REDTAIL RIDGE METROPOLITAN DISTRICT
Boulder County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

REDTAIL RIDGE METROPOLITAN DISTRICT
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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Redtail Ridge Metropolitan District
City of Louisville, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

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and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BiggsKofford LLP

Colorado Springs, Colorado
July 27, 2026

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BASIC FINANCIAL STATEMENTS

REDTAIL RIDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 13,811,914
Cash and Investments - Restricted	66,785,823
Prepaid Insurance	6,190
Receivable from County Treasurer	1
Property Tax Receivable	5
Capital Assets:	
Capital Assets Not Being Depreciated	30,603,680
Total Assets	111,207,613
LIABILITIES	
Accounts Payable	6,365,440
Retainage Payable	995,607
Private Developer Deposit	3,383,642
Noncurrent Liabilities:	
Due in More Than One Year	93,181,622
Total Liabilities	103,926,311
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	5
Total Deferred Inflows of Resources	5
NET POSITION	
Restricted for:	
Emergency Reserve	435,500
Unrestricted	6,845,797
Total Net Position	$ 7,281,297

See accompanying Notes to Basic Financial Statements.

REDTAIL RIDGE METROPOLITAN 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	$ 503,441	$ -	$ -	$ -	$ (503,441)
Interest on Long-Term Debt and Related Costs	8,335,149	-	-	-	(8,335,149)
Total Governmental Activities	$ 8,838,590	$ -	$ -	$ -	(8,838,590)
GENERAL REVENUES					
Property Taxes					191
Specific Ownership Taxes					9
Pilot Revenue					14,000,000
Interest Income					2,999,785
Other Revenue					2
Total General Revenues and Transfers					16,999,987
CHANGES IN NET POSITION					8,161,397
Net Position - Beginning of Year					(880,100)
NET POSITION - END OF YEAR					$ 7,281,297

See accompanying Notes to Basic Financial Statements.

REDTAIL RIDGE METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	$ 13,811,914	$ -	$ 13,811,914
Cash and Investments - Restricted	435,500	66,350,323	66,785,823
Receivable from County Treasurer	1	-	1
Prepaid Insurance	6,190	-	6,190
Property Tax Receivable	5	-	5
Total Assets	$ 14,253,610	$ 66,350,323	$ 80,603,933
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 21,191	$ 6,344,249	$ 6,365,440
Retainage Payable	-	995,607	995,607
Private Developer Deposit	-	3,383,642	3,383,642
Total Liabilities	21,191	10,723,498	10,744,689
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	5	-	5
Total Deferred Inflows of Resources	5	-	5
FUND BALANCES			
Nonspendable:			
Prepaid Expense	6,190	-	6,190
Restricted for:			
Emergency Reserves	435,500	-	435,500
Capital Projects	-	55,626,825	55,626,825
Assigned to:			
Subsequent Year's Expenditures	421,995	-	421,995
Unassigned	13,368,729	-	13,368,729
Total Fund Balances	14,232,414	55,626,825	69,859,239
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 14,253,610	$ 66,350,323	
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.			30,603,680
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			(93,310,086)
Developer Advance - Operating			(298,382)
Developer Advance - Capital			(797,087)
Accrued Interest Developer Advance - Operating			(25,031)
Accrued Interest Developer Advance - Capital			(4,543)
Unamortized Bond Discount			1,253,507
Net Position of Governmental Activities			$ 7,281,297

See accompanying Notes to Basic Financial Statements.

REDTAIL RIDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	$ 191	$ -	$ 191
Specific Ownership Taxes	9	-	9
Interest Income	517,984	2,481,801	2,999,785
Other Revenue	2	-	2
PILOT Revenue	14,000,000	-	14,000,000
Total Revenues	14,518,186	2,481,801	16,999,987
EXPENDITURES			
Current:			
Accounting	76,648	26,889	103,537
Auditing	7,000	-	7,000
Banking Fees	-	120,033	120,033
County Treasurer's Fee	3	-	3
Dues And Membership	1,919	-	1,919
Election	4,010	-	4,010
Engineering	-	61,491	61,491
Insurance	8,582	-	8,582
Legal	88,025	106,867	194,892
Website	1,975	-	1,975
Capital Projects:			
Bond Issue Costs	-	2,615,084	2,615,084
Capital Outlay	-	28,660,668	28,660,668
Repay Developer Advance - Capital	-	6,050,537	6,050,537
Traffic And Safety Control	-	14,846	14,846
Total Expenditures	188,162	37,656,415	37,844,577
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,330,024	(35,174,614)	(20,844,590)
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	-	87,799,974	87,799,974
Bond Discount	-	(1,312,442)	(1,312,442)
Developer Advance	159,312	4,298,828	4,458,140
Transfers In (Out)	(168,112)	168,112	-
Total Other Financing Sources (Uses)	(8,800)	90,954,472	90,945,672
NET CHANGE IN FUND BALANCES	14,321,224	55,779,858	70,101,082
Fund Balances - Beginning of Year	(88,810)	(153,033)	(241,843)
FUND BALANCES - END OF YEAR	$ 14,232,414	$ 55,626,825	$ 69,859,239

See accompanying Notes to Basic Financial Statements.

REDTAIL RIDGE METROPOLITAN 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	$ 70,101,082
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Capital Outlay	28,675,514
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	(87,799,974)
Bond Discount	1,312,442
Bond Payable - Change in Liability - Accretion	(5,510,112)
Developer Advance Operations	(159,312)
Developer Advance Capital Net of Repayment	1,571,743
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 Developer Advance - Operating	(21,821)
Accrued Interest Developer Advance - Capital Net of Repayment	50,770
Amortization of Bond Discount	(58,935)
Changes in Net Position of Governmental Activities	$ 8,161,397

See accompanying Notes to Basic Financial Statements.

REDTAIL RIDGE METROPOLITAN 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				
Property Taxes	$ 191	$ 191	$ 191	$ -
Specific Ownership Taxes	10	10	9	(1)
Interest Income	-	365,334	517,984	152,650
Other Revenue	-	2	2	-
PILOT Revenue	-	14,000,000	14,000,000	-
Total Revenues	201	14,365,537	14,518,186	152,649
EXPENDITURES				
Accounting	30,000	82,000	76,648	5,352
Auditing	-	7,000	7,000	-
Contingency	14,997	20,132	-	20,132
County Treasurer's Fee	3	3	3	-
District Management	20,000	-	-	-
Dues And Membership	-	1,008	1,919	(911)
Election	5,000	5,981	4,010	1,971
Insurance	5,000	7,232	8,582	(1,350)
Legal	50,000	85,876	88,025	(2,149)
Website	-	3,768	1,975	1,793
Total Expenditures	125,000	213,000	188,162	24,838
EXCESS OF REVENUES OVER EXPENDITURES	(124,799)	14,152,537	14,330,024	177,487
OTHER FINANCING SOURCES (USES)				
Developer Advance	150,000	168,999	159,312	(9,687)
Transfers To Other Fund	-	(287,000)	(168,112)	118,888
Total Other Financing Sources (Uses)	150,000	(118,001)	(8,800)	109,201
NET CHANGE IN FUND BALANCE	25,201	14,034,536	14,321,224	286,688
Fund Balance - Beginning of Year	-	(88,810)	(88,810)	-
FUND BALANCE - END OF YEAR	$ 25,201	$ 13,945,726	$ 14,232,414	$ 286,688

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Redtail Ridge Metropolitan District, formerly known as Redtail Ridge Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (the District), was organized by order and decree of the District Court in and for Boulder County, Colorado on June 17, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Louisville (the City), Boulder County, Colorado. The District was organized in conjunction with Redtail Ridge Metropolitan District No. 1 (District No. 1), Redtail Ridge Metropolitan District No. 2 (District No. 2), and Redtail Ridge Metropolitan District No. 4 (District No. 4 and together with the District, District No. 1, and District No 2, the Districts).

On February 18, 2020, the City concurrently approved Service Plans for each of the Districts. On August 20, 2024, the City approved an Amended and Restated Service Plan for each of the Districts, as the same may be amended from time to time (the Service Plan). The Districts were established to provide financing for the design, acquisition installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

The Districts are expected to work together to provide for the planning, acquisition, construction, installation, relocation, redevelopment and financing of the public improvements and the administration and operations for the development or property referred to as Redtail Ridge.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. 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 of resources and the sum of liabilities and deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 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 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

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

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

Budgets

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

The District amended its 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.

Capital Assets

Capital assets, which include property and infrastructure improvements, are reported in the government-wide financial statements. 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 net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated.

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.

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.

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	$ 13,811,914
Cash and Investments - Restricted	66,785,823
Total Cash and Investments	$ 80,597,737

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

Deposits with Financial Institutions	$ 2,862
Investments	80,594,875
Total Cash and Investments	$ 80,597,737

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 of and a carrying balance of $2,862.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

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 investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 80,594,875
	Total	$ 80,594,875

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

CSAFE CASH FUND operates similarly to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, and any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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	$ 1,928,166	$ 28,675,514	$ -	$ 30,603,680
Total Capital Assets, Not Being Depreciated	1,928,166	28,675,514	-	30,603,680
Governmental Activities Capital Assets, Net	$ 1,928,166	$ 28,675,514	$ -	$ 30,603,680

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligation 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:					
General Obligation Bonds					
Series 2025	$ -	$ 93,310,086	$ -	$ 93,310,086	$ -
Subtotal Bonds Payable	-	93,310,086	-	93,310,086	-
Other Debts:					
Developer Advance - Operating	139,070	159,312	-	298,382	-
Developer Advance - Capital	2,368,830	4,298,828	5,870,571	797,087	-
Accrued Interest on:					
Developer Advance - Operating	3,210	21,821	-	25,031	-
Developer Advance - Capital	55,313	129,196	179,966	4,543	-
Subtotal Other Debts	2,566,423	4,609,157	6,050,537	1,125,043	-
Bond Premium/Discount:					
Bond Discount - Series 2025	-	(1,312,442)	58,935	(1,253,507)	-
Subtotal Bond Premium / Discount	-	(1,312,442)	58,935	(1,253,507)	-
Total Long-Term Obligations	$ 2,566,423	$ 96,606,801	$ 6,109,472	$ 93,181,622	$ -

General Obligation Limited Tax Capital Appreciation Turbo Bonds, Series 2025

On February 13, 2025, the District issued $87,799,974 General Obligation Limited Tax Capital Appreciation Turbo Bonds, Series 2025, to finance the acquisition, construction, and installation of public improvements authorized by the District's May 5, 2020 election. The Bonds bear interest at 7.00%, compounded semi-annually, and are structured as capital appreciation bonds with no current interest payments prior to maturity. The Bonds accrete to a par amount of $150,165,000 at the stated maturity of December 1, 2032, assuming no prior redemptions. As of December 31, 2025 the Bonds accreted by $5,510,112 from the original issuance amount.

The Bonds are subject to annual mandatory turbo redemption from available pledged revenues prior to maturity. The Bonds are also subject to optional redemption beginning March 1, 2028, with a redemption premium ranging from 1.00% to 3.00%, depending on the redemption date.

The Bonds are payable solely from Pledged Revenue, consisting primarily of the District's Required Mill Levy, related specific ownership taxes, payments in lieu of taxes, and other legally available revenues. The Required Mill Levy is 38.5 mills, subject to increase to 50.0 mills under certain conditions and adjusted for changes in assessed valuation. The Bonds constitute limited tax general obligation indebtedness of the District and are not subject to acceleration.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Limited Tax Capital Appreciation Turbo Bonds, Series 2025 (Continued)

Any Bonds remaining outstanding after maturity convert to cash flow bonds bearing interest at 7.00%, payable annually from available pledged revenues, with all obligations terminating on December 2, 2066, regardless of the amount outstanding.

Proceeds of the Bonds

Proceeds from the sale of the Series 2025 Bonds were used for purposes of (1) financing or reimbursing a portion of the costs of acquisition, construction and installation of certain public infrastructure improvements related to the Development; (2) funding reserves and capitalized interest to the extent provided; and (3) paying other costs incurred in connection with the issuance of the Bonds.

Pledged Revenue

The Series 2025 Bonds are secured and payable solely from and to the extent of the Pledged Revenue derived by the District from the following sources: (1) the Required Mill Levy (defined below); (2) the PILOT Revenues with the exception of the revenues from the PorterCare PILOT Exemption Agreement, see page 24; (3) the Option Property PILOT Exemption Agreement Revenues, if any (PorterCare has the option to purchase approximately 9.1 acres within the District, the Option Property, and if PorterCare exercises this option, it is anticipated the District and PorterCare will execute the Option Property PILOT Exemption Agreement and the District will receive the Option Property PILOT Exemption Agreement Revenues); (4) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (5) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue (the Pledged Revenue).

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Required Mill Levy

The District is required to impose an annual ad valorem mill levy on all taxable property within the District (1) in an amount of 38.5 mills, or such lesser mill levy which will fill the Bond Fund (as defined in the Indenture) in an amount sufficient to pay all of the principal and interest on the Bonds; and (2) in the event that by September 1, 2029, the Building Permit Prerequisite Date (which is the first date upon which Building Permits have been issued for at least 1,050,000 square feet within the Development) has not yet occurred, on and after September 1, 2029, in an amount of 50 mills or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; and (3) in the event that, as of the Final Maturity Date of the Bonds the District has not refinanced or refunded all of the Bonds outstanding, in an amount of 50 mills or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however, that on or after January 1, 2020, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levies provided herein shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2020, are neither diminished nor enhanced as a result of such changes (the Required Mill Levy). For the avoidance of doubt, the District may take into account revenues generated from any PILOT Revenues in the determination of its Required Mill Levy.

Optional Redemption Prior to Final Maturity Date

The Bonds are subject to redemption prior to the Final Maturity Date, at the option of the District, in whole or in part, on March 1, 2028 and on any date thereafter, upon payment of a redemption price equal to the Accreted Value of the Bonds so redeemed as of the date of their redemption, plus a redemption premium equal to a percentage of the Accreted Value so redeemed as set forth below:

Date of Redemption	Redemption Premium
March 1, 2028, to February 28, 2029	3.00%
March 1, 2029, to February 28, 2030	2.00
March 1, 2030, to February 28, 2031	1.00
March 1, 2031, and thereafter	0.00

Optional Redemption On or After the Final Maturity Date

The Bonds are subject to redemption on and after the Final Maturity Date, at the option of the District, in whole or in part, in integrals of $1,000, on any date, upon payment of a redemption price equal to the principal amount of the Bonds so redeemed plus accrued interest thereon to the date of redemption, without redemption premium.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Mandatory Turbo Redemption Prior to the Final Maturity Date

The Bonds are subject to mandatory turbo redemption prior to the final maturity date, as a whole or in integral multiples of $1,000, from and to the extent of all moneys on deposit in the Bond Fund (except for amounts to remain therein as a result of the denominations of Bonds subject to redemption; amounts insufficient to redeem at least one Bond in the denomination of $1,000 will be retained in the Bond Fund, as defined in the Indenture) at a redemption price equal to the principal amount so redeemed plus accrued interest thereon to the "Mandatory Turbo Redemption Date" as defined as December 1 of each year prior to the Final Maturity Date, without redemption premium.

Mandatory Redemption On or After the Final Maturity Date

On and after the final maturity date, the Bonds remaining Outstanding are subject to mandatory redemption prior to maturity, as a whole or in integral multiples of $1,000, from and to the extent of all moneys on deposit in the Bond Fund (except for amounts to remain therein as a result of the denominations of Bonds subject to redemption; amounts insufficient to redeem at least one Bond in the denomination of $1,000 will be retained in the Bond Fund) at a redemption price equal to the principal amount so redeemed plus accrued interest thereon to the "Mandatory Redemption Date" as defined as December 1 of each year on or after the Final Maturity Date, without redemption premium.

Events of Default of the Series 2025 Bonds

Events of default occur if the District (1) fails or refuses to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture; (2) defaults in the performance or observance of any of the covenants, agreements, or conditions in the Indenture or the Bond Resolution and fails to remedy the same after notice; or (3) files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

Authorized Debt

Pursuant to their respective Service Plans, the Districts in the aggregate are permitted to issue bond indebtedness of up to $228,079,821. (the Service Plan Debt Issuance Limit) In no event are the Districts authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plans. The amount of debt authorization remaining within the Service Pan Debt Issuance Limit for the Districts is $77,914,821

NOTE 6 AGREEMENTS

Memorandum of Understanding

A Memorandum of Understanding was entered into on September 13, 2024, by and among the Districts pursuant to which the Districts agreed that the District shall provide for the financing, construction, design, operation and maintenance of the public improvements, as well as the overall administration of the Districts. District No. 1, District No. 2, and District No. 4 agreed to impose an operations and maintenance mill levy upon request by the District and if so requested, they will remit revenue to the District to fund operations and maintenance expenses.

NOTE 6 AGREEMENTS (CONTINUED)

Multiple-Year Operation Funding Agreement

On September 13, 2024, the District and Redtail Ridge Portfolio, LLC (the Developer) entered into a Multiple-Year Operation Funding Agreement (the OFA). The OFA provides for the Developer to advance funds for ongoing operations and maintenance expenses to the District until such time as the assessed valuation equals or exceeds $140,000,000 (the Developer Advances). Pursuant to the process outlined in the OFA, the District shall provide the Developer with a budget of revenue and anticipated expenditures on or before October 15 of every year for the following fiscal year to determine the Annual Shortfall Amount (as defined therein). Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by the Developer, until paid, at the rate of 8% per annum. Simple interest shall accrue on advances made by the Developer for amounts previously paid on behalf of the District for payment of operations and maintenance expenses from the date of the District's organization (the Prior Advances). Simple interest shall accrue on the Prior Advances from September 13, 2024, until paid, at the rate of 8% per annum. The District agrees that it is its intention to repay the Developer Advances and the Prior Advances to the extent it has funds available after the payment of any debt service obligations and annual operation and maintenance expenses, which repayment is subject to annual budget appropriation and expires on December 31, 2064.

As of December 31, 2025, outstanding advances under the agreement totaled $298,382 and accrued interest totaled $25,031.

Facilities Funding Reimbursement and Acquisition Agreement

On September 13, 2024, the District and the Developer entered into the Facilities Funding Reimbursement and Acquisition Agreement (the FFRAA) pursuant to which the District and Developer set forth the rights, obligations, and procedures for the Developer to advance funds and for the District to reimburse the Developer for expenses incurred for the organization of the District (the Organization Expenses) and expenses associated with the construction of the Public Improvements (the Construction Related Expenses).

Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by the Developer, until paid, at the rate of 8% per annum. Simple interest shall accrue on advances made by the Developer for amounts previously paid on behalf of the District for payment of the District (the Organization Expenses) and expenses associated with the construction of the Public Improvements (the Construction Related Expenses) from the date of the District's organization (the Prior Advances). Simple interest shall accrue on the Prior Advances from September 13, 2024, until paid, at the rate of 8% per annum.

The District acknowledges in the FFRAA that the Developer has expended funds for the Organization Expenses. The Developer is required to provide written documentation regarding the Organization Expenses to the District's accountant, such documentation to be satisfactory to the District. Upon the District's accountant's verification of the documentation in determining the amount of the Organization Expenses, such amount shall be reimbursable to the Developer in accordance with the FFRAA.

NOTE 6 AGREEMENTS (CONTINUED)

Facilities Funding Reimbursement and Acquisition Agreement (Continued)

The Developer acknowledges in the FFRAA that in connection with the construction of the Public Improvements, the District will incur Construction Related Expenses in reliance upon the Developer's commitments in the FFRAA to provide funding.

Subject to receipt of funding, the District agrees to make payment to the Developer for reimbursement of Developer Advances (defined therein), Verified Organization Related Expenses (defined therein) and Verified Reimbursable Costs (defined therein) (collectively, the Verified Costs). The District shall not be obligated to the Developer for the Verified Costs incurred by the Developer but not invoiced to the District within 365 days of the date incurred; provided, however, that the foregoing 365 days limitation shall not apply to the reimbursement obligations for amounts incurred prior to the issuance of bonds. In the event the District has not paid or reimbursed the Developer for any Verified Costs by December 31, 2064, whether invoiced or not invoiced by such date, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

As of December 31, 2025, outstanding advances under the agreement totaled $797,087 and accrued interest totaled $4,543.

Operation and Maintenance Agreement

As required by the Service Plan, the District, the Developer, and the City entered into the Operation and Maintenance Agreement on December 11, 2024, and recorded with the Boulder County Clerk and Recorder on December 24, 2024, at Reception No. 04071344 (the O&M Agreement) to establish the proposed maintenance responsibility for the District Public Improvements (as defined therein) and the COL Public Improvements (as defined therein); to grant the District a license for purposes of access and maintenance of the COL Public Improvements; to outline the District's Transportation Demand Management Plan (TDM) approved by the City; and to summarize the Developer's commitment to fund any operating shortfall, which the District agrees to reimburse the Developer in the future, for excess operating revenues.

The O&M Agreement generally obligates the District to operate and maintain, at the District's expense, the District Public Improvements and the COL Public Improvements in a manner acceptable to the City. The O&M Agreement obligates the District to implement the TDM which includes developing a shuttle service. The District is obligated to for the planning, implementation, and management of a shuttle service, including hiring a TDM coordinator, securing fees from property owners and/or tenants for annual allocation of proportional share of shuttle service operation, and securing funds for EcoPasses.

Pursuant to the O&M Agreement each of the Districts will impose an annual Operations Mill Levy not to exceed ten (10) mills (the Operations Mill Levy) to be remitted to the District to fund the operations and maintenance expenses. The O&M Agreement acknowledges that the District will not initially generate sufficient revenues to cover such costs and obligates the Developer to advance funds necessary to the District for operation and maintenance expenses through the year in which the certified assessed valuation for the next tax collection year equals or exceeds $140,000,000.

NOTE 6 AGREEMENTS (CONTINUED)

Operation and Maintenance Agreement (Continued)

The District agrees that it is its intention to repay the Developer for advances pursuant to the OFA to the extent it has funds available, which repayment is subject to annual budget appropriation.

Redtail Ridge Subdivision Improvements and Development Agreement

The District, the Developer, and the City entered into the Redtail Ridge Subdivision Improvements and Development Agreement on December 11, 2024 and recorded with the Boulder County Clerk and Recorder on December 24, 2024 at Reception No. 04071341 (the SIA), which sets forth the rights and obligations of the parties regarding the initial design, construction, completion, and future maintenance of improvements to be dedicated to the public; the security mechanism to financially guarantee the completion of portions of the improvements (the Secured Improvements); and the Developer’s additional commitments to the City in connection with future development (the SIA).

The SIA obligates the District and, to the extent the District has insufficient funds for such purpose, the Developer, to finance, design and construct certain public improvements that will be dedicated to the public, listed on an exhibit to the SIA (except certain internal roads identified on an exhibit to the SIA) (the Improvements), including the Secured Improvements, necessary to serve the Development. The SIA provides that completion of the Improvements that comprise the Secured Improvements will be secured pursuant to the SIA Escrow Agreement, as discussed in more detail below.

The SIA requires the District and the Developer to cause all improvements to be constructed in accordance with the terms of the SIA, subject to certain limited exceptions. Prior to the issuance of the first permit for construction of any of the Improvements (other than an overlot grading permit), the District Engineer, as defined in the SIA Escrow Agreement, shall certify to the District and the City the final estimated cost to complete the Secured Improvements. Upon approval of such certified amount by the City, and prior to the issuance of any building permits for the Development (other than overlot grading permit), the Developer and/or the District is required to submit to the City a financial guarantee to secure completion of the Secured Improvements in the amount of 105% of said certified estimated cost to complete the Secured Improvements (the Improvement Guarantee Amount), in the amount of Bond Proceeds for Construction Costs (as defined in the SIA Escrow Agreement and discussed below) or a letter of credit or cash deposit by the Developer (the Improvement Guarantee).

The SIA requires that the Improvements be completed no later than August 31, 2028. If the Developer or the District has not completed the Improvements on or before the completion deadline, or within such other time period as may be permitted by the SIA, then 30 days after Developer’s and the District’s receipt of written notice from the City that the City intends to exercise its rights to secure performance of such Improvements, the City may, to the extent such Improvements have not been completed during such 30-day period, exercise its rights to secure performance as provided in the SIA.

NOTE 6 AGREEMENTS (CONTINUED)

Redtail Ridge Subdivision Improvements and Development Agreement (Continued)

Except with regard to authorized disbursements of funds pursuant to the SIA Escrow Agreement, or partial releases of security that may otherwise be approved by the City pursuant to the SIA, the Improvement Guarantee shall not be released until Construction Acceptance (as defined therein) of the Secured Improvements is granted by the City. Following Construction Acceptance for all Secured Improvements, the Escrow Agreement shall be released and terminated in accordance with the SIA Escrow Agreement.

Subdivision Improvement Guarantee Escrow Agreement

The District, the Developer, the City, and BOKF, NA, as Escrow Agent, entered into the Subdivision Improvement Guarantee Escrow Agreement (the SIA Escrow Agreement) on December 11, 2024, which sets forth the rights and obligations of the parties to the SIA Escrow Agreement regarding: (1) the portion of the proceeds of the Bonds (referred to in the SIA Escrow Agreement as the Bond Proceeds for Construction Costs) that the District agrees in the SIA Escrow Agreement to deposit into an escrow fund established in the SIA Escrow Agreement to be held by the Escrow Agent (the Escrow Fund) to be used for construction of the Improvements (as defined in the SIA); and (2) the portion of the proceeds of the Bonds (referred to in the SIA Escrow Agreement as the Bond Proceeds for Warranty Guarantee and together with the Bond Proceeds for Construction Costs, the Bond Proceeds) that the District agrees in the SIA Escrow Agreement to transfer to the City, at the time that the City adopts the resolution granting Construction Acceptance, pursuant to the terms of the SIA Escrow Agreement to fund the Warranty Guarantee.

If the Bond Proceeds For Construction Costs to be deposited in the Escrow Fund are less than the Improvement Guarantee Amount, the Developer is required to provide a combination of a letter of credit and cash deposit which, in aggregate, equals the Initial Construction Funding Shortfall. The Bond Proceeds For Construction Costs and the Developer Construction Advance make up the Improvement Guarantee Amount required by the SIA to assure there is sufficient funds for the construction and completion of the Secured Improvements.

If the Bond Proceeds For Warranty Guarantee to be provided to the City at the time of Construction Acceptance are less than the Warranty Guarantee Amount (the Warranty Funding Shortfall) the Developer is required to provide a letter of credit, cash or guaranty of an affiliate of the Developer in a form acceptable to the City Manager and the City Finance Director, or any combination thereof, which, in the aggregate, shall equal the Warranty Funding Shortfall (collectively any letter of credit, cash or guaranty to be deposited by the Developer is referred to herein as the “Developer Warranty Advance” which is referred to in the SIA Escrow Agreement as the Subdivider Warranty Advance). The Developer Construction Advance and the Developer Warranty Advance are collectively referred to herein as the “Developer Advance.” The Bond Proceeds for Warranty Guarantee and the Developer Warranty Advance make up the Warranty Guarantee Amount required by the SIA to be provided to the City at the time of Construction Acceptance to assure there are sufficient funds through the Warranty Period.

NOTE 6 AGREEMENTS (CONTINUED)

Agreement by and between the Northwest Parkway Public Highway Authority, Northwest Parkway LLC and Redtail Ridge Metropolitan District Regarding Capital Improvements Planning, Construction, and Maintenance

On September 19, 2024, the Northwest Parkway Public Highway Authority (the Authority), Northwest Parkway LLC (the LLC), and the District entered into the Agreement by and between the Northwest Parkway Public Highway Authority, Northwest Parkway LLC and Redtail Ridge Metropolitan District Regarding Capital Improvements Planning, Construction, and Maintenance (the NWP Agreement) to provide for the funding, design, construction, and maintenance of certain Public Improvements to, or adjacent or connected to, the Northwest Parkway (the NWP Improvements). The District, at its sole cost and expense without financial contribution from the Authority or the LLC, shall fund the actual costs incurred to design and construct the NWP Improvements, including reasonable costs of the consultants retained by both the Authority and LLC to review plans and perform the owner's quality assurance roles during construction.

The District shall fund and construct the following improvements referred to as "Other Improvements": (1) reconstruct and widen South 96th Street from Campus Drive north to Dillon Road; (2) a third southbound through lane on the Northwest Parkway from Rockcress Drive to U.S. 36. Pursuant to the NWP Agreement, the Other Improvements shall be owned and maintained by the District, unless and until such time as the Other Improvements are accepted for ownership by the City or the City and County of Broomfield.

The District shall fund and construct the following improvements referred to as "Improvements Within Authority Property": (1) traffic signal and intersection improvements at 96th Street and Campus Drive (currently Old 96th Street and S. 96th Street intersection); (2) third eastbound left-turn lane from southbound 96th Street to northbound Northwest Parkway; (3) the 96th Street cross section varies depending on turn lane configuration; however, the cross section will include four receiving lanes from the Northwest Parkway to 96th Street, which tapers down to three through lanes through the intersection of 96th Street and Campus Drive, and then tapers down to two lanes north of Campus Drive; (4) modifications to the Northwest Parkway and Rockcress Drive/Via Varra intersection; (5) eliminate the existing at grade pedestrian/bicycle crossings at the 96th Street/Northwest Parkway intersection and the north side of Rockcress Drive/Northwest Parkway intersection and construct a pedestrian bridge crossing at/near the 96th Street intersection; (6) a third left turn lane from northbound Northwest Parkway to northbound 96th Street; (7) one new receiving lane (acceleration lane) on northbound Northwest Parkway, north of 96th Street within the existing center median to receive the additional lane of turning traffic; (8) a third southbound through lane on the Northwest Parkway from 96th Street to Rockcress Drive; (9) signalization improvements at the intersection of 96th Street and Campus Drive; (10) signalization improvements at the intersection of 96th Street and Northwest Parkway; (11) signalization improvements at the intersection of Rockcress Drive and Northwest Parkway; and (12) pay the reasonable costs of the NWP Authority or the NWP LLC to relocate the current Electronic Tolling Sign on 96th Street. Pursuant to the NWP Agreement, the LLC shall be responsible for the LLC maintenance obligations as outlined in an Exhibit to the NWP Agreement. The District shall maintain those Improvements Within Authority Property that are not being maintained by the LLC until such time as the City and/or City and County of Broomfield assume maintenance responsibilities.

NOTE 6 AGREEMENTS (CONTINUED)

Agreement by and between the Northwest Parkway Public Highway Authority, Northwest Parkway LLC and Redtail Ridge Metropolitan District Regarding Capital Improvements Planning, Construction, and Maintenance (Continued)

In addition, the NWP Agreement obligates the District to participate in improvements the Authority is obligated to undertake within the proposed Varra Park parcel located within the City and County of Broomfield. The District's total cost obligation for both design and construction shall not exceed $500,000.00 (the Park Improvements) as outlined in the NWP Agreement. The maintenance of Varra Park and the Park Improvements shall not be the obligation of the District after completion and acceptance of the Park Improvements by the Authority. Instead, the Authority shall maintain Varra Park until such time as the City and County of Broomfield has assumed maintenance.

Agreement Regarding License to Modify Goodhue Ditch

On December 11, 2024, the District, the Developer, and Goodhue Ditch and Reservoir Company entered into the Agreement Regarding License to Modify Goodhue Ditch (the Goodhue Ditch Agreement) setting forth their rights and obligations in connection with the Goodhue Ditch which crosses the northeastern corner of the property in the Development. Pursuant to the Goodhue Ditch Agreement, the District agrees to modify the Goodhue Ditch and Goodhue's existing easement in connection therewith in the vicinity of South 96th Street and Campus Drive (a proposed public road) in the City, for the purposes of straightening the route of the Ditch and its easement and enclosing a portion of the Ditch in a pipe. The District shall construct, install and perform the modification at no cost to Goodhue. The Goodhue Ditch Agreement generally obligates the District to indemnify Goodhue against losses attributable to the District's work or operations under the Goodhue Ditch Agreement. The Goodhue Ditch Agreement automatically terminates when both the Warranty Period (described therein) has expired and any maintenance or repairs required to fulfill the warranty obligations have been completed.

Declaration of Payment in Lieu of Taxes

On February 4, 2025, the Developer executed and recorded the Declaration of Covenants Concerning Payment in Lieu of Taxes with the Boulder County Clerk and Recorder at Reception No. 04075285, as amended by that certain Amendment to Declaration of Payment in Lieu of Taxes executed and recorded on February 13, 2025 with the Boulder County Clerk at Reception No. 04076195 (the PILOT Covenant). In accordance with the PILOT Covenant, any property, or any portion thereof, that is exempt from taxes, will be required to pay an annual payment in lieu of taxes to the District (the PILOT Revenues). Revenue from the PILOT Covenant is a component of the Pledged Revenue for the Series 2025 Bonds (discussed below). The PILOT Revenues will be collected and remitted to the Series 2025 Bonds Trustee in accordance with the terms of the PILOT Covenant.

NOTE 6 AGREEMENTS (CONTINUED)

PILOT Exemption Agreement

On February 13, 2025, PorterCare Adventist Health System (PorterCare), the Developer, and the District entered into a PILOT Exemption Agreement (the PILOT Exemption Agreement). A Memorandum of PILOT Exemption was recorded on February 13, 2025 with the Boulder County Clerk and Recorder at Reception No. 04075285, with an Affidavit re: Scrivenor's Error Pursuant to C.R.S. §38-35-109(4) recorded on February 24, 2025 with the Boulder County Clerk at Reception No. 04077015. PorterCare is a non-profit, tax-exempt organization, qualifying as a Tax-Exempt Entity, as defined under the PILOT and owns approximately 39.94 acres within the District (the Exempt Property). Pursuant to the PILOT Exemption Agreement, PorterCare shall pay a one-time amount of $14,000,000 for use by the District at its sole discretion for any lawful purpose (the Capital Contribution). PorterCare closed on the Exempt Property and paid the $14,000,000 Capital Contribution to the District in 2025. The Capital Contribution does not constitute a pledged revenue under the Series 2025 Bonds or the related indenture.

PorterCare Operation Funding and Contribution Agreement

On February 13, 2025, PorterCare and the District entered into the PorterCare Operation Funding and Contribution Agreement (the OFCA). A Memorandum of Operation Funding and Contribution Agreement was recorded on February 13, 2025 with the Boulder County Clerk and Recorder at Reception No. 04076224, with an Affidavit re: Scrivenor's Error Pursuant to C.R.S. §38-35-109(4) recorded on February 24, 2025 with the Boulder County Clerk at Reception No. 04077015. Pursuant to the OFCA, PorterCare and other Qualified Exempt Owners (as defined therein) claiming a fee interest in any portion of the Exempt Property and the real property improvements constructed thereon and personal property that is owned by a Qualified Exempt Owner (the Interest) are responsible for making annual payments to the District for the cost of the operations and maintenance of the Public Improvements (the PorterCare Annual Administration, Operations and Maintenance Contribution).

For the year in which PorterCare closes on the Exempt Property, payment from PorterCare will be due within thirty days of receipt of the Initial Payment Notice (as defined therein) and the amount shall be prorated to the date of closing based on the most recent and available assessed valuations and mill levies and the assumptions used in the calculation of the contribution due for all Interests and payable by PorterCare. However, as a result of PorterCare's delay in filing an Application for Property Tax Exemption with the Colorado Department of Local Affairs Division of Property Taxation, PorterCare paid property taxes for the 2025-2026 tax years and the District did not issue the Initial Payment Notice to PorterCare in 2025, which was the year PorterCare closed on the Exempt Property. Instead, the District will deliver to PorterCare in writing, on or before January 31 of each year, beginning in 2027, the amount due under the OFCA to be paid by PorterCare on or before April 1.

NOTE 6 AGREEMENTS (CONTINUED)

PorterCare Operation Funding and Contribution Agreement (Continued)

The PorterCare Annual Administration, Operations and Maintenance Contribution will be equal to an amount equal to the then existing assessor's valuation of such Interests multiplied by the then current general fund mill levy (the Operation and Maintenance Mill Levy) imposed by the District. Pursuant to the Service Plan, in no event will the Operation and Maintenance Mill Levy exceed 10 mills, as adjusted on or after January 1, 2020 for changes in the method of calculating assessed valuation. PorterCare waives any and all rights to any revenues of the District for reimbursement of the Capital Contribution and the PorterCare Annual Administration, Operations and Maintenance Contribution.

Development Agreement (PorterCare)

On February 13, 2025 the Developer, PorterCare and the District entered into a Development Agreement (PorterCare), which sets forth the rights and obligations of the parties in connection with the construction of certain improvements, both public and private, necessary to complete the development of the Exempt Property (the Development Agreement). Pursuant to the Development Agreement, the District, at its sole cost and expense and subject to the SIA, shall use commercially reasonable efforts to cause the Completion (as defined therein) of the Public Improvements (identified therein) by no later than August 31, 2028 and in substantial compliance with the Approved Plans (as defined in the SIA), the SIA and all applicable laws, rules, regulations, ordinances, approvals, and permits. A proposed schedule for commencement and completion of each component of the Public Improvements (the Public Improvements Construction Schedule) is identified in an Exhibit D attached to the Portercare Development Agreement.

Pursuant to the Portercare Development Agreement, the District shall, at the District's cost and expense, use commercially reasonable efforts to cause Completion of each component of the Public Improvements identified therein in accordance with the Public Improvements Construction Schedule (as to each such component, the applicable Public Improvements Completion Date).

Notwithstanding the foregoing, the August 31, 2028, date referenced above, as well as the Public Improvements Completion Date for each component of the Public Improvements, shall be extended by a period of time equal to any period that such performance or progress in construction of such component of the Public Improvements is delayed due to any circumstance actually affecting the prosecution of such component of the Public Improvements that is beyond the reasonable control of the District (each, an Uncontrollable Event). In the event the District fails to comply with its obligations above to complete any component of the Public Improvements, PorterCare's sole and exclusive remedy shall be to bring an action against the District for specific performance.

Pursuant to the Development Agreement, the Developer shall, at its sole cost and expense, use commercially reasonable efforts to cause the Private Improvements (defined therein) to be constructed and completed in a good and workmanlike manner and in substantial compliance with the construction plans relating thereto, the Private Improvements Construction Schedule, and all applicable laws, rules, regulations, ordinances, approvals and permits, on or before the date set forth in the Private Improvements Construction Schedule, as described therein.

NOTE 6 AGREEMENTS (CONTINUED)

Service Agreement for Project Coordination/Consultation and Owner's Representation Services

On February 5, 2025, the District and Land Asset Strategies, LLC (LAS) entered into a Service Agreement for Project Coordination/Consultation and Owner's Representation Services (the Project Coordination Agreement) whereby LAS shall be responsible for the coordination and management of certain design professionals in compliance with applicable state and federal laws and professional standards. The District shall pay LAS a fixed monthly fee of $20,000.00 (plus mileage), subject to annual budgeting and appropriations. The Project Coordination Agreement shall expire on a date satisfactory completion of the services.

Cost Sharing Agreement

On March 13, 2025, the District and the Developer entered into a Cost Sharing Agreement (the Cost Sharing Agreement). The Cost Sharing Agreement notes that the property and the service area will each benefit from the coordinated planning, designing, engineering and construction of certain public improvements that the District desires to be made (the Public Improvements) and the certain private improvements that the Developer desires to be made (the Private Improvements and together with the Public Improvements, the Project). The Cost Sharing Agreement sets forth the terms and conditions under which the parties will share in the costs of planning, designing engineering, and construction of the Project.

Under the terms of the Cost Sharing Agreement, the Developer is responsible for funding all costs associated with privately funded improvements. The Developer is required to provide funding in advance of construction and to maintain sufficient funding throughout the project to cover estimated costs, either through cash deposits or a letter of credit. The Developer is ultimately responsible for the actual costs of the private improvements as determined in accordance with the agreement.

During the year ended December 31, 2025, the Developer deposited $7,474,704 to fund private improvements costs, of which $4,252,156 was paid by the District for private improvements. Interest earned on the Developer deposit during the year was $161,094. As of December 31, 2025, the Developer has $3,383,642 on deposit with the District in accordance with the Cost Sharing Agreement to fund private improvement costs.

Project Management Agreement

On March 13, 2025, the District and SBDM RR, LLC entered into the Project Management Agreement (the Property Management Agreement). Under the terms of the Project Management Agreement, the District retained SBDM RR, LLC as the Project Manager (the Project Manager) to plan and coordinate the construction and installation of improvements associated with Redtail Ridge Filing No. 1 (the Project). The Project Manager will provide management services relating to the planning, design, construction and installation of, and obtaining municipal approvals for, improvements. In exchange for these services, the District will compensate the Project Manager 8% of the total hard and soft costs as verified by the District's independent engineer (the Cost Verification Report).

NOTE 6 AGREEMENTS (CONTINUED)

Project Management Agreement (Continued)

Pursuant to the Project Management Agreement, commencing on March 31, 2025, a sum equal to 4% of the hard and soft costs contained in a Cost Verification Report shall be paid within ten (10) days following the District's Board of Director's acceptance of a Cost Verification Report. Within 90 days following completion of the Project, the District and Project Manager shall determine whether the amount paid to the Project Manager, including the Retroactive Fee, equaled, exceeded, or was less than 5% of the total hard and softs costs established by the Cost Verification Reports. The Project Management Agreement provides a process for paying the Project Manager if it is less than 5% and for deducting money owed to the Project Manager if it exceeds 5%.

The Project Management Agreement shall initially be for a period of three (3) years and will automatically renew for successive one (1) year periods up to a maximum of five (5) years, unless either party gives a written notice of termination.

NOTE 7 NET POSITION

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

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

	Governmental Activities	Business-Type Activities
Restricted Net Position:		
Emergencies	$ 435,500	$ -
Total Restricted Net Position	$ 435,500	$ -

NOTE 8 RELATED PARTIES

The property within the District is owned by and is being developed by the Developer and/or entities affiliated with the Developer. The District's Board members are officers of, employees of, or are associated with the Developer, Land Asset Strategies, LLC, and SBDM RR, LLC in consulting capacities. As such, these Board members may have conflicts of interest in dealing with the District.

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay all 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 COMMITMENTS AND CONTINGENCIES

Master Infrastructure and Grading Project Contract

In January 3, 2025, the District entered into a master construction agreement with M.A. Mortenson Company for the construction of master infrastructure and grading improvements for the Redtail Ridge development. The agreement is structured as a Construction Manager at Risk contract and provides for compensation based on the cost of the work plus a fixed fee, subject to a guaranteed maximum price (GMP) established separately for each authorized phase.

The agreement is phased, and the District is not obligated to proceed with all phases. Each phase is authorized by a separate notice to proceed, at which time funding is appropriated and a GMP is established. Costs in excess of the applicable GMP are the responsibility of the contractor unless approved through a change order. The contractor is required to provide payment and performance bonds and maintain insurance coverage for each authorized phase.

As of December 31, 2025, total estimated construction costs for the Improvements were $72,187,820, consisting of the original contract amount of $69,485,119, approved change orders totaling $2,574,001, and the required 5% escrow contingency of $128,700 related to those change orders. An independent engineer certified $11,849,715 of eligible escrow costs incurred as of year-end, representing approximately 17.28% completion of the Improvements. The estimated cost to complete the Improvements was $59,714,436 at December 31, 2025.

As of December 31, 2025 the District's contractual commitments under this agreement are limited to those phases that have been authorized and funded. Future phases are subject to Board approval and annual appropriation.

Subsequent to December 31, 2025, the District received an updated independent engineer certification related to construction of the Redtail Ridge Improvements. As of July 30, 2026, total estimated construction costs increased to $77,557,039, reflecting cumulative approved change orders of $7,687,542 and an associated 5% escrow contingency of $384,377.

As of the cost certification report dated July 30, 2026, the engineer certified $27,397,241 of eligible escrow costs incurred, representing approximately 37.18% completion of the Improvements. The estimated cost to complete the Improvements was $57,732,602 at that date.

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Master Infrastructure and Grading Project Contract

A portion of the remaining estimated cost to complete relates to private improvements and is estimated to be $515,583, not including unpaid retainage of $122,975. The District holds private funds sufficient to cover the remaining private improvement costs, as disclosed in Note 6 under the Cost Sharing Agreement. These subsequent events reflect construction progress and updated cost certifications occurring after year-end and do not affect the District's December 31, 2025 financial statements.

NOTE 11 INTERFUND TRANSFERS

The transfer from the general fund to the Capital Projects Fund are to fund capital expenses.

NOTE 12 RISK MANAGEMENT

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

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

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

NOTE 13 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 that 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.

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

On May 5, 2020, a majority of the District's electors authorized the District to collect and spend or retain all revenue of the District and authorized tax levies to produce taxes of $10,000,000 annually for operations and maintenance without regard to any limitations under TABOR. Additionally, the District's electors authorized the District to collect, retain, and spend all revenues without regard to any limitations under TABOR.

On May 6, 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 2025 and all future property tax years.

SUPPLEMENTARY INFORMATION

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

	Budget Original And Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 861,566	$ 2,481,801	$ 1,620,235
Pilot Revenue	14,000,000	-	(14,000,000)
Total Revenues	14,861,566	2,481,801	(12,379,765)
EXPENDITURES			
Accounting	100,000	26,889	73,111
Bond Issue Costs	2,655,903	2,615,084	40,819
Banking Fees	-	120,033	(120,033)
Capital Outlay	91,762,292	28,660,668	63,101,624
Contingency	1,000,000	-	1,000,000
Engineering	100,000	61,491	38,509
Legal	400,000	106,867	293,133
Miscellaneous	100,000	-	100,000
Repay Developer Advance - Capital	10,000,000	6,050,537	3,949,463
Traffic And Safety Control	-	14,846	(14,846)
Total Expenditures	106,118,195	37,656,415	68,461,780
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91,256,629)	(35,174,614)	56,082,015
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	86,156,629	87,799,974	1,643,345
Bond Discount	-	(1,312,442)	(1,312,442)
Developer Advance	5,100,000	4,298,828	(801,172)
Transfers From Other Funds	-	168,112	168,112
Total Other Financing Sources (Uses)	91,256,629	90,954,472	(302,157)
NET CHANGE IN FUND BALANCE	-	55,779,858	55,779,858
Fund Balance - Beginning of Year	-	(153,033)	(153,033)
FUND BALANCE - END OF YEAR	$ -	$ 55,626,825	$ 55,626,825

OTHER INFORMATION

REDTAIL RIDGE METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Total Mills Levied: General Operations	Total Property Taxes: Levied	Total Property Taxes: Collected	Percent Collected to Levied
2023/2024	$ 26	-	$ -	$ -	N/A
2024/2025	38,292	5.000	191	191	100%
Estimated for Year Ending December 31, 2026	$ 907	5.000	$ 5		

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

Source: Boulder County Assessor and Treasurer.