SLC METROPOLITAN DISTRICT NO. 1
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

SLC METROPOLITAN DISTRICT NO. 1
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Board of Directors
SLC Metropolitan District No. 1
Arapahoe County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of SLC Metropolitan District No. 1 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of SLC Metropolitan District No. 1 as of December 31, 2025, and the respective changes in financial position 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 (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 the management's discussion and analysis that accounting principles generally accepted in the United States 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 Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information
Management is responsible for the other information included in our report. The other information, as listed in the table of contents, 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, accordingly, we do not express an opinion or provide any assurance on them.

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.

Wipfli LLP

Wipfli LLP

Denver, Colorado
May 31, 2026

BASIC FINANCIAL STATEMENTS

SLC METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 25,323
Cash and Investments - Restricted	32,265
Prepaid Insurance	18,618
Due from District 2	225
Due from District 3	12,728
Prepaid Expenses	12,783
Capital Assets:	
Capital Assets Not Being Depreciated	28,770,510
Total Assets	28,872,452
LIABILITIES	
Accounts Payable	15,901
Noncurrent Liabilities:	
Due in More Than One Year	14,725,399
Total Liabilities	14,741,300
NET POSITION	
Restricted for:	
Emergency Reserve	17,900
Unrestricted	14,113,252
Total Net Position	$ 14,131,152

See accompanying Notes to Basic Financial Statements.

SLC METROPOLITAN DISTRICT NO. 1
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	$ 168,368	$ -	$ 13,407,757	$ -	$ 13,239,389
Interest on Long-Term Debt and Related Costs	751,509	-	-	-	(751,509)
Total Governmental Activities	$ 919,877	$ -	$ 13,407,757	$ -	12,487,880
GENERAL REVENUES					
Interest Income					29,609
Total General Revenues and Transfers					29,609
CHANGES IN NET POSITION					12,517,489
Net Position - Beginning of Year					1,613,663
NET POSITION - END OF YEAR					$ 14,131,152

See accompanying Notes to Basic Financial Statements.

SLC METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	$ 25,323	$ -	$ 25,323
Cash and Investments - Restricted	17,900	14,365	32,265
Due from District 2	225	-	225
Due from District 3	12,728	-	12,728
Prepaid Insurance	18,618	-	18,618
Prepaid Expenses	12,783	-	12,783
Total Assets	$ 87,577	$ 14,365	$ 101,942
LIABILITIES AND FUND BALANCES RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 15,901	$ -	$ 15,901
Total Liabilities	15,901	-	15,901
FUND BALANCES			
Nonspendable:			
Prepaid Expense	31,401	-	31,401
Restricted for:			
Emergency Reserves	17,900	-	17,900
Capital Projects	-	14,365	14,365
Unassigned	22,375	-	22,375
Total Fund Balances	71,676	14,365	86,041
Total Liabilities, Deferred Inflows of Total Liabilities and Fund Balances	$ 87,577	$ 14,365	

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.	28,770,510
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advance Payable - Capital	(14,519,224)
Accrued Developer Advance Interest - Capital	(206,175)
Net Position of Governmental Activities	$ 14,131,152

See accompanying Notes to Basic Financial Statements.

SLC METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Capital Projects	Governmental Funds
REVENUES			
Interest Income	$ -	$ 29,609	$ 29,609
Transfers From District 2	52,937	-	52,937
Transfers From District 3	539,876	12,812,570	13,352,446
Transfers From District 4	2,374	-	2,374
Total Revenues	595,187	12,842,179	13,437,366
EXPENDITURES			
Current:			
Accounting	38,783	-	38,783
Auditing	15,476	-	15,476
Dues And Membership	2,143	-	2,143
Election	10,276	-	10,276
Engineering	-	38,381	38,381
Insurance	12,551	-	12,551
Legal	48,498	-	48,498
Website	2,260	-	2,260
Capital Projects:			
Capital Outlay	-	23,066,854	23,066,854
Total Expenditures	129,987	23,105,235	23,235,222
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	465,200	(10,263,056)	(9,797,856)
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	23,066,854	23,066,854
Repay Developer Advance	-	(12,706,866)	(12,706,866)
Developer Advance - Interest Expense	-	(555,703)	(555,703)
Transfers In (Out)	(466,128)	466,128	-
Total Other Financing Sources (Uses)	(466,128)	10,270,413	9,804,285
NET CHANGE IN FUND BALANCES	(928)	7,357	6,429
Fund Balances - Beginning of Year	72,604	7,008	79,612
FUND BALANCES - END OF YEAR	$ 71,676	$ 14,365	$ 86,041

See accompanying Notes to Basic Financial Statements.

SLC METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT 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	$ 6,429
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	23,066,854
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Developer Advance	(23,066,854)
Repay Developer Advance	12,706,866
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	(195,806)
Changes in Net Position of Governmental Activities	$ 12,517,489

See accompanying Notes to Basic Financial Statements.

SLC METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	$ 2	$ -	$ -	$ -
Interest Income	24,000	2,400	-	(2,400)
Other Revenue	-	45,064	-	(45,064)
Transfers From District 2	13,708	52,937	52,937	-
Transfers From District 3	1,408,362	527,148	539,876	12,728
Transfers From District 4	2	2,374	2,374	-
Total Revenues	1,446,074	629,923	595,187	(34,736)
EXPENDITURES				
Accounting	34,650	40,000	38,783	1,217
Auditing	7,000	15,500	15,476	24
Contingency	2,200	500	-	500
Dues And Membership	2,500	2,200	2,143	57
Election	3,000	10,500	10,276	224
Insurance	15,000	14,000	12,551	1,449
Legal	34,650	95,000	48,498	46,502
Website	1,000	2,300	2,260	40
Total Expenditures	100,000	180,000	129,987	50,013
EXCESS OF REVENUES OVER EXPENDITURES	1,346,074	449,923	465,200	15,277
OTHER FINANCING SOURCES (USES)				
Transfers To Other Fund	(1,350,000)	(500,000)	(466,128)	33,872
Total Other Financing Sources (Uses)	(1,350,000)	(500,000)	(466,128)	33,872
NET CHANGE IN FUND BALANCE	(3,926)	(50,077)	(928)	49,149
Fund Balance - Beginning of Year	70,077	70,077	72,604	2,527
FUND BALANCE - END OF YEAR	$ 66,151	$ 20,000	$ 71,676	$ 51,676

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

SLC Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court of Arapahoe County, Colorado recorded on December 4, 2019, to provide financing for design, planning, acquisition, construction, relocation, installation, completion, operation, maintenance, and repair or replacement of public improvements and facilities, including streets, park and recreation, water, sanitary and storm sewer, public transportation, mosquito control, traffic and safety, fire protection, television relay and translation, security and communications. The District's service area is located entirely within the City of Aurora (City) in Arapahoe County, Colorado.

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

The District has no employees, and all 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 taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and the sum of liabilities 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 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. Redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended the 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.

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.

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 activities column in the government-wide financial statements. Capital assets are defined by the Authority 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 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 capital assets, as applicable.

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	$	25,323
Cash and Investments - Restricted		32,265
Total Cash and Investments	$	57,588

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

Deposits with Financial Institutions	$	6,460
Investments		51,128
Total Cash and Investments	$	57,588

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 a carrying balance of $6,460.

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 (CSAFE)	Weighted-Average Under 60 Days	$ 51,128
		$ 51,128

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 operations similar 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, 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:				
Capital Assets Not Being Depreciated	$ 5,703,656	$ 23,066,854	$ -	$ 28,770,510
Total Capital Assets, Not Being Depreciated	$ 5,703,656	$ 23,066,854	$ -	$ 28,770,510

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
Other Debts:					
Developer Advance - Capital	$ 4,159,236	$ 23,066,854	$ 12,706,866	$ 14,519,224	$ -
Accrued Interest on:					
Developer Advance - Capital	10,369	751,509	555,703	206,175	-
Subtotal Other Debts	4,169,605	23,818,363	13,262,569	14,725,399	-
Total Long-Term Obligations	$ 4,169,605	$ 23,818,363	$ 13,262,569	$ 14,725,399	$ -

Authorized Debt

Pursuant to its Service Plan, the District is permitted to issue bond indebtedness of up to $156,000,000 (Service Plan Debt Issuance Limit). In no event is the District authorized to issue Debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refunding's of the Debt authorized to be issued under the Service Plan. As of December 31, 2025, the District has remaining authorization under the Service Plan of $156,000,000.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer, or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt, for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 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
Restricted Net Position:	
Emergencies	$ 17,900
Total Restricted Net Position	$ 17,900

The District's unrestricted net position as of December 31, 2025 totaled $14,113,252.

NOTE 7 RELATED PARTY

Facilities Funding and Acquisition Agreement

On December 11, 2019, the District entered into a Facilities Funding and Acquisition Agreement with NP Stafford I, LLC (Developer) (FFAA). The FFAA provides for the Developer to advance funds for ongoing construction related expenses incurred by the District for the years 2019 through 2025 in an amount not to exceed $156,000,000, and the terms and procedures for the District's acquisition of the Improvements (as defined in the FFAA). The District agrees to repay the Developer for such capital advances, plus accrued interest at a rate of 7% per annum. As of December 31, 2025 outstanding advances under the FFAA total $14,519,224 and accrued interest totaled $206,175.

On June 18, 2025, the District and the Developer entered into a First Amendment to FFAA to extend the obligation of the Developer to fund the Shortfall Amount through 2027 and to update the provisions related to the term of the Agreement.

Operation Funding Agreement

On December 11, 2019, the District and the Developer entered into a 2019-2020 Operation Funding Agreement, as amended on September 24, 2020 (OFA). The OFA provides for the Developer to advance funds for ongoing operations expenses incurred by the District through December 31, 2021 in an amount not to exceed $150,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. The Developer's current obligation to advance funds expired upon receipt of amounts sufficient to pay expenses incurred in 2019 through 2021. The District's obligation to repay advances expires on December 31, 2059. As of December 31, 2025 there are no advances outstanding under the OFA.

Waiver and Release of Reimbursement Rights Agreements

On November 20, 2023, the District and the Developer entered into Waiver and Release of Reimbursement Rights Agreements (Waivers) with NP Stafford I Building 1, LLC; NP Stafford IV Building 2, LLC; NP Stafford IV Building 3, LLC; NP Stafford II, LLC; and NP Stafford III, LLC (collectively, the Builders). Pursuant to the Waivers, the Builders agree to individually design, construct, and complete public improvements in full conformance with applicable design standards and specifications for dedication to and operation and maintenance by the District. All costs of public improvements constructed by the Builders are reviewed by an Independent Engineer and, to the extent such costs are verified as eligible for reimbursement from public funds, the Builders each waive any right to reimbursement for such costs, which are reimbursed to the Developer pursuant to the FFAA.

NOTE 8 AGREEMENTS

Memorandum of Understanding

On December 11, 2019, the District and SLC Metropolitan District Nos. 2, 3 and 4 (hereinafter referred to collectively as the Districts) entered into a Memorandum of Understanding, as amended (MOU) whereby the District agreed to provide for the construction, design, operation, and maintenance of certain public improvements for the Districts. The District further agreed to provide for the overall administration of the Districts. To the extent the Districts enter into a future Facilities Funding, Construction and Operations Agreement (FFCOA), that agreement will, among other things, provide for District Nos. 2, 3 and 4 to reimburse the District for certain costs incurred pursuant to the MOU.

Intergovernmental Agreement with the City

The District and the City are parties to an Intergovernmental Agreement (City IGA) dated December 11, 2019, which provides contractual enforcement rights to the City with respect to certain restrictions set forth in the District's Service Plan. Under the City IGA, the District covenants to dedicate all public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the District is not authorized to operate and maintain improvements, other than park and recreation improvements, unless otherwise agreed to by the City. Further, the District is required to impose a mill levy for Aurora Regional Improvements (the ARI Mill Levy) commencing in the first year the District imposes a debt service mill levy.

Aurora Regional Transportation Authority Establishment Agreement

On June 4, 2020, the District entered into the Seventh Amendment to Aurora Regional Transportation Authority (ARTA) Establishment Agreement, along with other metropolitan districts within the City. This Agreement was further amended to add additional metropolitan district members.

Pursuant to the Agreement, ARTA will plan, design, acquire, construct, relocate, redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are a party to the Agreement using the revenue from the ARI Mill Levy (as defined therein) of each of the districts. In accordance with the Agreement, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board, but as of December 31, 2025, had not exercised this right.

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Capital Projects Fund was for the purpose of reimbursing public infrastructure costs.

NOTE 10 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (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.

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

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS

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

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.

On November 5, 2019, the Electors of the District authorized the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Additionally, the District voters approved authorization to increase property taxes up to $156,000,000 annually to pay for the administration, operations, maintenance, and capital expenditures of the District, and to issue debt in the amount of $156,000,000 to fund each of the following items: street improvements, parks and recreation improvements, water improvements, sanitation improvements, transportation improvements, mosquito control improvements, safety protection improvements, fire protection improvements, television relay and translation improvements, security improvements, operations and maintenance, intergovernmental agreements, refunding, and nonresidential telephone service.

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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 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 2026 and all future budget years.

SUPPLEMENTARY INFORMATION

SLC METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Transfers From District 3	$ -	$ 12,812,570	$ 12,812,570	$ -
Interest Income	-	-	29,609	29,609
Other Revenue	-	2,430	-	(2,430)
Total Revenues	-	12,815,000	12,842,179	27,179
EXPENDITURES				
Engineering	30,000	30,000	38,381	(8,381)
Capital Outlay	-	23,100,000	23,066,854	33,146
Contingency	20,000	22,430	-	22,430
Total Expenditures	50,000	23,152,430	23,105,235	47,195
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(10,337,430)	(10,263,056)	74,374
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	23,100,000	23,066,854	(33,146)
Repay Developer Advance	(1,117,544)	(12,838,650)	(12,706,866)	131,784
Developer Advance - Interest Expense	(182,456)	(423,920)	(555,703)	(131,783)
Transfers From Other Funds	1,350,000	500,000	466,128	(33,872)
Total Other Financing Sources (Uses)	50,000	10,337,430	10,270,413	(67,017)
NET CHANGE IN FUND BALANCE	-	-	7,357	7,357
Fund Balance - Beginning of Year	-	-	7,008	7,008
FUND BALANCE - END OF YEAR	$ -	$ -	$ 14,365	$ 14,365

OTHER INFORMATION

SLC METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy Note	Mills Levied		Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2021	$ 109	15.090	0.000	2	3	150.00 %
2022	116	15.090	0.000	2	2	100.00 %
2023	116	15.090	0.000	2	2	100.00 %
2024	123	15.090	0.000	2	2	100.00 %
2025	123	0.000	0.000	2	-	0.00%
Estimated for Year Ending December 31, 2026	$ 270	0.000	0.000	-		

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: Arapahoe County Assessor and Treasurer.