FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
El Paso County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
First & Main North Business Improvement District
El Paso County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

BiggsKofford LLP

Colorado Springs, Colorado
March 13, 2026

BASIC FINANCIAL STATEMENTS

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 2,781
Cash and Investments - Restricted	49,705
Receivable from County Treasurer	1,172
Property Tax Receivable	160,238
Capital Assets:	
Capital Assets Net of Depreciation	745,512
Total Assets	959,408
LIABILITIES	
Due to First & Main BID No. 2	3,953
Accrued Interest	32,165
Noncurrent Liabilities:	
Due Within One Year	83,438
Due in More Than One Year	1,248,915
Total Liabilities	1,368,471
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	160,238
Total Deferred Inflows of Resources	160,238
NET POSITION	
Net Investment in Capital Assets	(326,641)
Restricted for:	
Debt Service	17,540
Unrestricted	(260,200)
Total Net Position	$ (569,301)

See accompanying Notes to Basic Financial Statements.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
Primary Government:					
Governmental Activities:					
General Government	$ 88,792	$ -	$ -	$ -	$ (88,792)
Interest on Long-Term Debt and Related Costs	80,318	-	-	-	(80,318)
Total Governmental Activities	$ 169,110	$ -	$ -	$ -	(169,110)
GENERAL REVENUES					
Property Taxes					153,455
Specific Ownership Taxes					14,709
Interest Income					4,354
Other Revenue					686
Total General Revenues					173,204
CHANGES IN NET POSITION					4,094
Net Position - Beginning of Year					(573,395)
NET POSITION - END OF YEAR					$ (569,301)

See accompanying Notes to Basic Financial Statements.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	$ 2,781	$ -	$ 2,781
Cash and Investments - Restricted	-	49,705	49,705
Receivable from County Treasurer	1,172	-	1,172
Property Tax Receivable	3,142	157,096	160,238
Total Assets	$ 7,095	$ 206,801	$ 213,896
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to First & Main BID No. 2	$ 3,953	$ -	$ 3,953
Total Liabilities	3,953	-	3,953
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	3,142	157,096	160,238
Total Deferred Inflows of Resources	3,142	157,096	160,238
FUND BALANCES			
Restricted for:			
Debt Service	-	49,705	49,705
Total Fund Balances	-	49,705	49,705
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,095	$ 206,801	

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.	745,512
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	(32,165)
Bonds Payable	(1,072,153)
Developer Advance Payable	(260,200)
Net Position of Governmental Activities	$ (569,301)

See accompanying Notes to Basic Financial Statements.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	$ 3,008	$ 150,447	$ 153,455
Specific Ownership Taxes	14,709	-	14,709
Interest Income	487	3,867	4,354
Other Revenue	686	-	686
Total Revenues	18,890	154,314	173,204
EXPENDITURES			
Current:			
County Treasurer's Fee	45	2,257	2,302
Intergovernmental Expenditures	18,845	-	18,845
Debt Service:			
Bond Interest	-	69,058	69,058
Bond Principal	-	78,807	78,807
Total Expenditures	18,890	150,122	169,012
NET CHANGE IN FUND BALANCES	-	4,192	4,192
Fund Balances - Beginning of Year	-	45,513	45,513
FUND BALANCES - END OF YEAR	$ -	$ 49,705	$ 49,705

See accompanying Notes to Basic Financial Statements.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
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	$	4,192
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.		
Depreciation Expense		(69,902)
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		78,807
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		2,364
Accrued Interest Payable Developer Advance - Change in Liability		(11,367)
Changes in Net Position of Governmental Activities	$	4,094

See accompanying Notes to Basic Financial Statements.

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 3,008	$ 3,008	$ -
Specific Ownership Taxes	15,346	14,709	(637)
Interest Income	-	487	487
Other Revenue	2,500	686	(1,814)
Total Revenues	20,854	18,890	(1,964)
EXPENDITURES			
Contingency	2,500	-	2,500
County Treasurer's Fee	45	45	-
Intergovernmental Expenditures	18,309	18,845	(536)
Total Expenditures	20,854	18,890	1,964
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

First & Main North Business Improvement District a quasi-municipal corporation, was organized by ordinance of the City of Colorado Springs (the City) on April 27, 2004, and is governed pursuant to provisions of the Colorado Business Improvement Act (Title 31). The District's service area is located entirely within the City in El Paso County, Colorado. The District was organized to provide the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities, landscaping, water, and storm sewer.

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's annual budget is required to be submitted to and approved by the City, thus enabling the City to impose its will on the District. Consequently, the District is considered to be a component unit of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

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.

Property Taxes

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

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

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, 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 net investment in capital assets component of the District's net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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 estimated economic useful lives:

Streets	30 Years
Parking Facilities	30 Years
Water	30 Years
Drainage	30 Years

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

Certain Risk Disclosures

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. 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	$	2,781
Cash and Investments - Restricted		49,705
Total Cash and Investments	$	52,486

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	$	160
Investments		52,326
Total Cash and Investments	$	52,486

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank balance and a carrying balance of $160.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 52,326

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE 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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Being Depreciated:				
Streets	$ 578,297	$ -	$ -	$ 578,297
Parking Facilities	1,331,145	-	-	1,331,145
Water	137,599	-	-	137,599
Drainage	50,000	-	-	50,000
Total Capital Assets, Being Depreciated	2,097,041	-	-	2,097,041
Less Accumulated Depreciation for:				
Streets	(281,471)	(19,277)	-	(300,748)
Parking Facilities	(876,620)	(44,372)	-	(920,992)
Water	(90,621)	(4,587)	-	(95,208)
Drainage	(32,915)	(1,666)	-	(34,581)
Total Accumulated Depreciation	(1,281,627)	(69,902)	-	(1,351,529)
Total Capital Assets, Being Depreciated, Net	815,414	(69,902)	-	745,512
Governmental Activities Capital Assets, Net	$ 815,414	$ (69,902)	$ -	$ 745,512

Depreciation expense of $69,902 for the year ended December 31, 2025 was charged to general government activities.

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds:					
Series 2005	$ 1,150,960	$ -	$ 78,807	$ 1,072,153	$ 83,438
Subtotal Bonds Payable	1,150,960	-	78,807	1,072,153	83,438
Other Debts:					
Developer Advance - Operating	162,383	-	-	162,383	-
Accrued Interest on:					
Developer Advance - Operating	86,450	11,367	-	97,817	-
Subtotal Other Debts	248,833	11,367	-	260,200	-
Total Long-Term Obligations	$ 1,399,793	$ 11,367	$ 78,807	$ 1,332,353	$ 83,438

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

$1,927,000 General Obligation Limited Tax Bonds, Series 2005

On March 25, 2005 (and amended on June 22, 2005 and November 29, 2017), the District issued $1,927,000 in General Obligation Limited Tax Bonds for infrastructure improvements. The bonds bear interest at a rate of 6.00%. Bond interest and principal payments are payable annually on July 1. Any accrued and unpaid interest will compound on July 1 of each year and mature on March 30, 2035. The bonds are secured by and payable from Pledged Revenue consisting of a Limited Mill Levy and any other legally available monies which the District Determines to be treated as Pledged Revenue. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the bonds as the same become due and payable. The Limited mill levy may not exceed 50.000 for debt service. The bonds are subject to redemption prior to maturity, at the option of the District, without a redemption premium.

The District's long-term obligations will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 83,438	$ 64,329	$ 147,767
2027	88,444	59,323	147,767
2028	93,647	54,016	147,663
2029	99,266	48,397	147,663
2030	105,122	42,441	147,563
2031-2035	602,236	107,689	709,925
Total	$ 1,072,153	$ 376,195	$ 1,448,348

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$1,927,000 General Obligation Limited Tax Bonds, Series 2005 (Continued)

Events of Default

Events of default occur if the District fails to impose the maximum allowed mill levy, or does not comply with other customary terms and conditions consistent with normal municipal financing as described in the bond indenture.

Authorized Debt

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $9,100,000 at an interest rate not to exceed 12% per annum. On November 1, 2005, the District's electors authorized additional indebtedness of $275,000 at an interest rate not to exceed 12% per annum. At December 31, 2025, the District had authorized but unissued indebtedness in the amount of $7,448,000.

As set forth in the District's 2004 Operating Plan, the City has limited the amount of debt to be issued by the District to a total of $2,200,000 without future approval by the City. At December 31, 2025, the District had $273,000 in debt authorization remaining under its Operating Plan.

Developer Advances

The District entered into a Reimbursement Agreement (Agreement) with the Developer (see Note 7). The District agrees to reimburse the Developer for operational advances made on behalf of the District. The District agrees to repay the Developer along with accrued interest, at a rate of 7% on the first day of the following year in which the advances were made. The Agreement does not constitute a multiple-fiscal year obligation.

On March 30, 2011, the District entered into the Amendment to the Reimbursement Agreement to recognize advances, and accrued interest, made to the District prior to 2006. Such advances were originally recorded in the District's records as a contribution.

As of December 31, 2025, outstanding Developer advances totaled $162,383 and accumulated accrued interest totaled $97,817.

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 745,512
Current Portion of Long-Term Obligations	(83,438)
Noncurrent Portion of Long-Term Obligations	(988,715)
Net Investment in Capital Assets	$ (326,641)

Restricted 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 a restricted net position as of December 31, 2025 as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service Reserve	$ 17,540
Total Restricted Net Position	$ 17,540

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of developer advances received for operations and bonds issued for public improvements.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Nor'wood Development Group. The members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS AND COMMITEMENTS

Agreement for Operational Cost Sharing

On September 15, 2023, the District entered into an Intergovernmental Agreement for operational cost sharing (IGA) with First & Main Business Improvement District No. 2 (BID No. 2). The IGA was effective as of January 1, 2025. Under the IGA, all operation and maintenance costs of the District are to be paid by BID No. 2. The District shall transfer the total amount of its operations mill levy receipts to BID No. 2. Remaining cash held by the District was used to pay for certain expenses in 2025 and all future expenditures will be reported under BID No. 2.

NOTE 9 RISK MANAGEMENT

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

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

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

NOTE 10 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.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Pursuant to the Intergovernmental Agreement with BID No. 2, the District transfers all available General Fund revenue to BID No. 2. Therefore, no Emergency Reserve related to its revenue stream is captured in the District.

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

On May 4, 2004, the District's voters authorized the District to increase property taxes $9,154 annually, at a mill levy rate not to exceed one mill for general operations and maintenance. The election also allows the District to collect, spend, and retain all revenues without regard to the limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR).

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

On November 4, 2025, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S. for 2026 and all future budget years.

SUPPLEMENTARY INFORMATION

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 150,447	$ 150,447	$ -
Interest Income	2,000	3,867	1,867
Total Revenues	152,447	154,314	1,867
EXPENDITURES			
County Treasurer's Fee	2,257	2,257	-
Bond Interest	69,058	69,058	-
Bond Principal	78,807	78,807	-
Contingency	1,878	-	1,878
Total Expenditures	152,000	150,122	1,878
NET CHANGE IN FUND BALANCE	447	4,192	3,745
Fund Balance - Beginning of Year	47,132	45,513	(1,619)
FUND BALANCE - END OF YEAR	$ 47,579	$ 49,705	$ 2,126

OTHER INFORMATION

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

	$1,927,000 General Obligation Bonds Series 2005 Dated March 30, 2005 Principal and Interest Due July 1 Interest Rate 6.0% Payable		
Year Ended December 31,	Principal	Interest	Annual Debt Service
2026	$ 83,438	$ 64,329	$ 147,767
2027	88,444	59,323	147,767
2028	93,647	54,016	147,663
2029	99,266	48,397	147,663
2030	105,122	42,441	147,563
2031	111,429	36,134	147,563
2032	118,015	29,448	147,463
2033	125,095	22,368	147,463
2034	132,491	14,862	147,353
2035	115,206	4,877	120,083
Total	$ 1,072,153	$ 376,195	$ 1,448,348

FIRST & MAIN NORTH BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2021	$ 4,074,890	51.000	$ 207,819	$ 201,384	96.90 %
2022	3,092,500	51.000	157,718	158,288	100.36 %
2023	3,166,420	51.000	161,487	162,047	100.35 %
2024	3,027,930	53.156	160,953	161,526	100.36 %
2025	2,886,450	53.164	153,455	153,455	100.00 %
Estimated for Year Ending December 31, 2026	$ 2,925,270	54.777	$ 160,238		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes, taxes, or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessments.

Source: El Paso County Assessor and Treasurer.