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Annual Information

Management is responsible for the annual disclosure information (annual information). Our opinion on the basic financial statements does not cover the annual information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the annual information and consider whether a material inconsistency exists between the annual information and the basic financial statements, or the annual information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the annual information exists, we are required to describe it in our report.

Other Matters

Economic Dependency

As disclosed in Note 9 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer for funding continued operations.

Fiscal Focus Partners, LLC

Arvada, Colorado
April 20, 2026

BASIC FINANCIAL STATEMENTS

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 3,316
Cash and Investments - Restricted	18,137,881
Property Tax Receivable	56
Capital Assets:	
Capital Assets Not Being Depreciated	595,234
Total Assets	18,736,487
LIABILITIES	
Accounts Payable	36,839
Noncurrent Liabilities:	
Due in More Than One Year	19,820,793
Total Liabilities	19,857,632
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	56
Total Deferred Inflows of Resources	56
NET POSITION	
Restricted for:	
Debt Service	6,898
Capital Projects	27,872
Unrestricted	(1,155,971)
Total Net Position	$ (1,121,201)

See accompanying Notes to Basic Financial Statements.

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 159,905	$ -	$ -	$ -	$ (159,905)
Interest on Long-Term Debt and Related Costs	958,591	-	-	-	(958,591)
Total Governmental Activities	$ 1,118,496	$ -	$ -	$ -	(1,118,496)
GENERAL REVENUES					
Interest Income					64,351
Total General Revenues and Transfers					64,351
CHANGES IN NET POSITION					(1,054,145)
Net Position - Beginning of Year					(67,056)
NET POSITION - END OF YEAR					$ (1,121,201)

See accompanying Notes to Basic Financial Statements.

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Fund
ASSETS				
Cash and Investments	$ 3,316	$ -	$ -	$ 3,316
Cash and Investments - Restricted	-	1,951,898	16,185,983	18,137,881
Due from Other Funds	321	-	-	321
Property Tax Receivable	14	42	-	56
Total Assets	$ 3,651	$ 1,951,940	$ 16,185,983	$ 18,141,574
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 9,256	$ -	$ 27,583	$ 36,839
Due to Other Funds	-	-	321	321
Total Liabilities	9,256	-	27,904	37,160
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	14	42	-	56
Total Deferred Inflows of Resources	14	42	-	56
FUND BALANCES				
Restricted for:				
Debt Service	-	1,951,898	-	1,951,898
Capital Projects	-	-	16,158,079	16,158,079
Unassigned	(5,619)	-	-	(5,619)
Total Fund Balances	(5,619)	1,951,898	16,158,079	18,104,358
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,651	$ 1,951,940	$ 16,185,983	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	595,234
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(19,604,476)
Developer Advance Payable	(216,317)
Net Position of Governmental Activities	$ (1,121,201)

See accompanying Notes to Basic Financial Statements.

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Fund
REVENUES				
Interest Income	$ -	$ 6,898	$ 57,453	$ 64,351
Total Revenues	-	6,898	57,453	64,351
EXPENDITURES				
Current:				
Accounting	18,465	-	2,384	20,849
Dues And Membership	319	-	-	319
Election	4,546	-	-	4,546
Engineering	-	-	13,802	13,802
Insurance	1,500	-	-	1,500
Legal	25,051	-	144	25,195
Miscellaneous	24,985	-	-	24,985
Organization Costs	-	-	68,709	68,709
Bond Issue Costs	-	-	744,391	744,391
Capital Projects:				
Capital Outlay	-	-	566,889	566,889
Capital Outlay - PM Fee	-	-	28,345	28,345
Total Expenditures	74,866	-	1,424,664	1,499,530
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(74,866)	6,898	(1,367,211)	(1,435,179)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	19,457,528	19,457,528
Developer Advance	74,710	-	675,993	750,703
Repay Developer Advance	-	-	(663,231)	(663,231)
Transfers In (Out)	-	1,945,000	(1,945,000)	-
Total Other Financing Sources	74,710	1,945,000	17,525,290	19,545,000
NET CHANGE IN FUND BALANCES	(156)	1,951,898	16,158,079	18,109,821
Fund Balances (Deficits) - Beginning of Year	(5,463)	-	-	(5,463)
FUND BALANCES (DEFICITS) - END OF YEAR	$ (5,619)	$ 1,951,898	$ 16,158,079	$18,104,358

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds	$ 18,109,821
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 asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Capital Outlay	595,234
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Bond Principal	(19,457,528)
Bond Principal - Accretion	(146,948)
Developer Advance	(750,703)
Repay Developer Advance	607,284
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable Developer Advance - Change in Liability	(11,305)
Changes in Net Position of Governmental Activities	$ (1,054,145)

See accompanying Notes to Basic Financial Statements.

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Accounting	30,000	25,196	18,465	6,731
Dues And Membership	500	319	319	-
Election	3,000	6,000	4,546	1,454
Insurance	1,000	1,500	1,500	-
Legal	30,000	23,000	25,051	(2,051)
Miscellaneous	4,000	24,985	24,985	-
Website	1,500	-	-	-
Total Expenditures	70,000	81,000	74,866	6,134
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(70,000)	(81,000)	(74,866)	6,134
OTHER FINANCING SOURCES (USES)				
Developer Advance	70,000	86,463	74,710	(11,753)
Total Other Financing Sources (Uses)	70,000	86,463	74,710	(11,753)
NET CHANGE IN FUND BALANCE	-	5,463	(156)	(5,619)
Fund Balance (Deficit) - Beginning of Year	-	(5,463)	(5,463)	-
FUND BALANCE (DEFICIT) - END OF YEAR	$ -	$ -	$ (5,619)	$ (5,619)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Foster Farm Business Improvement District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by ordinance of the City of Westminster (the City) on August 8, 2022 and is governed pursuant to provisions of the Colorado Business Improvement Act (Title 31). The District's service area is located entirely within the City in Adams County, Colorado. The District was organized to provide the financing, acquisition, construction, completion, installation, replacement, and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include water services, traffic and safety protection, sanitation services, street improvements, parks and recreation, transportation, television relay and translation, mosquito control, security, fire protection and emergency medical.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

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

Budgets

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

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

Pooled Cash and Investments

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

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Deferred Inflow 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, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue is deferred and recognized as an inflow of resources in the period that the amount becomes available.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2025. The deficit is expected to be eliminated with the receipt of funds advanced by the Developer in 2026.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:		
Cash and Investments	$	3,316
Cash and Investments - Restricted		18,137,881
Total Cash and Investments	$	18,141,197

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

Deposits with Financial Institutions	$	3,316
Investments		18,137,881
Total Cash and Investments	$	18,141,197

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank balance and carrying of $3,316.

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

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

NOTE 3 CASH AND INVESTEMENTS (CONTINUED)

Investments (Continued)

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

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

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

Investment	Maturity	Amount
Invesco Treasury Portfolio	Weighted-Average	
	Under 60 Days	$ 18,137,881
		$ 18,137,881

Government Portfolio

The debt service money that is included in the trust accounts at BOK Financial is invested in the Invesco Treasury Portfolio. This portfolio is a money market mutual fund which invests in short-term, high-credit-quality money market instruments that are direct obligations of the U.S. Treasury, which are fully guaranteed as to principal and interest by the United States, with maturities of 60 days or less and repurchase agreements collateralized by U.S. Treasury obligations. The Invesco Treasury Porfolio is rated Aaa-mf by Moody's, AAAm by Standard & Poor's and AAAmmf by Fitch Ratings.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ -	$ 595,234	$ -	$ 595,234
Total Capital Assets, Not Being Depreciated	$ -	$ 595,234	$ -	$ 595,234
Governmental Activities Capital Assets, Net	$ -	$ 595,234	$ -	$ 595,234

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
Limited Tax General Obligation Convertible Capital Appreciation Bonds					
Series 2025	$ -	$ 19,604,476	$ -	$ 19,604,476	$ -
Subtotal Bonds Payable	-	19,604,476	-	19,604,476	-
Other Debts:					
Developer Advance - Operating	$ 57,983	$ 74,710	$ -	$ 132,693	$ -
Developer Advance - Capital	-	607,284	607,284	-	-
Developer Advance - Organization Costs	-	68,709	-	68,709	-
Accrued Interest on:					
Developer Advance - Operating	3,610	2,626	-	6,236	-
Developer Advance - Capital	-	55,947	55,947	-	-
Developer Advance - Organization Costs	-	8,679	-	8,679	-
Subtotal Other Debts	61,593	817,955	663,231	216,317	-
Total Long-Term Obligations	$ 61,593	$ 20,422,431	$ 663,231	$ 19,820,793	$ -

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2025 (the "Bonds")

The District issued the Bonds on October 23, 2025, in the amount of $19,457,528.

Proceeds of the Bonds

The Bonds are being issued for the purpose of: (i) financing a portion of the Project; (ii) funding any of the funds created hereby to the extent provided herein, and (iii) paying costs incurred in connection with the issuance of the Bonds. The Owners of the Bonds shall not be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

Details of the Bonds

The Bonds were issued as capital appreciation bonds, convertible to current interest bonds on December 1, 2030. Prior to conversion to current interest bonds, the Bonds accrete in value at an assumed annual yield equal to 7.250% from their date of issuance.

The accreted amount compounds semi-annually on each June 1 and December 1, beginning on December 1, 2025, up to and including December 1, 2030. Such accreted amount, together with the original principal amount of the Bonds, bears additional interest at 7.25% upon conversion to current interest bonds. The accreted Bonds principal balance at conversion on December 1, 2030, will be $27,990,000.

Upon conversion to current interest bonds, interest is payable semiannually on June 1 and December 1, commencing on June 1, 2031. Annual principal payments are due on December 1 of each year, with a final maturity on December 1, 2055. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or December 2, 2065 (the Termination Date).

If any amount of principal or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefore on the Termination Date, the Bonds will be deemed terminated.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2025 (the "Bonds") (Continued)

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue which is defined generally in the Indenture as the money derived from the following sources, net of any costs of collection:

(a) the Required Mill Levy;

(b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy;

(c) the revenue received from the Cooperation Agreement, to the extent such revenue relates to the District's imposition of the Required Mill Levy (see Note 8);

(d) any revenue derived by the District from any PILOT covenant (a covenant recorded against property imposing a payment in lieu of taxes); and

(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

An ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient, when combined with the Pledged Revenue then on deposit in the Bond Fund, to pay the principal, and interest on the Bonds as the same become due and payable and to fund the Surplus Fund up to the Maximum Surplus Amount, but not in excess of 30 mills, adjusted as provided for in the bond document.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2030, and on any date thereafter, at a redemption price of the principal amount redeemed plus 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, 2030, to November 30, 2031	3.00%
December 1, 2031, to November 30, 2032	2.00
December 1, 2032, to November 30, 2033	1.00
December 1, 2033, and thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2025 (the "Bonds") (Continued)

Surplus Fund

The Bonds are additionally secured by the Surplus Fund until the bonds have been paid in full. The Bond proceeds provided for an initial deposit of $1,945,000. Additionally, the Surplus Fund shall be funded by Pledged Revenue that is not needed to pay debt service on the Bonds in any year, up to the Maximum Surplus Amount of $3,891,506.

Events of Default

Events of default occur if the District fails to impose the Required Mill Levies, or to apply the Pledged Revenues as required by the Indentures and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. Failure to pay is not an event of default.

Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

Bond Debt Service

The district's bonds mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031-2035	1,320,000	10,017,688	11,337,688
2036-2040	2,880,000	9,295,951	12,175,951
2041-2045	4,775,000	7,997,476	12,772,476
2046-2050	7,550,000	5,892,440	13,442,440
2051-2055	11,465,000	2,629,570	14,094,570
Total	$ 27,990,000	$ 35,833,125	$ 63,823,125

Authorized Debt

On November 8, 2022, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $1,020,000 at an interest rate not to exceed 12% per annum. At December 31, 2025, the District had authorized but unissued indebtedness of $992,010,000.

As set forth in the District's 2025 Operating Plan, the City has limited the amount of debt to be issued by the District to a total of $50,000,000, without further approval by the City. As of December 31, 2025, the District $22,010,000 of debt capacity available under its Operating Plan.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

The District has entered into agreements with Schuck-Chapman Investments, LLC (the Developer) as follows:

Reimbursement Agreement

On December 2, 2022, and Amended on August 28, 2025, the District and the Developer entered into a Reimbursement Agreement to repay advances made by the Developer for operations and maintenance costs. The District agreed to repay the Developer for such advances plus accrued interest at the rate of 5.00% on the date of advance to the date of repayment. As of December 31, 2025, outstanding Developer advances under the agreement totaled $132,693 and accrued interest totaled $6,236.

Facilities Funding and Acquisition Agreement

On December 2, 2022, and Amended on August 28, 2025, the District and the Developer entered into a Facilities Funding and Acquisition Agreement to repay advances made by the Developer for capital infrastructure costs. The District agreed to repay the Developer for such capital advances plus accrued interest at the rate of 5.00%. As of December 31, 2025, outstanding developer advances under this agreement totaled $68,709 and accrued interest totaled $8,679.

NOTE 6 NET POSITION

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

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

	Governmental Activities
Restricted Net Position:	
Debt Service Reserve	$ 6,898
Capital Projects Reserve	27,872
Total Restricted Net Position	$ 34,770

The District has a deficit unrestricted net position as of December 31, 2025. This deficit amount is a result of the District being responsible for the repayment of developer advances for operations and for the repayment of bonds issued for public improvements.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Schuck-Chapman Investments, LLC. The members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS

Intergovernmental Cooperation Agreement

On March 11, 2024, the District entered into an Intergovernmental Cooperation Agreement (the Agreement) with Westminster Economic Development Authority (WEDA). Pursuant to the Agreement, in consideration of the District providing certain public improvements and services within the District, WEDA agrees that, solely from the tax increment revenues, less the County's administration fee, an amount equal to the portion of revenues which it receives as a result of tax increment revenues which are attributable to the District's current and future levy of ad valorem taxes on real and personal taxable property within the District and encompassed by the Urban Renewal Plan the District Revenues shall be segregated upon receipt and shall be remitted by WEDA to the District within 45 days of the end of the applicable quarter. WEDA shall impose an annual fee of $5,000 for collection and administration payable on January 15 of each year through the tax increment collection period (2029). The annual fee is withheld from the property taxes remitted.

Project Management Agreement

On August 28, 2025, the District entered into a Project Management Agreement (the Agreement) with the Schuck Communities, Inc. (the Manager), a Colorado Corporation controlled by the Developer, for the purposes of the Manager to assist, manage, and supervise the completion of various construction efforts of the development. In consideration for the performance of the services, the Manager shall be paid a Management fee of five percent (5%) fee of all eligible costs incurred in connection with the design, construction, and installation of each project required for the development. The Management Fee shall be verified by an independent engineer engaged by the District.

NOTE 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.

NOTE 10 INTERFUND TRANSFERS

The transfer from the Capital Project Fund to the Debt Service Fund was to provide the initial deposit for the Surplus Fund.

NOTE 11 RISK MANAGEMENT

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

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

NOTE 11 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for property 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.

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Since all funds received by the District are Developer Advances, an Emergency Reserve is not reflected in the District's financials.

On November 8, 2022, the District's voters authorized the District to increase property taxes $10,000,000 annually, for general operations and maintenance and $10,000,000 annually for capital costs. The election also allows the District to collect, spend, and retain all revenues without regard to the limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR).

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

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

On May 5, 2025, 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.

SUPPLEMENTARY INFORMATION

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ -	$ 6,898	$ 6,898
Total Revenues	-	6,898	6,898
EXPENDITURES			
Paying Agent Fees	7,000	-	7,000
Total Expenditures	7,000	-	7,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,000)	6,898	13,898
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	10,813,700	1,945,000	(8,868,700)
Total Other Financing Sources (Uses)	10,813,700	1,945,000	(8,868,700)
NET CHANGE IN FUND BALANCE	10,806,700	1,951,898	(8,854,802)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ 10,806,700	$ 1,951,898	$ (8,854,802)

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ -	$ 57,453	$ 57,453
Total Revenues	-	57,453	57,453
EXPENDITURES			
Accounting	-	2,384	(2,384)
Engineering	-	13,802	(13,802)
Legal	-	144	(144)
Capital Outlay	32,436,520	566,889	31,869,631
Capital Outlay - Pm Fee	-	28,345	(28,345)
Organization Costs	-	68,709	(68,709)
Bond Issue Costs	1,230,780	744,391	486,389
Total Expenditures	33,667,300	1,424,664	32,242,636
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(33,667,300)	(1,367,211)	32,300,089
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	44,481,000	19,457,528	(25,023,472)
Developer Advance	-	675,993	675,993
Repay Developer Advance	-	(663,231)	(663,231)
Transfers To Other Fund	(10,813,700)	(1,945,000)	8,868,700
Total Other Financing Sources (Uses)	33,667,300	17,525,290	(16,142,010)
NET CHANGE IN FUND BALANCE	-	16,158,079	16,158,079
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 16,158,079	$ 16,158,079

OTHER INFORMATION

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF NET ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Net Assessed Valuation	Percent Change	Total Mills Levied: General Operations	Total Mills Levied: Debt Service	Total Mills Levied: Total	Total Property Taxes: Levied	Total Property Taxes: Collected	Percent Collected to Levied
2022/2023	$ 2,800	0.00%	-	-	-	$ -	$ -	- %
2023/2024	1,211	-5680.00%	-	-	-	-	-	- %
2024/2025	101	-91.66%	-	-	-	-	-	- %
Estimated for Year Ending December 31, 2026	$ 1,301	1188.12%	10.663	31.989	42.652	$ 56		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit

Source: Adams County Assessor and Treasurer

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the Year Ending December 31,	$19,457,528 (Value at Issuance) $27,990,000 (Value at End of Accretion Period) Limited Tax General Obligation Convertible Capital Appreciation Bonds Series 2025, Dated October 23, 2025 Accretion & Interest Rate 7.250% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	2,029,275	2,029,275
2032	275,000	2,029,275	2,304,275
2033	295,000	2,009,338	2,304,338
2034	360,000	1,987,950	2,347,950
2035	390,000	1,961,850	2,351,850
2036	465,000	1,933,575	2,398,575
2037	495,000	1,899,863	2,394,863
2038	580,000	1,863,975	2,443,975
2039	625,000	1,821,925	2,446,925
2040	715,000	1,776,613	2,491,613
2041	770,000	1,724,775	2,494,775
2042	875,000	1,668,950	2,543,950
2043	940,000	1,605,513	2,545,513
2044	1,055,000	1,537,363	2,592,363
2045	1,135,000	1,460,875	2,595,875
2046	1,270,000	1,378,588	2,648,588
2047	1,360,000	1,286,513	2,646,513
2048	1,510,000	1,187,913	2,697,913
2049	1,620,000	1,078,438	2,698,438
2050	1,790,000	960,988	2,750,988
2051	1,920,000	831,213	2,751,213
2052	2,115,000	692,013	2,807,013
2053	2,270,000	538,675	2,808,675
2054	2,490,000	374,100	2,864,100
2055	2,670,000	193,569	2,863,569
Total	$ 27,990,000	$ 35,833,125	$ 63,823,125

ANNUAL DISCLOSURE INFORMATION
(UNAUDITED)

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
ANNUAL DISCLOSURE
HISTORY OF ACTUAL AND ASSESSED VALUATIONS AND MILL LEVIES
DECEMBER 31, 2025

Levy Year	Collection Year	Projected Actual Valuation	Final Actual Valuation	Assessed Valuation (Net of TIF)	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2024	2025	$ -	$ 10,692	$ 101	- %	0.000	0.000
2025	2026	-	12,238	1,301	1188.12	10.663	31.989

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
ANNUAL DISCLOSURE
PROPERTY TAX COLLECTIONS
DECEMBER 31, 2025

Levy Year	Collection Year	Taxes Levied	Property Tax Collection	Collection Rate	Specific Ownership Tax Collection
2024	2025	$ -	$ -	- %	$ -
2025	2026	55	-	-	-

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
ANNUAL DISCLOSURE
ACTUAL AND ASSESSED VALUATION OF CLASSES OF PROPERTY
DECEMBER 31, 2025

Property Class	Total Actual Valuation	Total Assessed Valuation	Percentage of Taxpayer/ Valuation
Valuation Year - 2025			
Agricultural	$ 11,018	$ 2,980	8.05%
State Assessed	1,220	330	0.89%
Personal Property	124,725	33,680	91.06%
Total	$ 136,963	$ 36,990	100%

FOSTER FARM BUSINESS IMPROVEMENT DISTRICT
ANNUAL DISCLOSURE
SELECTED RATIOS
DECEMBER 31, 2025

Property Class	Total Debt
Direct Debt	$ 19,604,476
2025 Certified Assessed Valuation	36,990
Ratio of Direct Debt to 2025 Certified Assessed Valuation	52999%
2025 District Statutory Actual Value	136,963
Ratio of Direct Debt to 2025 District Statutory "Actual" Value	14313.70%