

**THE PLAZA METROPOLITAN DISTRICT NO. 1**

**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2025**

**THE PLAZA METRO DISTRICT NO. 1  
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**Independent Auditors' Report**

Board of Directors  
The Plaza Metropolitan District No. 1  
Arapahoe County, Colorado

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund, of The Plaza 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 the District 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, 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.

## **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 listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary 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 financial statements or to the 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 financial statements as a whole.

*Simmons & Walsh P.C.*

Englewood, CO  
April 28, 2026

## **BASIC FINANCIAL STATEMENTS**

**THE PLAZA METRO DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

|                                      | Governmental<br>Activities    |
|--------------------------------------|-------------------------------|
| <b>ASSETS</b>                        |                               |
| Cash and Investments                 | \$ 33,711                     |
| Cash and Investments - Restricted    | 7,736,715                     |
| Accounts Receivable                  | 36,106                        |
| Prepaid Insurance                    | 30,623                        |
| Due from Plaza District No. 2        | 6,786                         |
| Due from Plaza District No. 3        | 4,712                         |
| PIF Receivable                       | 1,052,443                     |
| Capital Assets:                      |                               |
| Capital Assets Not Being Depreciated | 289,446                       |
| Capital Assets Net of Depreciation   | <u>22,258,411</u>             |
| Total Assets                         | <u>31,448,953</u>             |
| <b>LIABILITIES</b>                   |                               |
| Accounts Payable                     | 24,732                        |
| Accrued Interest                     | 155,748                       |
| Noncurrent Liabilities:              |                               |
| Due Within One Year                  | 5,500,000                     |
| Due in More Than One Year            | <u>101,252,448</u>            |
| Total Liabilities                    | <u>106,932,928</u>            |
| <b>NET POSITION</b>                  |                               |
| Net Investment in Capital Assets     | 8,122,098                     |
| Restricted for:                      |                               |
| Emergency Reserve                    | 10,000                        |
| Debt Service                         | 1,082,347                     |
| Unrestricted                         | <u>(84,698,420)</u>           |
| Total Net Position                   | <u><u>\$ (75,483,975)</u></u> |

See accompanying Notes to Basic Financial Statements.

**THE PLAZA METRO DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2025**

|                                                 |                      | Program Revenues           |                                          |                                        | Net Revenues<br>(Expenses) and<br>Changes in<br>Net Position |
|-------------------------------------------------|----------------------|----------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------|
|                                                 |                      | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                   |
|                                                 | Expenses             |                            |                                          |                                        |                                                              |
| <b>FUNCTIONS/PROGRAMS</b>                       |                      |                            |                                          |                                        |                                                              |
| Primary Government:                             |                      |                            |                                          |                                        |                                                              |
| Governmental Activities:                        |                      |                            |                                          |                                        |                                                              |
| General Government                              | \$ 237,944           | \$ -                       | \$ -                                     | \$ -                                   | \$ (237,944)                                                 |
| Public Works                                    | 2,349,962            | -                          | 93,018                                   | -                                      | (2,256,944)                                                  |
| Parking                                         | 65,050               | 208,270                    | -                                        | -                                      | 143,220                                                      |
| Interest on Long-Term Debt<br>and Related Costs | 12,349,186           | -                          | 6,903,150                                | -                                      | (5,446,036)                                                  |
| Total Governmental Activities                   | <u>\$ 15,002,142</u> | <u>\$ 208,270</u>          | <u>\$ 6,996,168</u>                      | <u>\$ -</u>                            | <u>(7,797,704)</u>                                           |
| <b>GENERAL REVENUES</b>                         |                      |                            |                                          |                                        |                                                              |
| Public Improvement Fees                         |                      |                            |                                          |                                        | 5,192,328                                                    |
| Specific Ownership Taxes                        |                      |                            |                                          |                                        | -                                                            |
| Interest Income                                 |                      |                            |                                          |                                        | 686,507                                                      |
| Other Revenue                                   |                      |                            |                                          |                                        | 313,706                                                      |
| Total General Revenues and Transfers            |                      |                            |                                          |                                        | <u>6,192,541</u>                                             |
| <b>CHANGES IN NET POSITION</b>                  |                      |                            |                                          |                                        | (1,605,163)                                                  |
| Net Position - Beginning of Year                |                      |                            |                                          |                                        | <u>(73,878,812)</u>                                          |
| <b>NET POSITION - END OF YEAR</b>               |                      |                            |                                          |                                        | <u><u>\$ (75,483,975)</u></u>                                |

See accompanying Notes to Basic Financial Statements.

**THE PLAZA METRO DISTRICT NO. 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2025**

|                                                                          | General          | Debt<br>Service     | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------------------|------------------|---------------------|--------------------------------|
| <b>ASSETS</b>                                                            |                  |                     |                                |
| Cash and Investments                                                     | \$ 23,500        | \$ 10,211           | \$ 33,711                      |
| Cash and Investments - Restricted                                        | 10,000           | 7,726,715           | 7,736,715                      |
| Accounts Receivable                                                      | 27,138           | 8,968               | 36,106                         |
| Due from Other Districts                                                 | -                | 11,498              | 11,498                         |
| PIF Receivable                                                           | -                | 1,052,443           | 1,052,443                      |
| Prepaid Insurance                                                        | 30,623           | -                   | 30,623                         |
| Total Assets                                                             | <u>\$ 91,261</u> | <u>\$ 8,809,835</u> | <u>\$ 8,901,096</u>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                  |                     |                                |
| <b>LIABILITIES</b>                                                       |                  |                     |                                |
| Accounts Payable                                                         | \$ 23,958        | \$ 774              | \$ 24,732                      |
| Total Liabilities                                                        | <u>23,958</u>    | <u>774</u>          | <u>24,732</u>                  |
| <b>FUND BALANCES</b>                                                     |                  |                     |                                |
| Nonspendable:                                                            |                  |                     |                                |
| Prepaid Expense                                                          | 30,623           | -                   | 30,623                         |
| Restricted for:                                                          |                  |                     |                                |
| Emergency Reserves                                                       | 10,000           | -                   | 10,000                         |
| Debt Service                                                             | -                | 8,809,061           | 8,809,061                      |
| Assigned to:                                                             |                  |                     |                                |
| Subsequent Year's Expenditures                                           | 1,708            | -                   | 1,708                          |
| Unassigned                                                               | 24,972           | -                   | 24,972                         |
| Total Fund Balances                                                      | <u>67,303</u>    | <u>8,809,061</u>    | <u>8,876,364</u>               |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances   | <u>\$ 91,261</u> | <u>\$ 8,809,835</u> |                                |

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.

22,547,857

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

|                           |                    |
|---------------------------|--------------------|
| Accrued Interest          | (155,748)          |
| Bonds Payable             | (38,670,000)       |
| Developer Advance Payable | (67,008,509)       |
| Unamortized Bond Premium  | <u>(1,073,939)</u> |

Net Position of Governmental Activities

\$ (75,483,975)

See accompanying Notes to Basic Financial Statements.

**THE PLAZA METRO DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

|                                        | General          | Debt<br>Service     | Total<br>Governmental<br>Funds |
|----------------------------------------|------------------|---------------------|--------------------------------|
| <b>REVENUES</b>                        |                  |                     |                                |
| Interest Income                        | \$ 19,509        | \$ 666,998          | \$ 686,507                     |
| Parking Fees                           | 208,270          | -                   | 208,270                        |
| Maintenance Reimbursement From City    | 93,018           | -                   | 93,018                         |
| Other Revenue                          | 2,739            | 310,967             | 313,706                        |
| Incremental tax revenue                | -                | 5,952,273           | 5,952,273                      |
| PIF Revenue                            | -                | 5,192,328           | 5,192,328                      |
| Lodging Tax                            | -                | 74,308              | 74,308                         |
| Transfers From Plaza District No. 2    | -                | 549,545             | 549,545                        |
| Transfers From Plaza District No. 3    | -                | 327,024             | 327,024                        |
| Total Revenues                         | <u>323,536</u>   | <u>13,073,443</u>   | <u>13,396,979</u>              |
| <b>EXPENDITURES</b>                    |                  |                     |                                |
| Current:                               |                  |                     |                                |
| Accounting                             | 55,480           | -                   | 55,480                         |
| Auditing                               | 10,000           | -                   | 10,000                         |
| Dues And Membership                    | 1,688            | -                   | 1,688                          |
| Election                               | 5,563            | -                   | 5,563                          |
| Insurance                              | 30,098           | -                   | 30,098                         |
| Legal                                  | 45,114           | -                   | 45,114                         |
| Operations Funding O&M                 | 234,363          | -                   | 234,363                        |
| Operations And Maintenance             | 1,477,315        | -                   | 1,477,315                      |
| Parking Operations                     | 65,050           | -                   | 65,050                         |
| Snow Removal                           | 86,775           | -                   | 86,775                         |
| Engineering                            | 8,237            | -                   | 8,237                          |
| Website                                | 3,226            | -                   | 3,226                          |
| Debt Service:                          |                  |                     |                                |
| Investment management                  | -                | 9,167               | 9,167                          |
| Paying Agent Fees                      | -                | 5,095               | 5,095                          |
| Bond interest                          | -                | 2,090,735           | 2,090,735                      |
| Bond principal                         | -                | 5,280,000           | 5,280,000                      |
| Total Expenditures                     | <u>2,022,909</u> | <u>7,384,997</u>    | <u>9,407,906</u>               |
| <b>EXCESS OF REVENUES OVER (UNDER)</b> |                  |                     |                                |
| <b>EXPENDITURES</b>                    | (1,699,373)      | 5,688,446           | 3,989,073                      |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                  |                     |                                |
| Developer Advance - Maintenance Fee    | 1,477,315        | -                   | 1,477,315                      |
| Transfers to LRA                       | -                | (5,132,523)         | (5,132,523)                    |
| Repay Developer Advance                | (362,500)        | -                   | (362,500)                      |
| Transfers From Other Funds             | 2,084,074        | 2,173,242           | 4,257,316                      |
| Transfer To Other Funds                | (2,173,242)      | (2,084,074)         | (4,257,316)                    |
| Total Other Financing Sources (Uses)   | <u>1,025,647</u> | <u>(5,043,355)</u>  | <u>(4,017,708)</u>             |
| <b>NET CHANGE IN FUND BALANCES</b>     | (673,726)        | 645,091             | (28,635)                       |
| Fund Balances - Beginning of Year      | <u>741,029</u>   | <u>8,163,970</u>    | <u>8,904,999</u>               |
| <b>FUND BALANCES - END OF YEAR</b>     | <u>\$ 67,303</u> | <u>\$ 8,809,061</u> | <u>\$ 8,876,364</u>            |

See accompanying Notes to Basic Financial Statements.

**THE PLAZA METRO 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 | \$ (28,635) |
|--------------------------------------------------------|-------------|

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       | 133,014   |
| Depreciation Expense | (763,061) |

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                        | 5,280,000   |
| Developer Advance                     | (1,477,315) |
| Accrued Interest on Developer Advance | (5,263,770) |
| Repay Developer Advance               | 362,500     |

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 - Change in Liability | 18,480  |
| Amortization of Bond Premium                   | 133,624 |

|                                                    |                       |
|----------------------------------------------------|-----------------------|
| Changes in Net Position of Governmental Activities | \$ <u>(1,605,163)</u> |
|----------------------------------------------------|-----------------------|

**THE PLAZA METRO DISTRICT NO. 1**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2025**

|                                                             | Budget            |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------------------------|-------------------|------------------|------------------|---------------------------------------------------------|
|                                                             | Original          | Final            | Amounts          |                                                         |
| <b>REVENUES</b>                                             |                   |                  |                  |                                                         |
| Interest Income                                             | \$ 8,000          | \$ 20,000        | \$ 19,509        | \$ (491)                                                |
| Parking fees                                                | 230,000           | 230,000          | 208,270          | (21,730)                                                |
| Maintenance reimbursement from City                         | 88,955            | 88,955           | 93,018           | 4,063                                                   |
| Other Revenue                                               | -                 | 3,000            | 2,739            | (261)                                                   |
| Total Revenues                                              | 326,955           | 341,955          | 323,536          | (18,419)                                                |
| <b>EXPENDITURES</b>                                         |                   |                  |                  |                                                         |
| Accounting                                                  | 70,000            | 56,000           | 55,480           | 520                                                     |
| Auditing                                                    | 11,000            | 10,000           | 10,000           | -                                                       |
| Dues And Membership                                         | 2,000             | 1,688            | 1,688            | -                                                       |
| Election                                                    | 5,000             | 6,495            | 5,563            | 932                                                     |
| Insurance                                                   | 35,000            | 30,098           | 30,098           | -                                                       |
| Legal                                                       | 150,000           | 46,000           | 45,114           | 886                                                     |
| Operations Funding O&M                                      | 150,000           | 235,000          | 234,363          | 637                                                     |
| Operations And Maintenance                                  | 1,800,000         | 1,797,000        | 1,477,315        | 319,685                                                 |
| Operations and maintenance - management fee                 | 150,000           | -                | -                | -                                                       |
| Parking Operations                                          | 100,000           | 66,000           | 65,050           | 950                                                     |
| Surplus Parking Revenue Arts & Culture/Community Activation | 130,000           | -                | -                | -                                                       |
| Snow Removal                                                | 80,000            | 87,000           | 86,775           | 225                                                     |
| Engineering                                                 | -                 | -                | 8,237            | (8,237)                                                 |
| Contingency                                                 | 22,000            | -                | -                | -                                                       |
| Website                                                     | -                 | 2,219            | 3,226            | (1,007)                                                 |
| Total Expenditures                                          | 2,705,000         | 2,337,500        | 2,022,909        | 314,591                                                 |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>         | (2,378,045)       | (1,995,545)      | (1,699,373)      | 296,172                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                       |                   |                  |                  |                                                         |
| Developer Advance - Maintenance Fee                         | 1,800,000         | 1,797,000        | 1,477,315        | (319,685)                                               |
| Developer Advance - Management Fee                          | 150,000           | -                | -                | -                                                       |
| Repay Developer Advance                                     | -                 | (362,500)        | (362,500)        | -                                                       |
| Transfers From Other Funds                                  | 2,084,074         | 2,084,074        | 2,084,074        | -                                                       |
| Transfers To Other fund                                     | (1,600,000)       | (2,212,000)      | (2,173,242)      | 38,758                                                  |
| Total Other Financing Sources (Uses)                        | 2,434,074         | 1,306,574        | 1,025,647        | (280,927)                                               |
| <b>NET CHANGE IN FUND BALANCE</b>                           | 56,029            | (688,971)        | (673,726)        | 15,245                                                  |
| Fund Balance - Beginning of Year                            | 739,107           | 741,029          | 741,029          | -                                                       |
| <b>FUND BALANCE - END OF YEAR</b>                           | <u>\$ 795,136</u> | <u>\$ 52,058</u> | <u>\$ 67,303</u> | <u>\$ 15,245</u>                                        |

See accompanying Notes to Basic Financial Statements.

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

The Plaza Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado was organized on November 27, 2000, 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 entirely in the City of Lakewood (the City), Jefferson County, Colorado. The District was established to provide financing for water, streets, traffic and safety controls, sanitation, transportation, television relay and translator, mosquito and pest control, park and recreation, and operation and maintenance of the District. Pursuant to the Service Plan and the District Facilities Constructions and Service Agreement, the District is the Service District related to The Plaza Metropolitan District No. 2 (District No. 2), the commercial financing district, and The Plaza Metropolitan District No. 3 (District No. 3) the residential financing district. District Nos. 2 and 3 serve as the financing districts for the development of the service area, which encompasses the area of both the District and District Nos. 2 and 3 and is generally known as Belmar (the Project).

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. 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 and intergovernmental revenues.

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

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

Separate financial statements are provided for 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 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 public improvement fees. 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 due.

The District reports the following major governmental funds:

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

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

**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 PLAZA METRO DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets (Continued)**

The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

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

**Pooled Cash and Investments**

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

**Accounts Receivable**

All accounts receivables are shown net of an allowance for uncollectibles. There are no allowances for uncollectibles.

**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 District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of invested in capital assets, net of related debt component of the District's net position.

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.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

|                            |          |
|----------------------------|----------|
| Equipment – Parking Kiosks | 20 Years |
| Infrastructure:            |          |
| Parking Structures         | 75 Years |
| Parks and Recreation       | 20 Years |
| Curb and Sidewalk          | 15 Years |
| Streets                    | 15 Years |
| Signage                    | 10 Years |

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Amortization**

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Equity**

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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.

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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.

**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              | \$ 33,711                  |
| Cash and Investments - Restricted | <u>7,736,715</u>           |
| Total Cash and Investments        | <u><u>\$ 7,770,426</u></u> |

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

|                                      |                            |
|--------------------------------------|----------------------------|
| Deposits with Financial Institutions | \$ 49,797                  |
| Investments                          | <u>7,720,629</u>           |
| Total Cash and Investments           | <u><u>\$ 7,770,426</u></u> |

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**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 and carrying balance of \$49,797.

**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 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 requirement.

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

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurement and Application**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE (which are recorded at amortized cost).

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

| <u>Investment</u>                | <u>Maturity</u> | <u>Amount</u>       |
|----------------------------------|-----------------|---------------------|
| U.S. Government Issues           | Various         | \$ 919,943          |
| Local Government Investment Pool | Various         | 10,275              |
| Supernational Issues             | Various         | 462,862             |
| U.S. Treasury Issues             | Various         | 6,327,549           |
| Total                            |                 | <u>\$ 7,720,629</u> |

**U.S. Government Issues**

The District invested a portion of its Debt Service Reserve money into U.S. Government Issues rated AA+ by Standard & Poor's. Detailed investments are as follows:

| <u>Description</u>           | <u>Market Value</u> | <u>S&amp;P Rating</u> | <u>Coupon Rate</u> | <u>Maturity Date</u> |
|------------------------------|---------------------|-----------------------|--------------------|----------------------|
| FHLB                         | \$ 230,181          | AA+                   | 4.375              | 06/09/2028           |
| FHLB                         | 232,902             | AA+                   | 4.375              | 09/08/2028           |
| FHLB                         | 248,050             | AA+                   | 4.750              | 12/08/2028           |
| FFCB                         | 208,810             | AA+                   | 4.750              | 4/30/2029            |
| Total U.S. Government Issues | <u>\$ 919,943</u>   |                       |                    |                      |

**Local Government Investment Pool**

The District invested a portion of its Debt Service Revenue money into Local Government Investment Pool. Detailed investments are as follows:

| <u>Investment</u>                  | <u>Maturity</u>  | <u>Amount</u>    |
|------------------------------------|------------------|------------------|
| Colorado Statewide Investment Pool | Weighted-Average | \$ 10,211        |
| LGIP                               | Under 60 Days    |                  |
| Colorado Surplus Asset Fund        | Weighted-Average |                  |
| Trust CSAFE                        | Under 60 Days    | 64               |
|                                    |                  | <u>\$ 10,275</u> |

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Colorado Statewide Investment Pool LGIP**

The District invested in the Colorado Statewide Investment Pool (CSIP). CSIP is a trust organized for local government entities in Colorado to pool surplus funds. Currently, CSIP offers two investment options. The District invested in the CSIP LGIP option. CSIP LGIP is a portfolio that is managed to maintain a dollar-weighted average maturity of no more than 60 days, with each share valued at \$1.00. The portfolio invests exclusively in high quality money market instruments and is rated AAAM by Standard and Poor's.

**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.

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, and any security allowed under CRS 24-75-601.

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 CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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.

**Supernational Issues**

The District invested a portion of its Debt Service Reserve money into Supernational Issues rated AAA by Standard & Poor's. Detailed investments are as follows:

| Description                    | Market Value      | S&P Rating | Coupon Rate | Maturity Date |
|--------------------------------|-------------------|------------|-------------|---------------|
| Intl. Bank Recon & Development | \$ 228,210        | AAA        | 3.500       | 07/12/2028    |
| Intl. Finance Corp             | 234,652           | AAA        | 4.500       | 07/13/2028    |
| Total Supernational Issues     | <u>\$ 462,862</u> |            |             |               |

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**U.S. Treasury**

The District invested a portion of its Debt Service Reserve money into U.S. Treasury rated AA+ by Standard & Poor's. Detailed investments are as follows:

| Description                | Market Value        | S&P Rating | Coupon Rate | Maturity Date |
|----------------------------|---------------------|------------|-------------|---------------|
| U.S. Treasury Note         | \$ 249,123          | AA+        | 0.500       | 02/28/2026    |
| U.S. Treasury Note         | 248,029             | AA+        | 0.750       | 04/30/2026    |
| U.S. Treasury Note         | 123,644             | AA+        | 0.750       | 05/31/2026    |
| U.S. Treasury Note         | 123,230             | AA+        | 0.625       | 07/31/2026    |
| U.S. Treasury Note         | 122,813             | AA+        | 0.875       | 09/30/2026    |
| U.S. Treasury Note         | 122,726             | AA+        | 1.125       | 10/31/2026    |
| U.S. Treasury Note         | 196,125             | AA+        | 1.250       | 11/30/2026    |
| U.S. Treasury Note         | 146,683             | AA+        | 1.250       | 12/31/2026    |
| U.S. Treasury Note         | 149,101             | AA+        | 2.500       | 03/31/2027    |
| U.S. Treasury Note         | 149,254             | AA+        | 2.750       | 04/30/2027    |
| U.S. Treasury Note         | 148,553             | AA+        | 2.625       | 05/31/2027    |
| U.S. Treasury Note         | 101,052             | AA+        | 3.875       | 11/30/2027    |
| U.S. Treasury Note         | 101,484             | AA+        | 3.500       | 01/31/2028    |
| U.S. Treasury Note         | 252,979             | AA+        | 3.625       | 03/31/2028    |
| U.S. Treasury Note         | 222,632             | AA+        | 2.875       | 05/15/2028    |
| U.S. Treasury Note         | 259,000             | AA+        | 4.375       | 08/31/2028    |
| U.S. Treasury Note         | 145,836             | AA+        | 3.750       | 12/31/2028    |
| U.S. Treasury Note         | 181,068             | AA+        | 4.250       | 02/28/2029    |
| U.S. Treasury Note         | 121,188             | AA+        | 2.375       | 03/31/2029    |
| U.S. Treasury Note         | 156,034             | AA+        | 4.625       | 04/30/2029    |
| U.S. Treasury Note         | 241,142             | AA+        | 2.375       | 05/15/2029    |
| U.S. Treasury Note         | 444,908             | AA+        | 3.250       | 06/30/2029    |
| U.S. Treasury Note         | 202,432             | AA+        | 3.625       | 08/31/2029    |
| U.S. Treasury Note         | 150,644             | AA+        | 3.500       | 09/30/2029    |
| U.S. Treasury Note         | 153,626             | AA+        | 4.125       | 10/31/2029    |
| U.S. Treasury Note         | 222,588             | AA+        | 3.875       | 11/30/2029    |
| U.S. Treasury Note         | 277,361             | AA+        | 3.875       | 12/31/2029    |
| U.S. Treasury Note         | 256,581             | AA+        | 4.000       | 02/28/2030    |
| U.S. Treasury Note         | 151,108             | AA+        | 3.625       | 03/31/2030    |
| U.S. Treasury Note         | 152,168             | AA+        | 3.875       | 04/30/2030    |
| U.S. Treasury Note         | 203,250             | AA+        | 4.000       | 05/31/2030    |
| U.S. Treasury Note         | 151,314             | AA+        | 3.625       | 08/31/2030    |
| U.S. Treasury Note         | 125,674             | AA+        | 3.625       | 09/30/2030    |
| U.S. Treasury Note         | 125,249             | AA+        | 3.625       | 10/31/2030    |
| U.S. Treasury Note         | 148,950             | AA+        | 3.500       | 11/30/2030    |
| Total U.S. Treasury Issues | <u>\$ 6,327,549</u> |            |             |               |

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 4 CAPITAL ASSETS**

**Capital Assets – Governmental Funds**

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

|                                               | Balance at<br>December 31,<br>2024 | Increases           | Decreases   | Balance at<br>December 31,<br>2025 |
|-----------------------------------------------|------------------------------------|---------------------|-------------|------------------------------------|
| <b>Governmental Activities:</b>               |                                    |                     |             |                                    |
| Capital Assets, Not Being Depreciated:        |                                    |                     |             |                                    |
| Drainage and Detention                        | \$ 289,446                         | \$ -                | \$ -        | \$ 289,446                         |
| Total Capital Assets, Not Being Depreciated   | 289,446                            | -                   | -           | 289,446                            |
| Capital Assets, Being Depreciated:            |                                    |                     |             |                                    |
| Parking Structures                            | 28,949,970                         | 98,215              | -           | 29,048,185                         |
| Curb and Sidewalk                             | 5,694,806                          | 20,555              | -           | 5,715,361                          |
| Street                                        | 3,464,737                          | -                   | -           | 3,464,737                          |
| Parking Kiosks                                | 334,601                            | -                   | -           | 334,601                            |
| Parks and Recreation                          | 3,627,056                          | -                   | -           | 3,627,056                          |
| Signage                                       | 162,977                            | -                   | -           | 162,977                            |
| Lighting                                      | 237,953                            | 14,244              | -           | 252,197                            |
| Security                                      | 246,401                            | -                   | -           | 246,401                            |
| Total Capital Assets, Being Depreciated       | 42,718,501                         | 133,014             | -           | 42,851,515                         |
| Less Accumulated Depreciation for:            |                                    |                     |             |                                    |
| Accumulated Depreciation - Parking Structures | 7,732,952                          | 397,280             | -           | 8,130,232                          |
| Accumulated Depreciation - Curb and Sidewalk  | 5,694,806                          | 685                 | -           | 5,695,491                          |
| Accumulated Depreciation - Streets            | 3,323,662                          | 107,728             | -           | 3,431,390                          |
| Accumulated Depreciation - Parking Kiosks     | 284,410                            | 16,730              | -           | 301,140                            |
| Accumulated Depreciation - Parks and Rec      | 2,538,942                          | 181,353             | -           | 2,720,294                          |
| Accumulated Depreciation - Signage            | 160,748                            | 290                 | -           | 161,038                            |
| Accumulated Depreciation - Lighting           | 47,590                             | 23,795              | -           | 71,385                             |
| Accumulated Depreciation - Security           | 46,933                             | 35,200              | -           | 82,133                             |
| Total Accumulated Depreciation                | 19,830,043                         | 763,061             | -           | 20,593,104                         |
| Total Capital Assets, Being Depreciated, Net  | 22,888,458                         | (630,047)           | -           | 22,258,411                         |
| Governmental Activities Capital Assets, Net   | <u>\$ 23,177,904</u>               | <u>\$ (630,047)</u> | <u>\$ -</u> | <u>\$ 22,547,857</u>               |

**THE PLAZA METRO DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**Capital Assets – Governmental Funds (Continued)**

Depreciation expense was charged to the governmental operations of the District for the year ended December 31, 2025, in the amount of \$763,061. A portion of the capital assets constructed by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

**NOTE 5 LONG-TERM OBLIGATIONS**

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

|                                     | Balance at<br>December 31,<br>2024 | Additions           | Reductions          | Balance at<br>December 31,<br>2025 | Due<br>Within<br>One Year |
|-------------------------------------|------------------------------------|---------------------|---------------------|------------------------------------|---------------------------|
| Bonds Payable:                      |                                    |                     |                     |                                    |                           |
| General Obligation Bonds            |                                    |                     |                     |                                    |                           |
| Series 2013 Revenue Refunding Bonds | \$ 43,950,000                      | \$ -                | \$ 5,280,000        | \$ 38,670,000                      | \$ 5,500,000              |
| Bond Premium - Series 2013          | 1,207,563                          | -                   | 133,624             | 1,073,939                          | -                         |
| Subtotal Bonds Payable              | 45,157,563                         | -                   | 5,413,624           | 39,743,939                         | 5,500,000                 |
| Other Debts:                        |                                    |                     |                     |                                    |                           |
| Developer Advance - Operating       | 29,120,701                         | 1,477,315           | 254,203             | 30,343,813                         | -                         |
| Accrued Interest on:                |                                    |                     |                     |                                    |                           |
| Developer Advance - Operating       | 31,509,223                         | 5,263,770           | 108,297             | 36,664,696                         | -                         |
| Subtotal Other Debts                | 60,629,924                         | 6,741,085           | 362,500             | 67,008,509                         | -                         |
| Total Long-Term Obligations         | <u>\$ 105,787,487</u>              | <u>\$ 6,741,085</u> | <u>\$ 5,776,124</u> | <u>\$ 106,752,448</u>              | <u>\$ 5,500,000</u>       |

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

**\$98,900,000 Revenue Refunding Bonds, Series 2013, dated January 30, 2013**, with interest of 2.00% to 4.90%, payable on June 1 and December 1, each year. The bonds consist of term and serial bonds that mature December 1, 2040 with principal payment due on December 1 each year. The bonds maturing on or after December 1, 2023, are subject to redemption prior to maturity, at the option of the District, as a whole or in part, and if in part in inverse order of maturity, on December 1, 2022, and on any date thereafter, at a price equal to 100% of the principal amounts of each Series 2013 Bonds so redeemed plus interest accrued to the redemption date, without redemption premium. The revenues pledged consist of the PIF Revenue, TIF Revenue, Offsite Incremental TIF Revenue, Lodging Tax Revenue, and Capital Pledge Agreement Revenues, as well as any other legally available amounts designated as such.

The Offsite Incremental TIF Revenue terminated in 2024.

**THE PLAZA METRO DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Unused Lines of Credit**

The Series 2013 Revenue Refunding Bonds do not have any unused lines of credit.

**Collateral**

No assets have been pledged as collateral on the Series 2013 Revenue Refunding Bonds.

**Events of Default**

Events of default occur if the Districts fail to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures.

**Termination Events**

The Series 2013 Revenue Refunding Bonds do not have a termination provision.

**Acceleration**

The Series 2013 Revenue Refunding Bonds are not subject to acceleration.

The total debt service obligations of principal and interest for the Series 2013 Revenue Refunding Bonds mature as follows:

| Year Ending<br>December 31, | Principal            | Interest             | Total                |
|-----------------------------|----------------------|----------------------|----------------------|
| 2026                        | \$ 5,500,000         | \$ 1,868,975         | \$ 7,368,975         |
| 2027                        | 2,565,000            | 1,621,475            | 4,186,475            |
| 2028                        | 1,995,000            | 1,506,050            | 3,501,050            |
| 2029                        | 1,395,000            | 1,416,275            | 2,811,275            |
| 2030                        | 1,450,000            | 1,353,500            | 2,803,500            |
| 2031-2035                   | 8,270,000            | 5,651,000            | 13,921,000           |
| 2036-2040                   | 17,495,000           | 3,386,000            | 20,881,000           |
| Total                       | <u>\$ 38,670,000</u> | <u>\$ 16,803,275</u> | <u>\$ 55,473,275</u> |

**Debt Authorization**

On May 5, 2020, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in the amount not to exceed \$5,750,000,000.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$250,000,000 (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 refundings or the debt authorized to be issued under the Service Plan.

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

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 6    NET POSITION**

The District has net position consisting of three components – invested in capital assets, net of related debt, restricted, and unrestricted.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The amounts included in the calculation include only the costs and related debt associated with the parking structures, curb and sidewalk improvements, streets, signage, parks, and recreation that are being retained by the District. As of December 31, 2025, the District had invested in capital assets, net of related debt, calculated as follows:

|                                              |                            |
|----------------------------------------------|----------------------------|
| Net Investment in Capital Assets:            |                            |
| Capital Assets, Net                          | \$ 22,547,857              |
| Noncurrent Portion of Long-Term Obligations: |                            |
| Bonds and Note Payable                       | (18,027,954)               |
| Unspent Bond Proceeds                        | <u>3,602,195</u>           |
| Net Investment in Capital Assets             | <u><u>\$ 8,122,098</u></u> |

The restricted component of net position consists of 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:

|                               |                                    |
|-------------------------------|------------------------------------|
|                               | <u>Governmental<br/>Activities</u> |
| Restricted Net Position:      |                                    |
| Emergencies                   | \$ 10,000                          |
| Debt Service Reserve          | <u>1,082,347</u>                   |
| Total Restricted Net Position | <u><u>\$ 1,092,347</u></u>         |

The District had a deficit net position as of December 31, 2025. This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records. In addition, the deficit is growing as a result of the operations being funded by the Developer.

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 7 RELATED PARTIES**

In June 2021, B33 Services, LLC purchased the property and all outstanding obligations of SOF-X. A majority of the members of the Board of Directors of the District are officers, directors, employees, representatives, members, or otherwise affiliated with B33 Services, LLC, B33 Belmar II, LLC, Bridge33 Capital LLC, Belmar District Development Owner, L.P., and Belmar Commercial Owner L.P.

**Reimbursement Agreement**

On June 30, 2016, the District entered into a funding and reimbursement agreement (operations and maintenance) with the Belmar District Development Owner, L.P. which was subsequently assumed by B33 Services, LLC (the Developer) (the 2016 Reimbursement Agreement). On that same date, the prior Developer assigned its rights to reimbursement under the 2016 Reimbursement Agreement to Preston Hollow Capital, LLC. On September 30, 2016, Preston Hollow Capital, LLC further assigned its rights to Bank of the Ozarks. Pursuant to the agreement, the Developer agreed to advance funds necessary to enable the District to fulfill the operations and maintenance responsibilities of the District. On September 12, 2017, Preston Hollow Capital, LLC assigned its rights under the Original Assignment to UMB Bank, N.A., Trustee. The advances are to be repaid along with interest at the rate of 8.5%. The Developer advanced \$1,477,315 and \$5,263,770 of interest accrued on outstanding advances during 2025. As of December 31, 2025, the outstanding principal amount and compounded interest was \$67,008,509.

**Management Agreement**

On August 25, 2021, the District entered into a management agreement with B33 Services, LLC, to provide property management and maintenance of the facilities within Belmar.

**Amended and Restated Management Agreement**

On September 5, 2025, the District entered into the Amended and Restated Management Agreement (Amended Agreement) with B33 Services LLC to provide property management and maintenance of the facilities within Belmar with an effective date of January 1, 2025. The Amended Agreement supersedes and replaces the Management Agreement entered into on August 25, 2021.

**Solar Panels Agreement**

On September 28, 2007, the District entered into an agreement with MMA Belmar Power, LLC (Belmar Power), which allows Belmar Power to lease certain areas within the District, and to construct and install solar panel energy systems at those locations. The locations are generally on the top decks of the Block 2, Block 5, and Block 7 parking garages. Under the terms of the agreement and the related Solar Power Purchase Agreement, Belmar Power will operate the solar panels and the District will purchase the electricity that is generated from the panels from Belmar Power.

The District, as owner of the sites where the solar panels were constructed was entitled to rebates from Xcel Energy; however, the District pledged the rebates to Belmar Power pursuant to terms of the agreement. The District received \$400,000 of rebates in 2008, which it then submitted to Belmar Power.

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 7 RELATED PARTIES (CONTINUED)**

**Infrastructure Acquisition and Reimbursement Agreement**

On September 24, 2015, the District entered into an agreement with Belmar District Development Owner, L.P. (the Developer). Under this agreement, the Developer agrees to design, construct, and complete the public improvements in compliance with specifications required by the District and other appropriate jurisdictions. The District will be deemed to have incurred an obligation to reimburse the Developer when the Developer has met the requirements of advanced funds on the behalf of the District, the Developer has dedicated public infrastructure on the behalf of the District, or the District acquires public infrastructure from the Developer. The advances are to be repaid along with interest at the rate of 8.5%.

**Settlement Agreement**

On September 3, 2024, Preston Hollow Capital, LLC filed an action in Jefferson County District Court alleging a breach of contract by the Developer under the Reimbursement Agreement. The lawsuit does not allege breach of contract by the District nor does it seek specific performance (or any other relief) against the District; however, the District is named as a party pursuant to C.R.C.P 57(j). On November 1, 2024, the District filed a motion to dismiss. On June 17, 2025, Preston Hollow Capital, LLC, the Developer, and the District entered into a Settlement Agreement. Pursuant to the Settlement Agreement, the Developer agreed to pay Preston Hollow Capital, LLC \$754,541 to settle all claims related to fiscal years 2022–2024, and the parties agreed on updated definitions and calculation methods for future funding obligations. In exchange, Preston Hollow Capital, LLC released all claims against the Developer and the District, and the lawsuit was dismissed on June 27, 2025, with prejudice.

On June 17, 2025, the District entered into the Settlement Agreement with Preston Hollow Capital, LLC (PHC) and Belmar District Development Owner, L.P. (BDDO) to resolve disputes related to the Funding and Reimbursement Agreement and the Assignment of Reimbursements. Pursuant to the Settlement Agreement, the Developer agreed to pay Preston Hollow Capital, LLC \$754,541 to settle all claims related to fiscal years 2022-2024, and the parties agreed on updated definitions and calculation methods for future funding obligations. The District refunded \$362,500 of returned management fees to BDDO to be utilized to partially fund the Settlement Payment.

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS**

**PIF Collection Agreement**

Retail businesses located within the Project will have a Public Improvement Fee assessed on each of their sales at 2.5%. Pursuant to the terms of the PIF Collection Agreement, entered into on July 1, 2003, the Redeveloper has assigned its rights in PIF Revenues to the District, which has pledged the PIF Revenues for repayment of the bonds. As with the Supplemental Financing Agreement, once certain thresholds are met, the excess amounts are to be remitted to the LRA.

**THE PLAZA METRO DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**PIF Collection Agreement (Continued)**

The District, the Developer, the City, the LRA, and the Trustee are the parties to this agreement. By provision of the agreement, all PIF Revenue prior to January 1, 2004, was paid directly to the Redeveloper and was not a source of pledged revenue for the District. PIF Revenue collected after January 1, 2004, was assigned to the District.

**Second Amendment to PIF Collection Agreement**

Since the PIF Collection Agreement was entered into, the City, has automated their PIF collection system which has resulted in increased efficiency and decreased costs for PIF collection services including a decrease in reimbursable expenses. On August 27, 2025, the District entered into the Second Amendment to PIF Collection Agreement with Belmar District Development Owner, LP and the Lakewood Reinvestment Authority, US Bank National Association and the City to update the PIF collection fees and reimbursable expenditures for 2025 through 2040.

**Capital Levy Revenues Pledge Agreement**

This agreement, entered into on July 1, 2003, amended November 21, 2005, further amended January 23, 2013, between the District and District Nos. 2 and 3, pledges the revenue collected from the District No. 2 and District No. 3 mill levies to the District. These funds are a pledged revenue source for the District's Series 2013 Bonds.

**District Facilities Construction and Service Agreement**

This agreement is between the District and District Nos. 2 and 3 and is dated July 1, 2003. Pursuant to the terms of this agreement, the District is to construct, own, or transfer, and to operate and maintain, public facilities and services within the Districts. District Nos. 2 and 3 are the financing or taxing districts and are obligated to fund the construction and maintenance operations of the District.

**On-Street Pay Parking Agreement**

On May 14, 2004, the District and B33 Belmar II, LLC (as successor in interest to Continuum Lakewood Development Company, LLC) entered into an agreement with the City that establishes a system for pay parking on City owned public streets within Belmar. Pursuant to the agreement, the District has the authority to establish the fees and time limits associated with the pay parking, and also has the authority to enforce these policies. The parking fees are to be collected by the District and any parking fines for violations are to be collected by the City. These revenues are collectively referred to as "Pay Parking Revenues." The Pay Parking Revenues are to be used first to reimburse the City for its costs associated with the pay parking system, then to reimburse the District for its related costs. Any excess annual revenue that is less than \$600,000 may be used for cultural and community programs within Belmar or for the operations and maintenance of public right-of-ways, public spaces, public parking, arts and cultural facilities and regional transit systems. Any annual revenue in excess of the \$600,000 is to be shared 50% to the City and 50% to be split between the District and B33 Belmar II, LLC by mutual agreement.

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Intergovernmental Block 2 and 7 Parking Agreements**

By agreements dated July 28, 2003, between the District and the LRA, the parties agree that the District will construct two parking garages, maintain those garages, and insure the garages for a defined term. The garage on Block 2 shall be maintained and insured by the District through June 1, 2019, and the garage on Block 7 shall be maintained and insured by the District through June 1, 2048.

On December 31, 2003, the Block 2 agreement was amended to extend the expiration date from June 1, 2019, to June 1, 2035. There is also a provision in the Block 7 Agreement that the District must provide a facility that has a minimum of 825 parking spaces that are available to the public during the term of the Agreement. On August 8, 2014, the Block 2 agreement was amended to extend the expiration date from June 1, 2035, to June 1, 2048. The amendment also included a provision for the operating hours.

During May 2004, the District entered into an agreement with the City regarding the maintenance and operations of the public infrastructure located within the District and amended an agreement on October 15, 2009. Pursuant to the agreement, the District will provide the majority of maintenance to the facilities within the District. The District will provide landscape maintenance, sidewalk sweeping, street lighting, and snow removal to streets within the District. There are certain streets within the District that are adjacent only to residential properties on which the City will perform snow and ice control. The City agrees to reimburse the District \$48,000 per year, as inflated on an annual basis per the Consumer Price Index, for snow and ice control and removal. The City also agrees to annually reimburse the District for maintenance and energy utilized for streetlights. In 2025, the District received \$93,018 under the terms of this agreement.

**Supplemental Financing Agreement**

Effective July 1, 2003, the District entered into the Supplemental Financing Agreement, with the Redeveloper, the City, the Lakewood Reinvestment Authority (LRA), and U.S. Bank (Trustee). Pursuant to the terms of this agreement, the City and the LRA assign all right, title and interest, in the Incremental Property Taxes, the Incremental Sales Taxes, Additional Offsite Incremental Taxes and Interim Additional Offsite Incremental Taxes and the City assigns its rights in the Rebated Lodging Taxes to the District, which has pledged these revenues for repayment of the bonds.

The agreement requires Incremental Property Taxes to be paid based upon the Belmar Outparcels Tax Increment Area as certified by the County Assessor. This is administratively infeasible because the County Assessor only certifies Property Tax Base Amounts for urban renewal areas, and not subsets thereof. Additionally, the assessed valuation was not retained at the time of creation of Alameda Corridor I in 1997. The Assessor's database only reports assessed valuation data back to the 2002 assessment date. Therefore, the most practical way to derive a base valuation is to use the 2002 assessed valuation amounts and discount them by an annual rate of 3% five periods back to 1997 estimated values. In 2024, LRA remitted Outparcels tax of \$378,274 for the current year. Outparcels tax terminated in 2024.

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Supplemental Financing Agreement (Continued)**

There is an Annual Bond Requirement Amount, which among other things, includes funding upcoming debt service payments and the debt service reserve that is to be funded by the pledged revenue sources. Per the Section 4.03(d)(i) of the Trust Indenture, a Notice of Bond Revenue Termination is issued annually by the Trustee, stating that amounts in excess of the Annual Bond Requirement Amount are not accepted by the Trustee and may be remitted to the LRA. Pursuant to this agreement, in 2025, the District remitted \$5,132,523 for the year 2025.

On September 24, 2015, Continuum Lakewood Development Company, LLC, assigned its obligations and benefits to SOF-X U.S. Acquisitions, LLC. In June 2021, the Developer assumed all obligations and benefits under this Agreement.

**NOTE 9 OPERATING TRANSFERS**

The transfer of \$1,640,189 from the Debt Service Fund to the General Fund during 2025 represents excess funds from Pledged Revenues returned to the District based on priority of funds in Section 4.05(b)(ii) of the Trust Indenture, dated January 1, 2013. Additionally, in 2025, \$443,885 was transferred from Debt Service Fund to the General Fund in connection with Series 2013 bond issuance. The money was used to fund O & M expenses. Also in 2025, there was a transfer in the amount of \$2,173,242 from the General Fund to the Debt Service Fund for payment to the Lakewood Reinvestment Authority.

**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) as of December 31, 2025. 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.

**THE PLAZA METRO DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**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.

In May of 2002, a majority of the District's electors authorized the District to collect and spend or retain, beginning in 2002 and for each subsequent year, all revenues of the District without regard to any limitations under TABOR.

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.

## **SUPPLEMENTARY INFORMATION**

**THE PLAZA METRO DISTRICT NO. 1  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2025**

|                                                 | Budget              |                     | Actual              | Variance with                          |
|-------------------------------------------------|---------------------|---------------------|---------------------|----------------------------------------|
|                                                 | Original            | Final               | Amounts             | Final Budget<br>Positive<br>(Negative) |
| <b>REVENUES</b>                                 |                     |                     |                     |                                        |
| PIF Revenue                                     | \$ 5,100,000        | \$ 5,100,000        | \$ 5,192,328        | \$ 92,328                              |
| Incremental tax revenue                         | 7,273,149           | 6,100,000           | 5,952,273           | (147,727)                              |
| Interest Income                                 | 300,000             | 500,000             | 666,998             | 166,998                                |
| Other Revenue                                   | -                   | 310,967             | 310,967             | -                                      |
| Lodging Tax                                     | 65,000              | 68,000              | 74,308              | 6,308                                  |
| Transfers from Plaza District No. 2             | 392,408             | 545,575             | 549,545             | 3,970                                  |
| Transfers from Plaza District No. 3             | 216,382             | 328,039             | 327,024             | (1,015)                                |
| Total Revenues                                  | 13,346,939          | 12,952,581          | 13,073,443          | 120,862                                |
| <b>EXPENDITURES</b>                             |                     |                     |                     |                                        |
| Paying Agent Fees                               | 7,500               | 5,095               | 5,095               | -                                      |
| Investment management                           | 8,872               | 9,000               | 9,167               | (167)                                  |
| Bond interest                                   | 2,090,735           | 2,090,735           | 2,090,735           | -                                      |
| Bond principal                                  | 5,280,000           | 5,280,000           | 5,280,000           | -                                      |
| Pif Collection Fees                             | 324,235             | -                   | -                   | -                                      |
| Total Expenditures                              | 7,711,342           | 7,384,830           | 7,384,997           | (167)                                  |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | 5,635,597           | 5,567,751           | 5,688,446           | 120,695                                |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                     |                     |                     |                                        |
| Transfers to LRA                                | (5,170,000)         | (6,658,096)         | (5,132,523)         | 1,525,573                              |
| Transfers From Other Funds                      | 1,600,000           | 2,212,000           | 2,173,242           | (38,758)                               |
| Transfers to other fund                         | (2,084,074)         | (2,084,074)         | (2,084,074)         | -                                      |
| Total Other Financing Sources (Uses)            | (5,654,074)         | (6,530,170)         | (5,043,355)         | 1,486,815                              |
| <b>NET CHANGE IN FUND BALANCE</b>               | (18,477)            | (962,419)           | 645,091             | 1,607,510                              |
| Fund Balance - Beginning of Year                | 7,214,398           | 8,163,970           | 8,163,970           | -                                      |
| <b>FUND BALANCE - END OF YEAR</b>               | <u>\$ 7,195,921</u> | <u>\$ 7,201,551</u> | <u>\$ 8,809,061</u> | <u>\$ 1,607,510</u>                    |

**THE PLAZA METRO DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2025**

| \$98,900,000<br>Series 2013 Revenue Refunding Bonds<br>Dated January 30, 2013<br>Interest Rate of 2.00% to 4.90%<br>Interest Payable<br>June 1 and December 1<br>Principal Payable December 1 |                      |                      |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <u>Year Ending December 31,</u>                                                                                                                                                               | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
| 2026                                                                                                                                                                                          | \$ 5,500,000         | \$ 1,868,975         | \$ 7,368,975         |
| 2027                                                                                                                                                                                          | 2,565,000            | 1,621,475            | 4,186,475            |
| 2028                                                                                                                                                                                          | 1,995,000            | 1,506,050            | 3,501,050            |
| 2029                                                                                                                                                                                          | 1,395,000            | 1,416,275            | 2,811,275            |
| 2030                                                                                                                                                                                          | 1,450,000            | 1,353,500            | 2,803,500            |
| 2031                                                                                                                                                                                          | 1,510,000            | 1,288,250            | 2,798,250            |
| 2032                                                                                                                                                                                          | 1,580,000            | 1,212,750            | 2,792,750            |
| 2033                                                                                                                                                                                          | 1,650,000            | 1,133,750            | 2,783,750            |
| 2034                                                                                                                                                                                          | 1,725,000            | 1,051,250            | 2,776,250            |
| 2035                                                                                                                                                                                          | 1,805,000            | 965,000              | 2,770,000            |
| 2036                                                                                                                                                                                          | 1,885,000            | 874,750              | 2,759,750            |
| 2037                                                                                                                                                                                          | 1,975,000            | 780,500              | 2,755,500            |
| 2038                                                                                                                                                                                          | 2,065,000            | 681,750              | 2,746,750            |
| 2039                                                                                                                                                                                          | 2,160,000            | 578,500              | 2,738,500            |
| 2040                                                                                                                                                                                          | 9,410,000            | 470,500              | 9,880,500            |
| Total                                                                                                                                                                                         | <u>\$ 38,670,000</u> | <u>\$ 16,803,275</u> | <u>\$ 55,473,275</u> |