

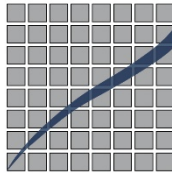
MESA RIDGE METROPOLITAN DISTRICT NO. 2
El Paso County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

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YEAR ENDED DECEMBER 31, 2025**

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mesa Ridge Metropolitan District No. 2
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Mesa Ridge Metropolitan District No. 2 ("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
June 18, 2026

BASIC FINANCIAL STATEMENTS

MESA RIDGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 95,016
Cash and Investments - Restricted	247,365
Prepaid Insurance	3,612
Receivable from County Treasurer	5,560
Property Tax Receivable	<u>740,090</u>
Total Assets	1,091,643
LIABILITIES	
Accounts Payable	11,591
Due to Cross Creek MD	30,059
Accrued Interest	44,704
Noncurrent Liabilities:	
Due Within One Year	40,000
Due in More Than One Year	<u>9,225,000</u>
Total Liabilities	9,351,354
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>740,090</u>
Total Deferred Inflows of Resources	<u>740,090</u>
NET POSITION	
Restricted for:	
Emergency Reserve	6,500
Debt Service	200,248
Unrestricted	<u>(9,206,549)</u>
Total Net Position	<u><u>\$ (8,999,801)</u></u>

See accompanying Notes to Basic Financial Statements.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS	<u>Expenses</u>				
Primary Government:					
Governmental Activities:					
General Government	\$ 184,851	\$ -	\$ -	\$ -	\$ (184,851)
Interest on Long-Term Debt and Related Costs	<u>545,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(545,020)</u>
Total Governmental Activities	<u><u>\$ 729,871</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(729,871)</u>
GENERAL REVENUES					
Property Taxes					729,177
Specific Ownership Taxes					69,780
Interest Income					6,732
Other Revenue					<u>4,450</u>
Total General Revenues					<u>810,139</u>
CHANGES IN NET POSITION					80,268
Net Position - Beginning of Year					<u>(9,080,069)</u>
NET POSITION - END OF YEAR					<u><u>\$ (8,999,801)</u></u>

See accompanying Notes to Basic Financial Statements.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 95,016	\$ -	\$ 95,016
Cash and Investments - Restricted	6,500	240,865	247,365
Receivable from County Treasurer	1,473	4,087	5,560
Prepaid Insurance	3,612	-	3,612
Property Tax Receivable	196,092	543,998	740,090
	<u>\$ 302,693</u>	<u>\$ 788,950</u>	<u>\$ 1,091,643</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 11,591	\$ -	\$ 11,591
Due to Cross Creek MD	30,059	-	30,059
Total Liabilities	41,650	-	41,650
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	196,092	543,998	740,090
Total Deferred Inflows of Resources	196,092	543,998	740,090
FUND BALANCES			
Nonspendable:			
Prepaid Expense	3,612	-	3,612
Restricted for:			
Emergency Reserves	6,500	-	6,500
Debt Service	-	244,952	244,952
Unassigned	54,839	-	54,839
Total Fund Balances	64,951	244,952	309,903
	<u>\$ 302,693</u>	<u>\$ 788,950</u>	

Amounts reported for governmental activities in the statement of net position are different because:

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	(44,704)
Loans Payable	<u>(9,265,000)</u>

Net Position of Governmental Activities	<u>\$ (8,999,801)</u>
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See accompanying Notes to Basic Financial Statements.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
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	\$ 87,252	\$ 535,976	\$ 623,228
Property Taxes - Contractual	105,949	-	105,949
Specific Ownership Taxes	18,489	51,291	69,780
Interest Income	2,903	3,829	6,732
Other Revenue	450	4,000	4,450
Total Revenues	<u>215,043</u>	<u>595,096</u>	<u>810,139</u>
EXPENDITURES			
Current:			
Accounting	29,754	-	29,754
Auditing	7,900	-	7,900
County Treasurer's Fee	1,310	8,045	9,355
County Treasurer's Fee - Contractual	1,590	-	1,590
Dues and Membership	358	-	358
Insurance	3,663	-	3,663
District Management	22,032	-	22,032
Election	1,767	-	1,767
Legal	5,613	-	5,613
Landscaping	2,637	-	2,637
Intergovernmental Expenditures - Cross			
Creek MD	104,358	-	104,358
Utilities	1,814	-	1,814
Website	2,055	-	2,055
Debt Service:			
Loan Interest	-	537,023	537,023
Loan Principal	-	10,000	10,000
Total Expenditures	<u>184,851</u>	<u>555,068</u>	<u>739,919</u>
NET CHANGE IN FUND BALANCES	30,192	40,028	70,220
Fund Balances - Beginning of Year	<u>34,759</u>	<u>204,924</u>	<u>239,683</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 64,951</u></u>	<u><u>\$ 244,952</u></u>	<u><u>\$ 309,903</u></u>

See accompanying Notes to Basic Financial Statements.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
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	\$	70,220
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Amounts reported for governmental activities in the statement of activities are different because:

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.

Loan Principal		10,000
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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		48
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Changes in Net Position of Governmental Activities	\$	80,268
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MESA RIDGE METROPOLITAN DISTRICT NO. 2
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	\$ 87,111	\$ 87,252	\$ 141
Property Taxes - Contractual	105,777	105,949	172
Specific Ownership Taxes	19,289	18,489	(800)
Interest Income	2,300	2,903	603
Other Revenue	-	450	450
Total Revenues	214,477	215,043	566
EXPENDITURES			
Accounting	22,000	29,754	(7,754)
Auditing	6,550	7,900	(1,350)
County Treasurer's Fee	1,307	1,310	(3)
County Treasurer's Fee - Contractual	1,587	1,590	(3)
Dues and Membership	750	358	392
Insurance	4,500	3,663	837
District Management	18,000	22,032	(4,032)
Election	-	1,767	(1,767)
Legal	22,000	5,613	16,387
Miscellaneous	1,616	-	1,616
Landscaping	20,000	2,637	17,363
Intergovernmental Expenditures - Cross			
Creek MD	104,190	104,358	(168)
Utilities	3,500	1,814	1,686
Website	-	2,055	(2,055)
Contingency	10,000	-	10,000
Total Expenditures	216,000	184,851	31,149
NET CHANGE IN FUND BALANCE	(1,523)	30,192	31,715
Fund Balance - Beginning of Year	18,350	34,759	16,409
FUND BALANCE - END OF YEAR	<u>\$ 16,827</u>	<u>\$ 64,951</u>	<u>\$ 48,124</u>

See accompanying Notes to Basic Financial Statements.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 DEFINITION OF REPORTING ENTITY

Mesa Ridge Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court of El Paso County on September 20, 2004, concurrently with Mesa Ridge Metropolitan District No. 1 (District No. 1) (collectively, the Districts). The Districts were formed under a Joint Service Plan approved by the City of Fountain (the City) and are governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Districts' service area is located entirely within the City. Under the Service Plan, the Districts provide the following services: water, wastewater, street improvements, safety protection, parks and recreation, mosquito control, television relay and translation, transportation, and drainage.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

MESA RIDGE METROPOLITAN DISTRICT NO. 2
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 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that developer advances are not considered as revenue susceptible to accrual. Expenditures, other than 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 debt of the governmental funds.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Budgets

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

Pooled Cash and Investments

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

Property Taxes

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

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

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 required disclosures.

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	\$ 95,016
Cash and Investments - Restricted	<u>247,365</u>
Total Cash and Investments	<u><u>\$ 342,381</u></u>

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

Deposits with Financial Institutions	\$ 234,618
Investments	<u>107,763</u>
Total Cash and Investments	<u><u>\$ 342,381</u></u>

MESA RIDGE METROPOLITAN DISTRICT NO. 2
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 balance and a carrying balance of \$234,618.

Investments

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

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

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

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

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

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 107,763
Total		<u>\$ 107,763</u>

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 Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for 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 AAAs/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.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in 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
Notes/Loans/Bonds from Direct Borrowings and Direct Placements:					
Series 2023 Note Payable	\$ 9,275,000	\$ -	\$ 10,000	\$ 9,265,000	\$ 40,000
Total Long-Term Obligations	<u>\$ 9,275,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 9,265,000</u>	<u>\$ 40,000</u>

2023 Limited Tax General Obligation Refunding Loan

On November 29, 2023, the District entered into a 2023 Limited Tax General Obligation Refunding Loan (the 2023 Loan) with Western Alliance Business Trust (the Lender) in the amount of \$9,280,000. Proceeds from the sale of the 2023 Loan were used to: (i) refund the District's outstanding bonds, and (ii) pay costs in connection with the issuance of the 2023 Loan.

The 2023 Loan bears interest at a rate of 5.79% calculated on the basis of a 360-day year and actual number of days elapsed. Interest payments are due semiannually on June 1 and December 1, commencing June 1, 2024. Principal payments are due on December 1, beginning on December 1, 2024, through the maturity date of December 1, 2033. Interest not paid when due shall remain due and owing, but shall not compound or bear additional interest. On the maturity date, the outstanding principal balance of the 2023 Loan shall be due and payable in full.

Optional Prepayment

The 2023 Loan is not subject to prepayment prior to December 1, 2025. At its option and subject to the restrictions set forth in the Section, on or after December 1, 2025, the District may prepay all or, with the consent of the Lender, any part of the principal of the 2023 Loan on any payment date upon payment to the Lender of the principal amount so prepaid, accrued interest thereon to the prepayment date, and, subject to the immediately succeeding paragraph, a prepayment fee equal to a percentage of the principal amount so redeemed, as follows:

<u>Prepayment Dates*</u>	<u>Prepayment Fee</u>
December 1, 2025 to June 1, 2026	3.00%
December 1, 2026 to June 1, 2027	2.00%
December 1, 2027 to June 1, 2028	1.00%
December 1, 2028 and thereafter	0.00%

- * Prepayment Dates are to occur only on Payment Dates (i.e., each June 1 and December 1 occurring on and after December 1, 2025 and prior to the Maturity Date).

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2023 Limited Tax General Obligation Refunding Loan (Continued)

Pledged Revenue

The 2023 Loan is secured by and payable solely from Pledged Revenue, net of any costs of collection, which consists of: (i) the Required Mill Levy; (ii) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (iii) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

The District allocates Specific Ownership Taxes to the Required Mill Levy based on the proportion of the general obligation mill levy, the contractual obligation mill levy, and the required mill levy. The proportion of Specific Ownership Taxes attributable to the general obligation mill levy and contractual mill levy are included in the general fund while the proportion allocated to the Required Mill Levy is included in the debt service fund.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Loan Agreement:

- a) The District fails to pay the principal of, premium if any, or interest on the Loan or any other amount payable to the Lender hereunder when due;
- b) The District fails or refuses to impose the Required Mill Levy or to remit the Pledged Revenue as required by this Loan Agreement;
- c) The District fails to observe or perform any of the material covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other Financing Documents, and the District fails to remedy the same to the satisfaction of the Lender within 30 days after the Lender has provided the District with notice thereof (except for an Event of Default pursuant to (a) and (b) above, which shall not be subject to any cure period); provided however, that there shall be no Event of Default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other Financing Documents which are qualified by the phrase "to the extent permitted by law" or by phrases of similar import, if a court or other tribunal of competent jurisdiction has determined in a final, nonappealable judgment that such covenants, agreements, or conditions are not permitted by law;
- d) Any representation or warranty made by the District in any Financing Document or any certificate, instrument, financial or other statement furnished by the District to the Lender proves to have been untrue or incomplete in any material respect when made or deemed made;

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2023 Limited Tax General Obligation Refunding Loan (Continued)

Events of Default (Continued)

- e) The District fails to reasonably cooperate with the Lender to verify its remittance of Pledged Revenues in accordance with the provisions of this Loan Agreement following the District's actual receipt of a written request by the Lender for such verification;
- f) The pledge of the Pledged Revenue or any other security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;
- g) Any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$100,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest (including, without limitation, an appeal), pay, or satisfy such judgment or court order for 30 days (until which point that such order has been vacated or satisfied);
- h) The District (i) shall commence any case, proceeding, or other action (a) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal, within 30 days from the entry thereof; or (iii) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above, or (iv) the District shall generally not or shall be unable to, or shall admit in writing its inability to pay its debts when due;
- i) The Loan Agreement or any other Financing Documents, or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created under the Financing Documents fails to be fully enforceable with the priority required hereunder or thereunder;
- j) The District shall initiate, acquiesce or consent to any proceedings to dissolve itself or to consolidate itself with other similar entities into a single entity, or the District shall otherwise cease to exist; or

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2023 Limited Tax General Obligation Refunding Loan (Continued)

Events of Default (Continued)

- k) Any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder shall become subject to any writ, judgment, warrant, attachment, execution, or similar process.

Remedies of Default

Upon the occurrence and during the continuance of any Material Event of Default (subject to the provision of an Event of Default Notice), the Loan shall bear interest at a Default Rate of 9.79% (or 12.39% should the Loan be subject to a Determination of Taxability), unless waived in writing by the Lender. In addition, upon the occurrence of any Event of Default, the Lender at its option, may take any other action or exercise any other remedy available under the Financing Documents or any other document, or at law or in equity; provided however, that notwithstanding the foregoing or anything else herein to the contrary: (i) except for the application of the Default Rate, no remedy will lie at law or in equity for any Event of Default consisting solely of the failure of the District to pay the principal of and interest on the Loan when due, it being acknowledged by the Lender that the amount of Pledged Revenue is limited in accordance with the terms hereof and that the District is not obligated to impose an ad valorem mill levy for purposes of payment of the Loan in excess of the Required Mill Levy; provided that the foregoing shall not be construed to prevent the exercise of remedies for any other Event of Default or to impair the Lender's right of setoff hereunder; and (ii) acceleration shall not be an available remedy for an Event of Default.

Notice of Default

Notwithstanding any cure period described above, the District will immediately notify the Lender in writing when the District obtains actual knowledge of the occurrence of any Event of Default or any event which would, with the passage of time or the giving of notice, constitute an Event of Default.

As of December 31, 2025, the District was not in default.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 40,000	\$ 536,444	\$ 576,444
2027	40,000	534,127	574,127
2028	55,000	531,811	586,811
2029	60,000	528,627	588,627
2030	75,000	525,153	600,153
2031-2033	8,995,000	1,547,667	10,542,667
Total	<u>\$ 9,265,000</u>	<u>\$ 4,203,829</u>	<u>\$ 13,468,829</u>

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 2, 2004, the District's electorate authorized the issuance of indebtedness in an amount not to exceed \$17,250,000 for infrastructure improvements and operations and maintenance at an interest rate not to exceed 16% and \$20,000,000 for refunding the District's debt or other obligations. At December 31, 2025, the District had authorized but unissued indebtedness of \$18,250,000.

Pursuant to the Joint Service Plan, the Districts can issue bond indebtedness of up to \$35,000,000. In addition, the maximum debt service mill levy for the Districts is 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the Districts. As of December 31, 2025, the District had \$16,000,000 of debt capacity available under its Service Plan. As of December 31, 2025, the calculated adjusted maximum debt service mill levy was 57.601 mills.

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

NOTE 5 NET POSITION

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

The restricted component of net position includes net 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 Activities</u>
Restricted Net Position:	
Emergencies	\$ 6,500
Debt Service Reserve	200,248
Total Restricted Net Position	<u>\$ 206,748</u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the payment of debt issued for public improvements, while the funds from the debt issuance were transferred to District No. 1 for use in repayment of capital advances incurred by District No. 1 pursuant to a Joint Financing and Reimbursement Agreement.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 INTERGOVERNMENTAL AGREEMENTS

Joint Financing and Reimbursement Agreement

On March 30, 2011, the District entered into a Joint Financing and Reimbursement Agreement (the Agreement) with District No. 1 and Nor'wood Limited, Inc. and MRL No. 1, LLC. Under the Agreement, any advances made by Nor'wood Limited, Inc. and MRL No. 1 shall be made payable to District No. 1, which is coordinating the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of public improvements. All advances made to District No. 1 shall bear simple interest at the rate of seven percent (7%) per annum, calculated from January 1 of the year immediately following the year in which the advances were made. During 2015, the District issued \$4,000,000 of Limited Tax General Obligation Bonds and transferred \$3,942,500 to District No. 1. During 2021, the District issued \$3,720,000 of Limited Tax General Obligation Bonds and transferred \$3,720,000 to District No. 1 under the Agreement. During 2023, the District issued \$2,000,000 of Limited Tax General Obligation Bonds and transferred \$1,940,000 to District No. 1 under the Agreement. This agreement was anticipated to be terminated effective December 31, 2023, however parties are still in final negotiations regarding the termination.

Reimbursement Agreement

On August 10, 2005, the District entered into a reimbursement agreement with District No. 1 and Mesa Ridge Joint Venture LLC. Under this agreement, the Districts shall reimburse the Mesa Ridge Joint Venture LLC the amount of all advances, plus the interest thereon at the rate of set forth as paid on the Districts' initial bond offering (calculated on the basis of a 360-day year of twelve 30-day months), from the date of each advance. This agreement was anticipated to be terminated effective December 31, 2023, however parties are still in final negotiations regarding the termination.

Intergovernmental Agreement with Mesa Ridge Metro District No. 1

On August 10, 2005, the District entered into an Intergovernmental Agreement with District No. 1. Each District agreed that District No. 1 will own (subject to potential transfer to other governmental entities or authorities), operate, maintain, finance and construct facilities benefitting both Districts, and that District No. 2 will contribute costs of construction, operation, and maintenance of such facilities. District No. 1 will have little or no assessed valuation within its boundaries from which limited tax general obligation bonds could be paid, and consequently contemplate that District No. 1 will issue revenue bonds. The Districts recognize that amendments and adjustments to this agreement may be necessary over time and that any increase in the monetary amount of the obligations of District No. 2 to make payments to District No. 1 or any increase in the maximum annual tax increase or the total repayment cost of the debt evidenced by this agreement may require additional voter authorization. This agreement was anticipated to be terminated effective December 31, 2023, however parties are still in final negotiations regarding the termination. Starting January 1, 2024, District No. 2 will be responsible for managing the design, construction, and operation of the public facilities and improvements.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Intergovernmental Agreement

On August 10, 2005, the District entered into an agreement with Mesa Ridge Metropolitan District No. 1. Under this agreement, the Districts may cooperate or contract with each other to provide any function, service or facility, lawfully authorized to each and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt. The proceeds of general obligation indebtedness to be issued by District No. 2 and 1 or the pledge of ad valorem tax revenues from District No. 2 and/or from other funds held or obtained by District No. 2 and to be made available for the purposes of fulfilling District No. 2's commitments hereunder; or (2) Facility Fees revenue derived by District No. 1. This Agreement was anticipated to be terminated effective December 31, 2023, however the parties are still in final negotiations regarding the termination. Starting January 1, 2024, the District will be responsible for managing the design, construction, and operation of the public facilities and improvements.

Intergovernmental Agreement (Cross Creek / Mesa Ridge / City of Fountain) Hale Reservoir and Cross Creek Regional Park

On November 20, 2015, the District entered into a Regional Park Intergovernmental Agreement (IGA) with the City of Fountain, Cross Creek Metropolitan District, and District No. 1. Under this agreement, Cross Creek Metropolitan District is responsible for restoration and/or construction of a water reservoir referred to as the "Hale Reservoir" and all related drainage facilities (collectively the "Reservoir") with Cross Creek Regional Park. A portion of the drainage funds were previously received and applied to other drainage projects. The remaining drainage fees that have been collected to date for properties appurtenant to the Hale Reservoir site are to be applied to costs of construction of the Reservoir.

The City of Fountain is to provide augmentation water to augment depletions associated with non-potable water use at Cross Creek Regional Park only.

NOTE 7 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property 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.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On November 2, 2004, the District's voters authorized the District to increase property taxes \$500,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses.

Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

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

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

Annual operating property tax revenue is limited to a 5.25% increase (10.5% increase over a two-year period), such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

**MESA RIDGE METROPOLITAN DISTRICT NO. 2
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 Positive (Negative)
REVENUES				
Property Taxes	\$ 535,108	\$ 535,976	\$ 535,976	\$ -
Specific Ownership Taxes	26,755	40,238	51,291	11,053
Interest Income	-	660	3,829	3,169
Other Revenue	-	932	4,000	3,068
Total Revenues	561,863	577,806	595,096	17,290
EXPENDITURES				
County Treasurer's Fee	8,027	8,045	8,045	-
Paying Agent Fees	4,000	4,000	-	4,000
Loan Interest	537,023	537,023	537,023	-
Loan Principal	10,000	10,000	10,000	-
Contingency	-	932	-	932
Total Expenditures	559,050	560,000	555,068	4,932
NET CHANGE IN FUND BALANCE	2,813	17,806	40,028	22,222
Fund Balance - Beginning of Year	215,801	204,924	204,924	-
FUND BALANCE - END OF YEAR	<u>\$ 218,614</u>	<u>\$ 222,730</u>	<u>\$ 244,952</u>	<u>\$ 22,222</u>

OTHER INFORMATION

MESA RIDGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

\$9,280,000 Limited Tax General Obligation Refunding Loan Dated November 29, 2023 Interest Rate - 5.790% Interest Payable June 1 and December 1 Principal Payable December 1			
Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2026	\$ 40,000	\$ 536,444	\$ 576,444
2027	40,000	534,127	574,127
2028	55,000	531,811	586,811
2029	60,000	528,627	588,627
2030	75,000	525,153	600,153
2031	80,000	520,811	600,811
2032	95,000	516,178	611,178
2033	8,820,000	510,678	9,330,678
Total	<u>\$ 9,265,000</u>	<u>\$ 4,203,829</u>	<u>\$ 13,468,829</u>

MESA RIDGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied				Total Property Taxes		Percent Collected to Levied
			General Operations	Contractual Obligations	Debt Service	Total	Levied	Collected	
2021	\$ 8,749,200	3.7%	5.556	9.850	50.097	65.503	\$ 573,186	\$ 573,187	100.00 %
2022	9,751,380	11.5%	5.556	9.850	50.097	65.503	638,842	639,017	100.03 %
2023	9,454,280	-3.0%	5.723	10.180	51.514	67.417	637,379	636,771	99.90 %
2024	12,456,760	31.8%	6.723	7.746	53.436	67.905	845,876	844,511	99.84 %
2025	12,444,380	-0.1%	7.000	8.500	43.000	58.500	727,996	729,177	100.16 %
Estimated for Year Ending December 31, 2026	\$ 12,651,110	1.7%	7.000	8.500	43.000	58.500	\$ 740,090		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

Source: El Paso County Assessor and Treasurer.