

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

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YEAR ENDED DECEMBER 31, 2024**

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Board of Directors
Clear Creek Transit Metropolitan District No. 2
Adams County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Clear Creek Transit Metropolitan District No. 2 (the “District”), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Clear Creek Transit Metropolitan District No. 2 as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Other Matters

Required Supplemental Information

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

Supplementary Information

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

Other Information

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

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

September 26, 2025

BASIC FINANCIAL STATEMENTS

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2024

| | <u>Governmental Activities</u> |
|--------------------------------------|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 1,504,890 |
| Cash and Investments - Restricted | 2,900,688 |
| Receivable from County Treasurer | 573 |
| Property Tax Receivable | 152,112 |
| Total Assets | <u>4,558,263</u> |
| LIABILITIES | |
| Accrued Interest | 93,839 |
| Noncurrent Liabilities: | |
| Due Within One Year | 67,186 |
| Due in More Than One Year | 31,711,141 |
| Total Liabilities | <u>31,872,469</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenue | 152,112 |
| Total Deferred Inflows of Resources | <u>152,112</u> |
| NET POSITION | |
| Restricted for: | |
| Debt Service | 2,767,229 |
| Unrestricted | <u>(30,233,547)</u> |
| Total Net Position | <u><u>\$ (27,466,318)</u></u> |

See accompanying Notes to Basic Financial Statements.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

| | Program Revenues | | | Net Revenues (Expenses) and Changes in Net Position |
|---|----------------------------|--|--|--|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| FUNCTIONS/PROGRAMS | | | | |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 69,959 | \$ - | \$ - | \$ (69,959) |
| Interest on Long-Term Debt and Related Costs | 1,309,754 | - | - | (1,309,754) |
| Total Governmental Activities | \$ 1,379,713 | \$ - | \$ - | (1,379,713) |
| GENERAL REVENUES | | | | |
| Property Taxes | | | | 152,202 |
| Specific Ownership Taxes | | | | 7,558 |
| Interest Income | | | | 378,776 |
| Other Revenue | | | | 866 |
| Total General Revenues and Transfers | | | | 539,402 |
| CHANGES IN NET POSITION | | | | (840,311) |
| Net Position - Beginning of Year | | | | (26,626,007) |
| NET POSITION - END OF YEAR | | | | \$ (27,466,318) |

See accompanying Notes to Basic Financial Statements.

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|--|------------------|---------------------|---------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 303 | \$ - | \$ 1,504,587 | \$ 1,504,890 |
| Cash and Investments - Restricted | - | 2,860,628 | 40,060 | 2,900,688 |
| Receivable from County Treasurer | 132 | 441 | - | 573 |
| Property Tax Receivable | 35,102 | 117,010 | - | 152,112 |
| | <u>\$ 35,537</u> | <u>\$ 2,978,079</u> | <u>\$ 1,544,647</u> | <u>\$ 4,558,263</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Due to Other Districts | \$ 303 | \$ - | \$ - | \$ 303 |
| Total Liabilities | 303 | - | - | 303 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax | 35,102 | 117,010 | - | 152,112 |
| Total Deferred Inflows of Resources | 35,102 | 117,010 | - | 152,112 |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Debt Service | - | 2,861,069 | - | 2,861,069 |
| Capital Projects | - | - | 40,060 | 40,060 |
| Committed: | | | | |
| Capital Projects | - | - | 1,504,587 | 1,504,587 |
| Unassigned | 132 | - | - | 132 |
| Total Fund Balances | <u>132</u> | <u>2,861,069</u> | <u>1,544,647</u> | <u>4,405,848</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 35,537</u> | <u>\$ 2,978,079</u> | <u>\$ 1,544,647</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 | (1,938,930) |
| Bonds Payable | (28,647,000) |
| Developer Advance Payable | (188,603) |
| Accrued Interest Payable - Developer Advances | (39,415) |
| Unamortized Bond Premium | (1,058,218) |
| | <u>(27,466,318)</u> |

| | |
|---|------------------------|
| Net Position of Governmental Activities | <u>\$ (27,466,318)</u> |
|---|------------------------|

See accompanying Notes to Basic Financial Statements.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|---------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Property Taxes | \$ 35,006 | \$ 117,196 | \$ - | \$ 152,202 |
| Specific Ownership Taxes | 1,738 | 5,820 | - | 7,558 |
| Interest Income | 1,399 | 185,743 | 191,634 | 378,776 |
| Other Revenue | 866 | - | - | 866 |
| Total Revenues | <u>39,009</u> | <u>308,759</u> | <u>191,634</u> | <u>539,402</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| County Treasurer's Fee | 549 | 1,838 | - | 2,387 |
| Intergovernmental Expenditures | 69,410 | - | - | 69,410 |
| Debt Service: | | | | |
| Bond Interest | - | 1,259,010 | - | 1,259,010 |
| Loan Interest | - | - | - | - |
| Bond Principal | - | 5,418,000 | - | 5,418,000 |
| Paying Agent Fees | - | 7,000 | - | 7,000 |
| Total Expenditures | <u>69,959</u> | <u>6,685,848</u> | <u>-</u> | <u>6,755,807</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (30,950) | (6,377,089) | 191,634 | (6,216,405) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Developer Advance | 25,274 | - | - | 25,274 |
| Transfers In (Out) | - | 5,418,000 | (5,418,000) | - |
| Total Other Financing Sources (Uses) | <u>25,274</u> | <u>5,418,000</u> | <u>(5,418,000)</u> | <u>25,274</u> |
| NET CHANGE IN FUND BALANCES | (5,676) | (959,089) | (5,226,366) | (6,191,131) |
| Fund Balances - Beginning of Year | <u>5,808</u> | <u>3,820,158</u> | <u>6,771,013</u> | <u>10,596,979</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 132</u> | <u>\$ 2,861,069</u> | <u>\$ 1,544,647</u> | <u>\$ 4,405,848</u> |

See accompanying Notes to Basic Financial Statements.

**CLEAR CREEK TRANSIT 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, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (6,191,131)

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.

| | |
|-------------------|-----------|
| Bond Principal | 5,418,000 |
| Developer Advance | (25,274) |

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 | 22,157 |
| Accrued Interest Payable Developer Advance - Change in Liability | (14,675) |
| Accrued Interest Payable - Change in Liability Series 2021B | (106,574) |
| Amortization of Bond Premium | 57,186 |
| | 57,186 |

Changes in Net Position of Governmental Activities \$ (840,311)

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------------------|-------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 35,123 | \$ 35,006 | \$ (117) |
| Specific Ownership Taxes | 2,459 | 1,738 | (721) |
| Interest Income | - | 1,399 | 1,399 |
| Other Revenue | - | 866 | 866 |
| Total Revenues | <u>37,582</u> | <u>39,009</u> | <u>1,427</u> |
| EXPENDITURES | | | |
| Contingency | 2,993 | - | 2,993 |
| County Treasurer's Fee | 527 | 549 | (22) |
| Intergovernmental Expenditures | 73,480 | 69,410 | 4,070 |
| Total Expenditures | <u>77,000</u> | <u>69,959</u> | <u>7,041</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (39,418) | (30,950) | 8,468 |
| OTHER FINANCING SOURCES | | | |
| Developer Advance | 39,418 | 25,274 | (14,144) |
| Total Other Financing Sources | <u>39,418</u> | <u>25,274</u> | <u>(14,144)</u> |
| NET CHANGE IN FUND BALANCE | - | (5,676) | (5,676) |
| Fund Balance - Beginning of Year | <u>-</u> | <u>5,808</u> | <u>5,808</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ 132</u> | <u>\$ 132</u> |

See accompanying Notes to Basic Financial Statements.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Clear Creek Transit Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, located entirely in Adams County, Colorado, was organized by court order and decree on November 11, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with one other related district, Clear Creek Transit Metropolitan District No. 1 (District No. 1). The Districts were organized to serve an area which is coextensive with the boundaries of the planned transit-oriented development identified as Clear Creek Transit Village. District No. 1 will construct, own and operate public services and facilities for the development. The District will fund and assist in the coordination of metropolitan district services and facilities. The District will encompass the entirety of the development except the property located in District No. 1, which will encompass a tract of approximately one acre after final platting. Using funds provided by and through the District, District No. 1 will construct, own and operate certain public services and facilities for the development.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

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

The 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.

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

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.

The District incurred expenditures in excess of appropriation for the year ended December 31, 2024. The District intends to amend its annual budget for the year ended December 31, 2024 at its 2025 regular meeting.

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.

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.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|---------------------|
| Cash and Investments | \$ 1,504,890 |
| Cash and Investments - Restricted | 2,900,688 |
| Total Cash and Investments | <u>\$ 4,405,578</u> |

Cash and investments as of December 31, 2024, consist of the following:

| | |
|--------------------------------------|---------------------|
| Deposits with Financial Institutions | \$ 1,320 |
| Investments | 4,404,258 |
| Total Cash and Investments | <u>\$ 4,405,578</u> |

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, 2024, the District's cash deposits had a bank balance and carrying balance of \$1,320.

Investments

The District's investment policy is to follow 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.

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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, 2024, 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 | \$ 4,404,258 |

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.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 AA Af/S1 by Fitch Ratings. 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 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2024:

| | Balance at December 31, 2023 | Additions | Reductions | Balance at December 31, 2024 | Due Within One Year |
|---|------------------------------------|-------------------|---------------------|------------------------------------|---------------------------|
| Bonds Payable: | | | | | |
| Limited Tax G.O. Bonds Series 2021A | \$ 28,365,000 | \$ - | \$ 5,418,000 | \$ 22,947,000 | \$ 10,000 |
| Limited Tax G.O. Bonds Series 2021B | 5,700,000 | - | - | 5,700,000 | - |
| Subtotal Bonds Payable | <u>34,065,000</u> | <u>-</u> | <u>5,418,000</u> | <u>28,647,000</u> | <u>10,000</u> |
| Accrued Interest on: | | | | | |
| Series 2021B | 1,738,517 | 106,574 | - | 1,845,091 | - |
| Subtotal Bonds Accrued Interest | <u>1,738,517</u> | <u>106,574</u> | <u>-</u> | <u>1,845,091</u> | <u>-</u> |
| Other Debts: | | | | | |
| Developer Advance - Operating | 163,329 | 25,274 | - | 188,603 | - |
| Accrued Interest on: Developer Advance - Operating | 24,740 | 14,675 | - | 39,415 | - |
| Subtotal Other Debts | <u>188,069</u> | <u>39,949</u> | <u>-</u> | <u>228,018</u> | <u>-</u> |
| Bond Premium/Discount: | | | | | |
| Bond Premium - Series 2021A | 1,115,404 | - | 57,186 | 1,058,218 | 57,186 |
| Subtotal Bond Premium / Discount | <u>1,115,404</u> | <u>-</u> | <u>57,186</u> | <u>1,058,218</u> | <u>57,186</u> |
| Total Long-Term Obligations | <u>\$ 37,106,990</u> | <u>\$ 146,523</u> | <u>\$ 5,475,186</u> | <u>\$ 31,778,327</u> | <u>\$ 67,186</u> |

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

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Supported Limited Tax General Obligation Bonds, Series 2021A (the Senior Bonds) and Subordinate Revenue Supported Limited Tax General Obligation Bonds, Series 2021B, (the Subordinate Bonds, and together with the Senior Bonds, the Bonds)

Proceeds of the Bonds

The District issued the Bonds on April 27, 2021, in the par amounts of \$28,365,000 for the Senior Bonds and \$5,700,000 for the Subordinate Bonds. Proceeds from the sale of the Bonds were used to finance or reimburse the costs of public improvements related to the development and fund capitalized interest, and, in the case of the Senior Bonds only, fund the Reserve Fund, and pay the costs of issuing the Bonds.

Details of the Senior Bonds

The Senior Bonds were issued as three term bonds that bear interest at rates ranging from 4.00% to 5.00%, payable semiannually on June 1 and December 1, beginning on December 1, 2021. The Senior Bonds have mandatory sinking fund principal payments due annually on December 1, beginning on December 1, 2025 and have a final maturity of December 1, 2050.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and will continue to bear interest at the rate then borne by the Senior Bonds. To the extent interest on any Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the Senior Bonds.

Senior Pledged Revenue

The Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue which means the moneys derived by the District from the following sources: (a) all Senior Property Tax Revenues; (b) the portion of Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (c) the PIF (Public Improvement Fee) Revenue; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Property Tax Revenues means the moneys derived from imposition by the District of the Senior Required Mill Levy and are net of the collection costs of the County and any tax refunds or abatement authorized by or on behalf of the County. Senior Property Tax Revenues do not include specific ownership tax revenues.

Senior Required Mill Levy

The District is required to impose a Senior Required Mill Levy upon all taxable property of the District each year in an amount equal to 50.000 mills (subject to adjustment for changes in the method of calculating assessed valuation after tax year 2010) less any amounts on deposit in the Senior Bond Fund and, in the District's discretion, the Surplus Fund and, solely as provided in the Senior Indenture, the Reserve Fund.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Supported Limited Tax General Obligation Bonds, Series 2021A (the Senior Bonds) and Subordinate Revenue Supported Limited Tax General Obligation Bonds, Series 2021B, (the Subordinate Bonds, and together with the Senior Bonds, the Bonds) (Continued)

PIF Revenue

“PIF Revenue” is the revenue generated from the PIF minus costs of collection. Property within the District is subject to a Declaration of Covenants Imposing and Implementing the Clear Creek Public Improvement Fee (the PIF Covenant) recorded by the Developer for the purpose of imposing a public improvement fee (the PIF) on the property in the District and in Clear Creek Transit Metropolitan District No. 1. The PIF is generally defined in the PIF Covenant as a public improvement fee in the amount of 3.00%. The PIF Covenant imposes the PIF on all PIF Sales that occur within the District. The PIF Covenant generally defines “PIF Sales” as any and all retail sales transactions by any retailer operating within the District upon which a sales tax would be payable.

Additional Security for Senior Bonds

The Senior Bonds are additionally secured by capitalized interest which was funded from proceeds of the Senior Bonds in the amount of \$4,375,056, by the Reserve Fund which was funded from proceeds of the Senior Bonds in the amount of the Reserve Requirement of \$2,497,339, and by amounts, if any, in the Senior Surplus Fund.

The Senior Surplus Fund is required to be funded with future annual excess Senior Pledged Revenue, if any, up to the Maximum Surplus Amount of \$2,497,339. The Senior Surplus Fund is to be maintained for so long as any Senior Bond is outstanding.

Details of the Subordinate Bonds

The Subordinate Bonds bear interest at the rate of 7.90% per annum and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date. Instead, principal is payable on each December 15 from available Subordinate Pledged Revenue, if any. The Subordinate Bonds mature on December 15, 2050 and are subject to mandatory redemption prior to maturity. Interest on the Subordinate Bonds is payable on each December 15, commencing December 15, 2021, to the extent of the Subordinate Pledged Revenue. Accrued unpaid interest on the Subordinate Bonds will compound annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment.

In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2071, the Subordinate Bonds shall be deemed to be discharged and paid in full.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Supported Limited Tax General Obligation Bonds, Series 2021A (the Senior Bonds) and Subordinate Revenue Supported Limited Tax General Obligation Bonds, Series 2021B, (the Subordinate Bonds, and together with the Senior Bonds, the Bonds) (Continued)

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, which means the moneys derived by the District from the following sources: (a) the Subordinate Property Tax Revenues; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (c) the portion of revenues generated from the PIF, net of the costs of collection and administration remaining after deduction of any amounts applied to the payment of debt service on the Senior Bonds; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Property Tax Revenues means the moneys derived from imposition by the District of the Subordinate Required Mill Levy and are net of the collection costs of the County and any tax refunds or abatement authorized by or on behalf of the County. Subordinate Property Tax Revenues do not include specific ownership tax revenues.

Subordinate Required Mill Levy

The District is required to impose a Subordinate Required Mill Levy upon all taxable property of the District each year in an amount of 50.000 mills (subject to adjustment for changes in the method of calculating assessed valuation after tax year 2010) less the amount of the Senior Obligation Mill Levy, or such lesser mill levy which will pay all of the principal of and interest on the Subordinate Bonds in full. Senior Obligation Mill Levy means the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations. If the amount of the Senior Obligation Mill Levy equals or exceeds 50 mills in any year, as adjusted, the Subordinate Required Mill Levy for that year will be zero.

Optional Redemption

The Senior Bonds and the Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026 and December 15, 2026, respectively, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Supported Limited Tax General Obligation Bonds, Series 2021A (the Senior Bonds) and Subordinate Revenue Supported Limited Tax General Obligation Bonds, Series 2021B, (the Subordinate Bonds, and together with the Senior Bonds, the Bonds) (Continued)

| Date of Redemption Senior Bonds | Date of Redemption Subordinate Bonds | Redemption Premium |
|---|---|-----------------------|
| December 1, 2026, to November 30, 2027 | December 1, 2026, to November 30, 2027 | 3.00% |
| December 1, 2027, to November 30, 2028 | December 1, 2027, to November 30, 2028 | 2.00 |
| December 1, 2028, to November 30, 2029 | December 1, 2028, to November 30, 2029 | 1.00 |
| December 1, 2029, and thereafter | December 1, 2029, and thereafter | 0.00 |

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 Senior Indenture:

- (a) The District fails or refused to impose the Senior Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;
- (b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Senior Indenture or Bond Resolution, and fails to remedy the same after notice thereof; or
- (c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

The Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Senior Bonds.

The Senior Bonds are not subject to early termination. The Senior Bonds are not subject to acceleration.

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Supported Limited Tax General Obligation Bonds, Series 2021A (the Senior Bonds) and Subordinate Revenue Supported Limited Tax General Obligation Bonds, Series 2021B, (the Subordinate Bonds, and together with the Senior Bonds, the Bonds) (Continued)

The District's long-term obligations relating to the Series 2021A general obligation bonds will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| 2025 | \$ 10,000 | \$ 1,126,070 | \$ 1,136,070 |
| 2026 | 210,000 | 1,125,670 | 1,335,670 |
| 2027 | 405,000 | 1,117,270 | 1,522,270 |
| 2028 | 455,000 | 1,101,070 | 1,556,070 |
| 2029 | 475,000 | 1,082,870 | 1,557,870 |
| 2030-2034 | 2,558,000 | 5,135,590 | 7,693,590 |
| 2035-2039 | 4,430,000 | 4,296,750 | 8,726,750 |
| 2040-2044 | 4,580,000 | 3,321,000 | 7,901,000 |
| 2045-2049 | 8,535,000 | 1,807,125 | 10,342,125 |
| 2050 | 1,289,000 | 64,670 | 1,353,670 |
| Total | <u>\$ 22,947,000</u> | <u>\$ 20,178,085</u> | <u>\$ 43,125,085</u> |

The annual debt service requirements of the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Authorized Debt

On November 2, 2010, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$551,000,000 at an interest rate not to exceed 15.000% per annum. At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Amount Authorized on November 2, 2010 | Authorization Used | | Authorized But Unused |
|----------------------------|--|-----------------------|-----------------------|-----------------------------|
| | | Series 2021A Bonds | Series 2021B Bonds | |
| Water | \$ 50,000,000 | \$ 7,091,250 | \$ 1,425,000 | \$ 41,483,750 |
| Sanitation | 50,000,000 | 7,091,250 | 1,425,000 | 41,483,750 |
| Streets | 50,000,000 | 7,091,250 | 1,425,000 | 41,483,750 |
| Safety Protection | 50,000,000 | 7,091,250 | 1,425,000 | 41,483,750 |
| Operations and Maintenance | 50,000,000 | - | - | 50,000,000 |
| TV Relay and Translation | 50,000,000 | - | - | 50,000,000 |
| Mosquito Control | 1,000,000 | - | - | 1,000,000 |
| Intergovernmental | 100,000,000 | - | - | 100,000,000 |
| Debt Refunding | 150,000,000 | - | - | 150,000,000 |
| Total | <u>\$ 551,000,000</u> | <u>\$ 28,365,000</u> | <u>\$ 5,700,000</u> | <u>\$516,935,000</u> |

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

The Service Plan also limits the total mill levy (debt service and operations combined) to 65.000 mills subject to adjustment as set forth therein. Required Mill Levy is discussed under Bonds.

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

Developer Advance

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

Operations Funding Agreement

The District and Clear Creek Development, LLC (the Developer) entered into a Funding Agreement (Operations and Maintenance) on March 5, 2021, as amended on January 1, 2022, November 9, 2022 and December 4, 2023, whereby the Developer agreed to loan moneys to the District for the purpose of covering revenue shortfalls with respect to operation and maintenance expenses of the District.

Under the Operations Funding Agreement, the District acknowledges Developer has advanced to the District a total not to exceed \$62,884 (the 2020 Shortfall Amount) as of the date of the agreement. The District had a shortfall for fiscal year 2021 in an aggregate amount of \$81,200. The District had a shortfall in revenues available for operations, maintenance and administrative expenses in fiscal year 2022, 2023 and 2024 in an aggregate amount of \$54,974, \$27,155, \$25,274 respectively.

The Developer shall advance funds necessary to fund, or shall directly pay, the District's operations, maintenance and administrative expenses on a periodic basis as needed. If the District requires additional advances above the Shortfall Amount from the Developer in order to meet the District's operation and maintenance expenses, including for the payment of such expenses in future fiscal years, the District shall request such additional funds in writing.

Each loan advance made under the Operations Funding Agreement accrues simple interest at the rate of 8.00% per annum from the date of such advance until the date such advance is repaid.

As of December 31, 2024, \$188,603 of principal and \$39,415 of interest are outstanding under this Agreement.

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 5 NET POSITION

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

Restricted assets include net position that is 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, 2024, as follows:

| | Governmental Activities |
|-------------------------------|----------------------------|
| Restricted Net Position: | |
| Debt Service Reserve | \$ 2,767,229 |
| Total Restricted Net Position | \$ 2,767,229 |

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements to be constructed and conveyed to other governmental entities.

NOTE 6 RELATED PARTIES

The Developer of the property with constitutes the District is Clear Creek Development, LLC. The majority of the members of the Board of Directors were employees, owners, or otherwise associated with the Developer, and may have had conflicts of interest in dealing with the District.

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 (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, and boiler and machinery 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. 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.

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 3.00% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenue to District No. 1. Therefore, the Emergency Reserves related to the District's revenue are reported in District No. 1.

On November 2, 2010, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR or Section 29-1-301, C.R.S.

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

SUPPLEMENTARY INFORMATION

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------------------|---------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 117,079 | \$ 117,196 | \$ 117 |
| Specific Ownership Taxes | 8,196 | 5,820 | (2,376) |
| Public Improvement Fees | 250,000 | - | (250,000) |
| Interest Income | 193,000 | 185,743 | (7,257) |
| Total Revenues | <u>568,275</u> | <u>308,759</u> | <u>(259,516)</u> |
| EXPENDITURES | | | |
| County Treasurer's Fee | 1,756 | 1,838 | (82) |
| Paying Agent Fees | 7,000 | 7,000 | - |
| Bond Interest | 1,391,950 | 1,259,010 | 132,940 |
| PIF Collection Fees | 5,000 | - | 5,000 |
| Bond Principal | - | 5,418,000 | (5,418,000) |
| Contingency | 2,294 | - | 2,294 |
| Total Expenditures | <u>1,408,000</u> | <u>6,685,848</u> | <u>(5,277,848)</u> |
| EXCESS OF REVENUES UNDER EXPENDITURES | (839,725) | (6,377,089) | (5,537,364) |
| OTHER FINANCING SOURCES | | | |
| Transfers From Other Funds | - | 5,418,000 | 5,418,000 |
| Total Other Financing Sources | <u>-</u> | <u>5,418,000</u> | <u>5,418,000</u> |
| NET CHANGE IN FUND BALANCE | (839,725) | (959,089) | (119,364) |
| Fund Balance - Beginning of Year | <u>3,822,040</u> | <u>3,820,158</u> | <u>(1,882)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 2,982,315</u> | <u>\$ 2,861,069</u> | <u>\$ (121,246)</u> |

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------------------|---------------------|---|
| REVENUES | | | |
| Interest Income | \$ 250,000 | \$ 191,634 | \$ (58,366) |
| Total Revenues | <u>250,000</u> | <u>191,634</u> | <u>(58,366)</u> |
| EXPENDITURES | | | |
| Intergovernmental Expenditures | 5,544,611 | - | 5,544,611 |
| Total Expenditures | <u>5,544,611</u> | <u>-</u> | <u>5,544,611</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (5,294,611) | 191,634 | 5,486,245 |
| OTHER FINANCING (USES) | | | |
| Transfers To Other Fund | - | (5,418,000) | (5,418,000) |
| Total Other Financing Uses | <u>-</u> | <u>(5,418,000)</u> | <u>(5,418,000)</u> |
| NET CHANGE IN FUND BALANCE | (5,294,611) | (5,226,366) | 68,245 |
| Fund Balance - Beginning of Year | <u>5,294,611</u> | <u>6,771,013</u> | <u>1,476,402</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ 1,544,647</u> | <u>\$ 1,544,647</u> |

OTHER INFORMATION - UNAUDITED

**CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

| | \$28,365,000 Limited Tax General Obligation Series 2021A, Dated April 27, 2021 Interest Rate 4.000% Interest Payable June 1 and December 1 Principal Payable December 1 | | |
|---|---|----------------------|----------------------|
| Bonds/Loans and Interest Maturing in the Year Ending December 31, | Principal | Interest | Total |
| 2025 | \$ 10,000 | \$ 1,126,070 | \$ 1,136,070 |
| 2026 | 210,000 | 1,125,670 | 1,335,670 |
| 2027 | 405,000 | 1,117,270 | 1,522,270 |
| 2028 | 455,000 | 1,101,070 | 1,556,070 |
| 2029 | 475,000 | 1,082,870 | 1,557,870 |
| 2030 | 525,000 | 1,063,870 | 1,588,870 |
| 2031 | 48,000 | 1,042,870 | 1,090,870 |
| 2032 | 615,000 | 1,040,950 | 1,655,950 |
| 2033 | 650,000 | 1,010,200 | 1,660,200 |
| 2034 | 720,000 | 977,700 | 1,697,700 |
| 2035 | 760,000 | 941,700 | 1,701,700 |
| 2036 | 830,000 | 903,700 | 1,733,700 |
| 2037 | 875,000 | 862,200 | 1,737,200 |
| 2038 | 955,000 | 818,450 | 1,773,450 |
| 2039 | 1,010,000 | 770,700 | 1,780,700 |
| 2040 | - | 720,200 | 720,200 |
| 2041 | 595,000 | 720,200 | 1,315,200 |
| 2042 | 1,250,000 | 690,450 | 1,940,450 |
| 2043 | 1,315,000 | 627,950 | 1,942,950 |
| 2044 | 1,420,000 | 562,200 | 1,982,200 |
| 2045 | 1,495,000 | 691,200 | 2,186,200 |
| 2046 | 1,610,000 | 416,450 | 2,026,450 |
| 2047 | 1,695,000 | 335,950 | 2,030,950 |
| 2048 | 1,820,000 | 251,200 | 2,071,200 |
| 2049 | 1,915,000 | 112,325 | 2,027,325 |
| 2050 | 1,289,000 | 64,670 | 1,353,670 |
| Total | \$ 22,947,000 | \$ 20,178,085 | \$ 43,125,085 |

CLEAR CREEK TRANSIT METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

| Year Ended December 31, | Assessed Valuation | Percent Change | Total Mills Levied | | | Total Property Taxes | | Percent Collected to Levied |
|---|-----------------------|-------------------|-----------------------|-----------------|--------|----------------------|-----------|-----------------------------------|
| | | | General Operations | Debt Service | Total | Levied | Collected | |
| 2020/2021 | \$ 615,160 | 0.0% | 15.000 | 50.000 | 65.000 | \$ 39,985 | \$ 39,748 | 99.41 % |
| 2021/2022 | 2,132,500 | 246.7% | 15.000 | 50.000 | 65.000 | 138,613 | 135,440 | 97.71 % |
| 2022/2023 | 2,081,910 | -2.4% | 15.000 | 50.000 | 65.000 | 135,325 | 135,325 | 100.00 % |
| 2023/2024 | 2,252,780 | 8.2% | 15.591 | 51.971 | 67.562 | 152,202 | 152,202 | 100.00 % |
| Estimated for Year Ending December 31, 2025 | \$ 2,251,440 | -0.1% | 15.591 | 51.971 | 67.562 | \$ 152,112 | | |

Note:
Property taxes collected in any one year include collection of delinquent property taxes

Source: Adams County Assessor and Treasurer.