



COMMERCE CITY  
ADAMS COUNTY, COLORADO



## ANNUAL FINANCIAL STATEMENTS

December 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Aberdeen Metropolitan District No. 2

Adams County, CO

### Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Aberdeen Metropolitan District No. 2 (the "District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2025, and 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is 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 as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of legal compliance and 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. The 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 combining and individual nonmajor fund financial statements are 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.



Castle Pines, Colorado  
June 29, 2026

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**December 31, 2025**

|                                                       | Governmental<br>Activities |
|-------------------------------------------------------|----------------------------|
| <b>ASSETS</b>                                         |                            |
| Cash and investments                                  | \$ 114,316                 |
| Cash and investments – restricted                     | 829,289                    |
| Accounts receivable                                   | 23,581                     |
| Specific ownership taxes receivable                   | 493                        |
| Property taxes receivable                             | 133,800                    |
| Prepaid expenses                                      | 11,154                     |
| Land and water rights                                 | 17,400                     |
| Depreciable capital assets, net                       | 413,378                    |
| <b>Total Assets</b>                                   | <b>1,543,411</b>           |
| <b>LIABILITIES</b>                                    |                            |
| Accounts payable and accrued liabilities              | 6,507                      |
| Prepaid maintenance fees                              | 77,862                     |
| Accrued interest payable                              | -                          |
| Current portion of general obligation refunding bonds | -                          |
| General obligation refunding bonds                    | 6,055,000                  |
| <b>Total Liabilities</b>                              | <b>6,139,369</b>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                            |
| Deferred property tax revenue                         | 133,800                    |
| <b>NET POSITION (DEFICIT)</b>                         |                            |
| Restricted:                                           |                            |
| Emergency reserves                                    | 8,900                      |
| Debt service                                          | 658,416                    |
| Capital projects                                      | 158,043                    |
| Non-spendable                                         | 11,154                     |
| Unassigned:                                           | (5,566,271)                |
| <b>Net Position (Deficit)</b>                         | <b>\$ (4,729,758)</b>      |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**For the 12-Month Period Ended**  
**December 31, 2025**

|                                                   | Program Revenue     |                         |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |
|---------------------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|
| Functions/Programs                                | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Governmental Activities                              |
| <b>Primary Government:</b>                        |                     |                         |                                          |                                        |                                                      |
| <b>Government Activities:</b>                     |                     |                         |                                          |                                        |                                                      |
| General government activities                     | \$ (274,337)        | \$ 161,001              | \$ 6,483                                 | \$ -                                   | \$ (106,853)                                         |
| Interest and related costs on long-term debt      | (348,522)           | -                       | -                                        | -                                      | (348,522)                                            |
| Capital project activities                        | (30,449)            | -                       | -                                        | -                                      | (30,449)                                             |
|                                                   | <u>\$ (653,308)</u> | <u>\$ 161,001</u>       | <u>\$ 6,483</u>                          | <u>\$ -</u>                            | <u>(485,824)</u>                                     |
| <b>General Revenues</b>                           |                     |                         |                                          |                                        |                                                      |
| Property taxes                                    |                     |                         |                                          |                                        | 135,324                                              |
| Specific ownership taxes                          |                     |                         |                                          |                                        | 6,788                                                |
| Net investment income                             |                     |                         |                                          |                                        | 37,788                                               |
| <b>Total general revenue</b>                      |                     |                         |                                          |                                        | <b>179,900</b>                                       |
| Change in net position                            |                     |                         |                                          |                                        | (305,924)                                            |
| <b>Net Position (Deficit) – Beginning of Year</b> |                     |                         |                                          |                                        | <b>(4,423,834)</b>                                   |
| <b>Net Position (Deficit) – End of Year</b>       |                     |                         |                                          |                                        | <b>\$ (4,729,758)</b>                                |

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**December 31, 2025**

|                                                                                                                                                                             | General Fund      | Debt Service Fund | Capital Project Fund | Total Government Funds |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|----------------------|------------------------|
| <b>ASSETS</b>                                                                                                                                                               |                   |                   |                      |                        |
| Cash and investments                                                                                                                                                        | \$ 114,316        | \$ -              | \$ -                 | \$ 114,316             |
| Cash and investments - Restricted                                                                                                                                           | 8,900             | 662,346           | 158,043              | 829,289                |
| Accounts receivable                                                                                                                                                         | 23,581            | -                 | -                    | 23,581                 |
| Specific ownership tax receivable                                                                                                                                           | 423               | 70                | -                    | 493                    |
| Property taxes receivable                                                                                                                                                   | 116,400           | 17,400            | -                    | 133,800                |
| Prepaid expenses                                                                                                                                                            | 11,154            | -                 | -                    | 11,154                 |
| <b>TOTAL ASSETS</b>                                                                                                                                                         | <b>\$ 274,774</b> | <b>\$ 679,816</b> | <b>\$ 158,043</b>    | <b>\$ 1,112,633</b>    |
| <b>LIABILITIES</b>                                                                                                                                                          |                   |                   |                      |                        |
| Accounts payable and accrued liabilities                                                                                                                                    | \$ 2,507          | \$ 4,000          | \$ -                 | \$ 6,507               |
| Prepaid maintenance fees                                                                                                                                                    | 77,862            | -                 | -                    | 77,862                 |
| <b>TOTAL LIABILITIES</b>                                                                                                                                                    | <b>80,369</b>     | <b>4,000</b>      | <b>-</b>             | <b>84,369</b>          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                                                                                                        |                   |                   |                      |                        |
| Deferred property tax revenue                                                                                                                                               | 116,400           | 17,400            | -                    | 133,800                |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                                                                                                                  | <b>196,769</b>    | <b>21,400</b>     | <b>-</b>             | <b>218,169</b>         |
| <b>FUND BALANCES</b>                                                                                                                                                        |                   |                   |                      |                        |
| Restricted:                                                                                                                                                                 |                   |                   |                      |                        |
| Emergencies (TABOR)                                                                                                                                                         | 8,900             | -                 | -                    | 8,900                  |
| Debt service                                                                                                                                                                | -                 | 658,416           | -                    | 658,416                |
| Capital projects                                                                                                                                                            | -                 | -                 | 158,043              | 158,043                |
| Non-spendable                                                                                                                                                               | 11,154            | -                 | -                    | 11,154                 |
| Unrestricted                                                                                                                                                                | 57,951            | -                 | -                    | 57,951                 |
| <b>TOTAL FUND BALANCES</b>                                                                                                                                                  | <b>78,005</b>     | <b>658,416</b>    | <b>158,043</b>       | <b>894,464</b>         |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>                                                                                                   | <b>\$ 274,774</b> | <b>\$ 679,816</b> | <b>\$ 158,043</b>    |                        |
| <b>Amounts reported for governmental activities in the statement of net position are different because:</b>                                                                 |                   |                   |                      |                        |
| Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds |                   |                   |                      |                        |
| Land and water rights                                                                                                                                                       |                   |                   |                      | 17,400                 |
| Property, structures and equipment, net                                                                                                                                     |                   |                   |                      | 413,378                |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:                                |                   |                   |                      |                        |
| General obligation refunding bonds                                                                                                                                          |                   |                   |                      | (6,055,000)            |
| Accrued interest payable                                                                                                                                                    |                   |                   |                      | -                      |
| <b>Net position of governmental activities</b>                                                                                                                              |                   |                   |                      | <b>\$ (4,729,758)</b>  |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**12-Month Period Ended**  
**December 31, 2025**

|                                                                                                          | General Fund     | Debt Service Fund | Capital Project Fund | Total Government Funds |
|----------------------------------------------------------------------------------------------------------|------------------|-------------------|----------------------|------------------------|
| <b>REVENUES</b>                                                                                          |                  |                   |                      |                        |
| Property taxes                                                                                           | \$ 116,049       | \$ 19,275         | \$ -                 | \$ 135,324             |
| Specific ownership taxes                                                                                 | 5,821            | 967               | -                    | 6,788                  |
| Maintenance fees                                                                                         | 155,400          | -                 | -                    | 155,400                |
| Reimb expenses - collection costs                                                                        | 5,601            | -                 | -                    | 5,601                  |
| Net investment income                                                                                    | 5,695            | 32,093            | -                    | 37,788                 |
| Facility fees                                                                                            | -                | -                 | -                    | -                      |
| Other income                                                                                             | 6,483            | -                 | -                    | 6,483                  |
| <b>Total Revenues</b>                                                                                    | <b>295,049</b>   | <b>52,335</b>     | <b>-</b>             | <b>347,384</b>         |
| <b>EXPENDITURES</b>                                                                                      |                  |                   |                      |                        |
| General and administration                                                                               | 19,291           | -                 | -                    | 19,291                 |
| Landscaping maintenance                                                                                  | 84,660           | -                 | -                    | 84,660                 |
| Pool maintenance and operation                                                                           | 44,744           | -                 | -                    | 44,744                 |
| Water and Sewer services                                                                                 | 76,246           | -                 | -                    | 76,246                 |
| Other district expenses                                                                                  | 49,396           | -                 | -                    | 49,396                 |
| <b>Debt Expenditures</b>                                                                                 |                  |                   |                      |                        |
| Debt management & compliance                                                                             | -                | 19,290            | -                    | 19,290                 |
| Bond interest payments                                                                                   | -                | -                 | -                    | -                      |
| Bond principal payments                                                                                  | -                | -                 | -                    | -                      |
| Major capital projects                                                                                   | -                | -                 | -                    | -                      |
| <b>Total Expenditures</b>                                                                                | <b>274,337</b>   | <b>19,290</b>     | <b>-</b>             | <b>293,627</b>         |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>                                                      | <b>20,712</b>    | <b>33,045</b>     | <b>-</b>             | <b>53,757</b>          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                                                    |                  |                   |                      |                        |
| Fund Transfers In / (Out)                                                                                | (80,300)         | -                 | 80,300               | -                      |
| <b>Total Other Financing Sources (Uses)</b>                                                              | <b>(80,300)</b>  | <b>-</b>          | <b>80,300</b>        | <b>-</b>               |
| <b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b> | <b>(59,588)</b>  | <b>33,045</b>     | <b>80,300</b>        | <b>53,757</b>          |
| <b>FUND BALANCES – BEGINNING</b>                                                                         | <b>137,593</b>   | <b>625,371</b>    | <b>77,743</b>        | <b>840,707</b>         |
| <b>FUND BALANCES – END OF YEAR</b>                                                                       | <b>\$ 78,005</b> | <b>\$ 658,416</b> | <b>\$ 158,043</b>    | <b>\$ 894,464</b>      |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**12-Month Period Ended**  
**December 31, 2025**

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

|                                                      |    |        |
|------------------------------------------------------|----|--------|
| Net change in fund balances – Total government funds | \$ | 53,757 |
|------------------------------------------------------|----|--------|

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the net capital outlay activity for the year:

|                                                            |          |
|------------------------------------------------------------|----------|
| Construction of public infrastructure                      | -        |
| Loss on disposal of property/equipment                     | (4,962)  |
| Depreciation expense on property, structures and equipment | (25,487) |

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.

|                                                           |           |
|-----------------------------------------------------------|-----------|
| Increase in accrued interest payable on Series 2021 bonds | (329,232) |
|-----------------------------------------------------------|-----------|

|                                                    |    |                  |
|----------------------------------------------------|----|------------------|
| Changes in net position of governmental activities | \$ | <u>(305,924)</u> |
|----------------------------------------------------|----|------------------|

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2025**

|                                                            | Original and<br>Final Budget | Actual<br>Amounts | Positive /<br>(Negative)<br>Variance with<br>Original Budget |
|------------------------------------------------------------|------------------------------|-------------------|--------------------------------------------------------------|
| <b>REVENUES</b>                                            |                              |                   |                                                              |
| Property taxes                                             | \$ 116,400                   | \$ 116,049        | \$ (351)                                                     |
| Specific ownership taxes                                   | 5,600                        | 5,821             | 221                                                          |
| Maintenance fees                                           | 155,400                      | 155,400           | -                                                            |
| Reimbursements for legal and collection costs              | -                            | 5,601             | 5,601                                                        |
| Net investment income                                      | 7,000                        | 5,695             | (1,305)                                                      |
| Other income                                               | 500                          | 6,483             | 5,983                                                        |
| <b>Total Revenues</b>                                      | <b>284,900</b>               | <b>295,049</b>    | <b>10,149</b>                                                |
| <b>EXPENDITURES</b>                                        |                              |                   |                                                              |
| General and administration                                 | 36,300                       | 19,291            | 17,009                                                       |
| Landscaping maintenance                                    | 97,500                       | 84,660            | 12,840                                                       |
| Pool maintenance and operation                             | 50,800                       | 44,744            | 6,056                                                        |
| Water and Sewer services                                   | 80,000                       | 76,246            | (3,754)                                                      |
| Other district expenses                                    | 31,700                       | 49,396            | (17,696)                                                     |
| <b>Total Expenditures</b>                                  | <b>296,300</b>               | <b>274,337</b>    | <b>14,455</b>                                                |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>        | <b>(11,400)</b>              | <b>20,712</b>     | <b>32,112</b>                                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                      |                              |                   |                                                              |
| Transfers in (out) - Capital Project Fund                  | (80,300)                     | (80,300)          | -                                                            |
| <b>Total Other Financing Sources (Uses)</b>                | <b>(80,300)</b>              | <b>(80,300)</b>   | <b>-</b>                                                     |
| <b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER</b> | <b>(91,700)</b>              | <b>(59,588)</b>   | <b>32,112</b>                                                |
| <b>FUND BALANCE – BEGINNING OF YEAR</b>                    | <b>141,700</b>               | <b>137,593</b>    | <b>(4,107)</b>                                               |
| <b>FUND BALANCE – END OF YEAR</b>                          | <b>\$ 50,000</b>             | <b>\$ 78,005</b>  | <b>\$ 28,005</b>                                             |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**EXPENDITURE DETAILS - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2025**

|                                             | Original and Final<br>Budget | Actual Amounts   | Positive / (Negative)<br>Variance with<br>Original Budget |
|---------------------------------------------|------------------------------|------------------|-----------------------------------------------------------|
| <b>GENERAL AND ADMINISTRATION</b>           |                              |                  |                                                           |
| District management and accounting fees     | \$ 20,000                    | \$ 20,004        | \$ (4)                                                    |
| Board election expenses                     | 6,000                        | 117              | 5,883                                                     |
| Administrative costs                        | 3,000                        | (4,845)          | 7,845                                                     |
| Audit fees                                  | 8,500                        | 8,500            | -                                                         |
| Collection fees – County Treasurer          | 1,800                        | 1,746            | 54                                                        |
| Board of Directors’ fees                    | 4,000                        | 1,900            | 2,100                                                     |
| Board training and conferences              | -                            | -                | -                                                         |
| Insurance                                   | 4,000                        | 445              | 3,555                                                     |
| Legal fees                                  | 2,000                        | -                | 2,000                                                     |
| Collection Fees -Management Co.             | -                            | 1,673            | (1,673)                                                   |
| Collection Fees - Attorneys                 | -                            | 4,751            | (4,751)                                                   |
| Debt management and compliance allocation   | (15,000)                     | (15,000)         | -                                                         |
| Contingency                                 | 2,000                        | -                | 2,000                                                     |
| <b>Total General and Administration</b>     | <b>\$ 36,300</b>             | <b>\$ 19,291</b> | <b>\$ 17,009</b>                                          |
| <b>LANDSCAPING MAINTENANCE</b>              |                              |                  |                                                           |
| Ground maintenance fees                     | \$ 19,500                    | \$ 19,480        | \$ 20                                                     |
| Tree maintenance & replacement              | 5,000                        | 14,963           | (9,963)                                                   |
| Sprinkler repairs                           | 13,000                       | 7,029            | 5,971                                                     |
| Sprinklers – water                          | 32,000                       | 29,208           | 2,792                                                     |
| Sprinklers – electricity                    | 3,000                        | 2,189            | 811                                                       |
| Detention pond maintenance                  | 2,000                        | 745              | 1,255                                                     |
| Grounds improvements                        | 20,000                       | 711              | 19,289                                                    |
| Backflow maintenance                        | -                            | 4,459            | (4,459)                                                   |
| Miscellaneous landscape costs               | 3,000                        | 5,876            | (2,876)                                                   |
| <b>Total Landscaping Maintenance</b>        | <b>\$ 97,500</b>             | <b>\$ 84,660</b> | <b>\$ 12,840</b>                                          |
| <b>CLUBHOUSE / POOL MAINTENANCE</b>         |                              |                  |                                                           |
| Pool maintenance                            | \$ 13,500                    | \$ 15,601        | \$ (2,101)                                                |
| Pool repairs                                | 9,000                        | 4,306            | 4,694                                                     |
| Utilities (water)                           | 2,200                        | 2,093            | 107                                                       |
| Utilities (gas/electric)                    | 9,400                        | 6,867            | 2,533                                                     |
| Pool chemicals                              | 6,700                        | 4,301            | 2,399                                                     |
| Clubhouse maintenance                       | 6,500                        | 6,286            | 214                                                       |
| Clubhouse repairs                           | -                            | 800              | (800)                                                     |
| Clubhouse internet service                  | 1,000                        | 805              | 195                                                       |
| Pool furniture maintenance                  | 1,500                        | -                | 1,500                                                     |
| Pool gate keys                              | 1,000                        | 3,685            | (2,685)                                                   |
| <b>Total Pool Maintenance and Operation</b> | <b>\$ 50,800</b>             | <b>\$ 44,744</b> | <b>\$ 6,056</b>                                           |
| <b>OTHER DISTRICT EXPENSES</b>              |                              |                  |                                                           |
| Snow removal                                | \$ 16,000                    | \$ 8,145         | \$ 7,855                                                  |
| Perimeter Fence Maintenance & Repairs       | -                            | 873              | (873)                                                     |
| Playground Maintenance                      | 2,000                        | 29,951           | (27,951)                                                  |
| Monument Sign                               | 1,000                        | 1,157            | (157)                                                     |
| Property Insurance                          | 7,200                        | -                | 7,200                                                     |
| Sidewalk & parking lot maintenance          | 2,000                        | -                | 2,000                                                     |
| Newsletter Publication Costs                | -                            | 45               | (45)                                                      |
| Neighborhood Social Events                  | -                            | -                | -                                                         |
| Parking Enforcement                         | 2,500                        | 1,000            | 1,500                                                     |
| Covenant Enforcement - Postage/Mailing      | -                            | -                | -                                                         |
| Legal Fees - Covenant Enforcement           | -                            | -                | -                                                         |
| Vandalism                                   | 1,000                        | 8,225            | (7,225)                                                   |
| <b>Total Other District Expenses</b>        | <b>\$ 31,700</b>             | <b>\$ 49,396</b> | <b>\$ (17,696)</b>                                        |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
12-Month Period Ended December 31, 2025

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Aberdeen Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 21, 2003, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under service plan approved by Commerce City (City) on September 15, 2003. The District's service area comprises 74 condo units and approximately 16.75 acres of undeveloped land located in Adams County, Colorado entirely within the boundaries of the City. According to its Service Plan, the District has the authority to (1) design, construct, acquire, install, relocate, operate and maintain various facilities including streets, traffic and safety controls, water systems, sanitation systems, parks and recreational facilities, transportation facilities, television relay and translation systems and mosquito control facilities and equipment and (2) provide additional services and exercise powers that are expressly or impliedly granted by Colorado law, and which the District is required to provide or exercise, or in its discretion, may choose to provide or exercise.

An additional approximate 183 acres of land – all currently undeveloped – was excluded from the District in 2022 and 2023 but remains subject to paying the District's debt mill levy until the District's existing debt is repaid in full or otherwise defeased. Approximately 20 acres of such land is also subject to paying an annual fee to the District under a PILOT Agreement. (See Note 10)

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 significant accounting policies of the District are 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 activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

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

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

## **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. 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.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

## **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 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.

Investments are carried at net asset value.

## **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 unearned property tax revenues are recorded as revenue in the year they are available or collected.

## **Specific Ownership Taxes**

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the County. In 2025, the District's share of specific ownership taxes was equal to approximately 5.0% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

## **Maintenance Fees**

On December 09, 2020, the District adopted a Maintenance Fee Resolution, pursuant to 32-1-1001(1)(j) CRS, which imposes monthly Maintenance Fees upon all real property within the District (Maintenance Fee Resolution). Maintenance Fees imposed on each lot are secured by a perpetual lien. Maintenance Fees are used to fund the District's park and recreation facilities and landscaping, water supply and other services provided to residents. The annual Maintenance Fee assessed on homeowner-occupied Lots is \$175. As of December 31, 2025, all 74 condos have been constructed and sold to homeowners and none of the remaining vacant land within the District is currently platted for development.

## **Reimbursable Costs**

Legal fees and other costs incurred by the District related to any services provided to specific properties within the District are charged back to the respective property owners. The District presents reimbursable costs on a net basis. Factors considered by the District in determining whether to present reimbursable cost chargeback revenue on a gross or net basis include whether risks exist that the District will be unable to recover such costs from property owners. Pursuant to 32-1-1001(1)(j)(l) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien, which has priority over all other encumbrances on a property.

## **Collection Costs**

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include (a) operating and reporting compliance costs that protect the District's right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) costs related to managing the District's annual property tax assessment process and (d) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

Per the Series 2023 Bond Indenture of Trust Agreement, the District allocates a fixed annual amount of \$15,000 of indirect collection costs to its debt fund. Direct collection costs such as county treasurer collection fees are proportionally allocated to each fund on the basis of each property tax revenue allocable to each fund proportion to total property tax revenue assessed by the District.

## **Water and Sewer Expenditures**

74 condo units located within 11 separate building are not individually metered for water use. In addition, one sewer line services each building. Water and sewer services are provided to these 74 units by the South Adams County Water and Sanitation District (SACWSD). Because the 74 condo units share water meters and sewer lines, the District has assumed the responsibility for ensuring the shared portions of the water lines and sewer lines are properly maintained and services are timely paid to SACWSD.

## **Deferred Outflows of Resources and Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2025 are comprised of property taxes due from Adams County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

## **Capital Assets**

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

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The depreciable lives assigned to each functional area is as follows: Clubhouse (50 years), pool structure and fencing (40 years), pool equipment (7 years), pool furniture (4 years), basketball court (40 years) and monument signage (20 years). The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

## Equity

### Net Position

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

### Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, 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:

- ***Non-spendable fund balance*** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- ***Restricted fund balance*** – The portion of a 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 a 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 a 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 a 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 policy 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 of these financial statements.

The District adopted the requirements of this guidance effective January 01, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

### NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

|                                     |                   |
|-------------------------------------|-------------------|
| Statement of net position:          |                   |
| Cash and investments – unrestricted | \$ 114,316        |
| Cash and investments – restricted   | 829,280           |
| <b>Total cash and investments</b>   | <b>\$ 943,605</b> |

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

|                                      |                   |
|--------------------------------------|-------------------|
| Deposits with financial institutions | \$ 66,444         |
| Investments                          | 877,161           |
| <b>Total cash and investments</b>    | <b>\$ 943,605</b> |

#### 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 held at financial institutions had a bank balance of \$66,694 and a carrying balance of \$66,444.

#### 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 listed below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to 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. Revenue

bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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 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 purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the District's investments were comprised of the following:

| Investment                                | Maturity                          | Amortized Cost |
|-------------------------------------------|-----------------------------------|----------------|
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted Average<br>Under 60 Days | \$ 877,161     |

#### CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

#### NOTE 4 – PROPERTY, STRUCTURES AND EQUIPMENT

Acquisitions and dispositions of District property, structures and equipment are as follows:

|                            | <b>Balance at<br/>12/31/24</b> | <b>Purchases</b> | <b>Disposals</b>  | <b>Balance at<br/>12/31/25</b> | <b>Accumulated<br/>Depreciation</b> |
|----------------------------|--------------------------------|------------------|-------------------|--------------------------------|-------------------------------------|
| Clubhouse                  | \$ 409,081                     | \$ -             | \$ -              | \$ 409,081                     | (\$ 147,262)                        |
| Pool structure and fencing | 223,087                        | -                | -                 | 223,087                        | ( 109,949)                          |
| Pool equipment             | 18,880                         | -                | -                 | 18,880                         | ( 11,270)                           |
| Pool furniture             | 5,000                          | -                | -                 | 5,000                          | ( 5,000)                            |
| Basketball court           | 50,000                         | -                | -                 | 50,000                         | ( 22,500)                           |
| Monument signage           | 65,000                         | -                | -                 | 65,000                         | ( 58,500)                           |
| Park equipment             | 5,522                          | -                | ( 5,522)          | -                              | -                                   |
|                            | <b>\$ 776,570</b>              | <b>\$ -</b>      | <b>(\$ 5,522)</b> | <b>\$ 771,048</b>              | <b>(\$ 357,670)</b>                 |

#### NOTE 5 – LAND AND NON-DEPRECIABLE ASSETS

On June 16, 2006, the District acquired from the Developer a 0.74 land tract located within the District boundaries. Specifically, the District owns and maintains Tract B as designated on the Aberdeen Subdivision Filing No. 1 plat filed with the Adams County Clerk & Recorder's Office. The land is recorded by the District at a nominal value of \$7,400. The District also owns water rights and one tap used to irrigate the landscaping on these tracts of land. The District's water rights and taps are recorded at \$10,000, which is the estimated fair value of these assets when they were acquired from the Association.

#### NOTE 6 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2025:

|                                              | <b>Balance at<br/>Dec. 31, 2024</b> | <b>Additions</b>  | <b>Retirements</b>  | <b>Balance at<br/>Dec. 31, 2025</b> | <b>Due within<br/>one year</b> |
|----------------------------------------------|-------------------------------------|-------------------|---------------------|-------------------------------------|--------------------------------|
| Series 2021 G.O. Bonds                       | \$ 5,725,768                        | \$ 329,232        | \$ -                | \$ 6,055,000                        | \$ -                           |
| Accrued Interest –<br>Series 2021 G.O. Bonds | -                                   | 329,232           | ( 329,232)          | -                                   | -                              |
| <b>Total</b>                                 | <b>\$ 5,725,768</b>                 | <b>\$ 658,464</b> | <b>(\$ 329,232)</b> | <b>\$ 6,055,000</b>                 | <b>\$ -</b>                    |

Details regarding the District's long-term obligations are as follows:

##### Series 2021 General Obligation Limited Tax Convertible Capital Appreciation Refunding Bonds

On December 6, 2021, the District issued General Obligation Limited Tax Convertible Capital Appreciation Refunding Bonds, Series 2021 in the amount of \$4,832,617 (2021 Bonds). The 2021 Bonds bear compounding interest at the rate of 5.75% per annum, and are payable semi-annually on June 1 and December 1, beginning on June 01, 2026, with principal payable per the mandatory sinking fund payment schedule over 30 years with a final maturity on December 1, 2051 (Maturity Date).

The Senior Bonds are secured by and payable solely from Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Property Tax Revenues (generated by the imposition of the Required Mill Levy);
- b) all Specific Ownership Taxes (attributable to the Required Mill Levy); and
- c) any other legally available amounts that the District determines to pledge to the Series 2023 Bonds.

The Required Mill Levy is defined as the mill levy necessary to generate sufficient property tax revenue during the year to fully pay the annual principal and interest payment due on the Series 2023 Bonds. The Required Mill Levy cannot exceed 9.000 mills, as adjusted for changes made by the State of Colorado in the ratio of taxable valuation to assessed valuation of real property since December 09, 2022. As of December 09, 2022, the ratio was 7.15%. The ratio for 2025 was 6.70%, which caused the District's Required Mill Levy for debt service for 2025 to be 11.102. Any remaining balance due on the Series 2023 Bonds after the Maturity Date shall be deemed to be paid, satisfied, and discharged on December 2, 2061 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

The Series 2023 Bonds may be redeemed at the option of the District prior to maturity beginning December 01, 2026 subject to payment of a redemption premium equal to between 1% and 3% of principal redeemed. Beginning December 01, 2029, the Bonds may be redeemed at the option of the District without any redemption premium.

Outstanding bond principal and interest on the Bonds mature as follows:

|              | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|--------------|---------------------|---------------------|---------------------|
| 2026         | \$ -                | \$ 348,163          | \$ 348,163          |
| 2027         | -                   | 348,163             | 348,163             |
| 2028         | 35,000              | 348,163             | 383,163             |
| 2029         | 70,000              | 346,150             | 416,150             |
| 2030         | 95,000              | 342,125             | 437,125             |
| 2031 to 2035 | 615,000             | 1,618,914           | 2,233,914           |
| 2036 to 2040 | 940,000             | 1,407,025           | 2,347,025           |
| 2041 to 2045 | 1,370,000           | 1,090,201           | 2,460,201           |
| 2046 to 2050 | 1,970,000           | 630,776             | 2,600,776           |
| 2051 to 2054 | 960,000             | 55,198              | 1,015,198           |
| <b>Total</b> | <b>\$ 6,055,000</b> | <b>\$ 6,534,878</b> | <b>\$12,589,878</b> |

### Events of Default – Series 2021 Bonds

The following events are considered events of default under the bond indenture of trust: (1) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee, Bond Insurer or Bond Owners or (3) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

## **Debt Authorization**

### **Service Plan**

The District's service plan limits the District's debt service to a maximum mill levy of 50.000 mills, provided, however, that in the event the method of calculating the assessed valuation is changed after the date of the approved service plan (2003), the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes. As of January 1, 2003, the ratio was 7.96%. The ratio for 2025 was 6.70%, which caused the District's Maximum Mill Levy for debt service for 2025 to be 11.102.

### **TABOR**

As of December 31, 2025, the District is prohibited from issuing any additional debt (other than refinancing existing debt that would generate a net cost saving to the homeowners) without first obtaining authorization from the District's voters in compliance with TABOR.

## **NOTE 7 – NET POSITION (DEFICIT)**

### **Restricted Net Position**

The District's restricted net position as of December 31, 2025 in the general fund, debt service fund and capital projects fund totaled \$8,900, \$658,416 and \$158,043, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 13 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2021 Bonds. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction and major repairs of public infrastructure.

### **Non-Spendable Net Position**

The District's non-spendable net position as of December 31, 2025 in the general fund, debt service fund and capital project fund totaled \$11,154, \$0, and \$0, respectively. These balances were created due to the District prepaying certain 2026 expenses in 2025.

### **Unassigned Net Position**

The District's unassigned net position as of December 31, 2025 totaled (\$5,566,271). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Commerce City, South Adams County Water & Sanitation District and the District.

## **NOTE 8 – AGREEMENTS WITH BONNYVIEW AT ABERDEEN HOMEOWNERS ASSOCIATION, INC (ASSOCIATION)**

### **Use and Maintenance Agreement**

On March 20, 2019, the District entered into a one-year agreement with the Association to use, operate, maintain and improve the Association's common areas and public right-of-way landscaping (as depicted on the Aberdeen Subdivision Filing No 1 plat map filed with the Adams County Clerk and Recorder's Office on March 22, 2005). Such services will be provided by the District at its own expense. This agreement automatically renews on January 1st of each calendar year unless cancelled by either party no less than 30 days prior to the renewal date.

## **Water Supply Service Agreement**

On March 20, 2019, the District entered into a one-year agreement with the Association to provide water services to the condominium units within the Association's boundaries. Such services will be provided by the District at its own expense. This agreement automatically renews on January 1st of each calendar year unless cancelled by either party no less than 30 days prior to the renewal date.

### **NOTE 9 – PILOT AGREEMENT**

On November 07, 2023, the District granted PT Aberdeen, LLC's petition to exclude approximately 20.7 acres from the District conditional upon PT Aberdeen, LLC executing an agreement for payments in lieu of taxes ("PILOT Agreement") with the District. In accordance with 32-1-503(1) CRS, the 20.7 acres of excluded land shall still be obligated to the same extent as all other property within the District with respect to and shall be subject to the levy of taxes for the payment of that proportion of the outstanding indebtedness of the District and interest thereon existing as of November 07, 2023.

Per the PILOT Agreement, the owners of the 20.7 acres of land excluded from the District are subject to paying an "Annual Operations Fee" to the District. The Annual Operations Fee is calculated as equal to 19 mills multiplied by the County Assessor's most recent certified final assessed valuation of the 20.7 acres. The mill levy shall be adjusted for changes made by the State of Colorado to the ratio of taxable valuation to assessed valuation of real property since November 07, 2023. As of November 07, 2023, the ratio was 6.70%. The Annual Operations Fee is due and payable to the District each year by April 1<sup>st</sup>. Until paid, the Annual Operations Fee constitutes a perpetual lien of the District against the excluded property as set forth in Section 32-1-1001(1)(j), C.R.S.;

The District agreed not to assess any fees of any kind on the excluded property other than the Annual Operations Fee. In the event the 20.7 acres is further subdivided and/or portions of the 20.7 acres are owned by multiple owners, the Annual Operations Fee shall be allocated across the entirety of the 20.7 acres on a pro-rata basis, based on the percentage of the Property owned by each owner or based on the percentage of the 20.7 acres in each subdivided lot, or based on the assessed valuation of each subdivided lot. The PILOT Agreement may only be terminated upon mutual agreement of the District and the owners of the 20.7 acres of property.

### **NOTE 10 – RELATED PARTIES**

For the 12-month period ended December 31, 2025, none of the directors serving on the District's board reported any conflicts of interest arising from their public service on the District's board.

### **NOTE 11 – RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District may be 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, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the

Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

## **NOTE 12 – TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution—referred to 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.

On November 06, 2018, District voters authorized the District to assess property taxes at no more than \$4,500,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

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

## **SUPPLEMENTARY INFORMATION**

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2025**

|                                                                                                                  | Original and<br>Final Budget | Actual<br>Amounts | Positive /<br>(Negative) Variance<br>with Original<br>Budget |
|------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------|--------------------------------------------------------------|
| <b>REVENUES</b>                                                                                                  |                              |                   |                                                              |
| Property taxes                                                                                                   | \$ 19,400                    | \$ 19,275         | \$ (125)                                                     |
| Specific ownership taxes                                                                                         | 1,000                        | 967               | (33)                                                         |
| Net investment income                                                                                            | 26,000                       | 32,093            | 6,093                                                        |
| Covenant violation fine income                                                                                   | -                            | -                 | -                                                            |
| Facility fees                                                                                                    | -                            | -                 | -                                                            |
| <b>Total Revenues</b>                                                                                            | <b>46,400</b>                | <b>52,335</b>     | <b>5,935</b>                                                 |
| <b>EXPENDITURES</b>                                                                                              |                              |                   |                                                              |
| Debt management & compliance                                                                                     | 19,300                       | 19,290            | 10                                                           |
| <b>Cash payments on debt</b>                                                                                     |                              |                   |                                                              |
| Bond interest payments                                                                                           | -                            | -                 | -                                                            |
| Bond principal payments                                                                                          | -                            | -                 | -                                                            |
| <b>Total Expenditures</b>                                                                                        | <b>19,300</b>                | <b>19,290</b>     | <b>10</b>                                                    |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>                                                              | <b>27,100</b>                | <b>33,045</b>     | <b>5,945</b>                                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                                                                            |                              |                   |                                                              |
| Transfers in (out)                                                                                               | -                            | -                 | -                                                            |
| <b>Total Other Financing Sources (Uses)</b>                                                                      | <b>-</b>                     | <b>-</b>          | <b>-</b>                                                     |
| <b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES<br/>OVER (UNDER) EXPENDITURES AND OTHER FINANCING<br/>USES</b> | <b>27,100</b>                | <b>33,045</b>     | <b>5,945</b>                                                 |
| <b>FUND BALANCE – BEGINNING</b>                                                                                  | <b>626,100</b>               | <b>625,371</b>    | <b>(729)</b>                                                 |
| <b>FUND BALANCE – END OF YEAR</b>                                                                                | <b>\$ 653,200</b>            | <b>\$ 658,416</b> | <b>\$ 5,216</b>                                              |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**DEBT MANAGEMENT & COMPLIANCE EXPENDITURE DETAILS - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2025**

|                                               | Original and<br>Final Budget | Actual<br>Amounts | Positive /<br>(Negative)<br>Variance with<br>Original Budget |
|-----------------------------------------------|------------------------------|-------------------|--------------------------------------------------------------|
| <b>DEBT MANAGEMENT &amp; COMPLIANCE</b>       |                              |                   |                                                              |
| Collection fees – County Treasurer            | \$ 300                       | \$ 290            | \$ 10                                                        |
| Debt management & compliance allocation       | 15,000                       | 15,000            | -                                                            |
| Bond trustee fees                             | 4,000                        | 4,000             | -                                                            |
| Miscellaneous                                 | -                            | -                 | -                                                            |
| <b>Total Debt Management &amp; Compliance</b> | <b>\$ 19,300</b>             | <b>\$ 19,290</b>  | <b>\$ 10</b>                                                 |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2025**

|                                                       | Original and<br>Final Budget | Actual<br>Amounts | Positive /<br>(Negative)<br>Variance with<br>Original Budget |
|-------------------------------------------------------|------------------------------|-------------------|--------------------------------------------------------------|
| <b>REVENUES</b>                                       |                              |                   |                                                              |
| Net investment income                                 | \$ 1,500                     | \$ -              | \$ (1,500)                                                   |
| Other income                                          | -                            | -                 | -                                                            |
| <b>Total Revenues</b>                                 | <b>1,500</b>                 | <b>-</b>          | <b>(1,500)</b>                                               |
| <b>EXPENDITURES</b>                                   |                              |                   |                                                              |
| Capital projects                                      |                              |                   |                                                              |
| Major capital projects                                | 20,000                       | -                 | (20,000)                                                     |
| <b>Total Expenditures</b>                             | <b>20,000</b>                | <b>-</b>          | <b>(20,000)</b>                                              |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(18,500)</b>              | <b>-</b>          | <b>(21,500)</b>                                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                 |                              |                   |                                                              |
| Transfers In (Out) - General Fund                     | 80,300                       | 80,300            | -                                                            |
| <b>Total Other Financing Sources (Uses)</b>           | <b>80,300</b>                | <b>80,300</b>     | <b>-</b>                                                     |
| <b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES</b> | <b>61,800</b>                | <b>80,300</b>     | <b>21,500</b>                                                |
| <b>FUND BALANCE – BEGINNING OF YEAR</b>               | <b>79,200</b>                | <b>77,743</b>     | <b>(1,457)</b>                                               |
| <b>FUND BALANCE – END OF YEAR</b>                     | <b>\$ 141,000</b>            | <b>\$ 158,043</b> | <b>\$ 22,957</b>                                             |

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

ABERDEEN METROPOLITAN DISTRICT NO. 2  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
December 31, 2025

The District's repayment schedule for its Series 2021 Bonds is as follows:

| Year Ended<br>December 31, | Principal<br>Payments | Interest<br>Payments | Annual<br>Payments   |
|----------------------------|-----------------------|----------------------|----------------------|
| 2026                       | \$ -                  | \$ 348,163           | \$ 348,163           |
| 2027                       | -                     | 348,163              | 348,163              |
| 2028                       | 35,000                | 348,163              | 383,163              |
| 2029                       | 70,000                | 346,150              | 416,150              |
| 2030                       | 95,000                | 342,125              | 437,125              |
| 2031                       | 100,000               | 336,663              | 436,663              |
| 2032                       | 115,000               | 330,913              | 445,913              |
| 2033                       | 120,000               | 324,300              | 444,300              |
| 2034                       | 135,000               | 317,400              | 452,400              |
| 2035                       | 145,000               | 309,638              | 454,638              |
| 2036                       | 160,000               | 301,300              | 461,300              |
| 2037                       | 170,000               | 292,100              | 462,100              |
| 2038                       | 190,000               | 282,325              | 472,325              |
| 2039                       | 200,000               | 271,400              | 471,400              |
| 2040                       | 220,000               | 259,900              | 479,900              |
| 2041                       | 235,000               | 247,250              | 482,250              |
| 2042                       | 255,000               | 233,738              | 488,738              |
| 2043                       | 270,000               | 219,075              | 489,075              |
| 2044                       | 295,000               | 203,550              | 498,550              |
| 2045                       | 315,000               | 186,588              | 501,588              |
| 2046                       | 345,000               | 168,475              | 513,475              |
| 2047                       | 365,000               | 148,638              | 513,638              |
| 2048                       | 395,000               | 127,650              | 522,650              |
| 2049                       | 415,000               | 104,938              | 519,938              |
| 2050                       | 450,000               | 81,075               | 531,075              |
| 2051                       | 960,000               | 55,198               | 1,015,198            |
|                            | <b>\$ 6,055,000</b>   | <b>\$ 6,534,878</b>  | <b>\$ 12,589,878</b> |

The original face value of these bonds totaled \$4,827,161. Interest is payable each year on June 1<sup>st</sup> and December 1<sup>st</sup>, and principal payments are due each year on December 1<sup>st</sup>. The Series 2023 Bonds may be redeemed at the option of the District prior to maturity beginning December 01, 2026 subject to payment of a redemption premium equal to between 1% and 3% of principal redeemed. Beginning December 01, 2029, the Bonds may be redeemed at the option of the District without any redemption premium.

ABERDEEN METROPOLITAN DISTRICT NO. 2  
**SUMMARY OF ASSESSED VALUATION,  
MILL LEVY AND PROPERTY TAXES COLLECTED**  
December 31, 2025

| Year Ended<br>December 31, | Prior Year<br>Assessed Valuation<br>for Current Year<br>tax Levy | Mills Levied |        | Total Property Taxes |                       | Percent<br>Collected<br>to Levied |
|----------------------------|------------------------------------------------------------------|--------------|--------|----------------------|-----------------------|-----------------------------------|
|                            |                                                                  | Operations   | Debt   | Levied               | Collected<br>(Note A) |                                   |
| 2018                       | \$ 901,150                                                       | 49.000       | 50.000 | \$ 89,214            | \$ 89,214             | 100.0%                            |
| 2019                       | 904,210                                                          | 208.580      | 50.000 | 233,800              | 233,811               | 100.0%                            |
| 2020                       | 1,049,750                                                        | 49.000       | 50.000 | 103,900              | 103,925               | 100.0%                            |
| 2021                       | 1,048,700                                                        | 49.000       | 50.000 | 103,800              | 103,673               | 99.9%                             |
| 2022                       | 1,316,700                                                        | 49.000       | 9.000  | 76,300               | 76,366                | 100.1%                            |
| 2023                       | 1,319,180                                                        | 50.865       | 9.259  | 79,300               | 77,071                | 97.1%                             |
| 2024                       | 2,076,570                                                        | 56.409       | 9.604  | 136,300              | 140,214               | 102.9%                            |
| 2025                       | 1,741,410                                                        | 67.039       | 11.102 | 135,800              | 135,324               | 99.7%                             |
| 2026                       | 1,689,930                                                        | 69.329       | 10.282 | 133,800              | [TBD]                 | [TBD]                             |

**NOTE A:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

## OTHER SUPPLEMENTARY INFORMATION

ABERDEEN METROPOLITAN DISTRICT NO. 2  
**CHANGE IN TOTAL OVERLAPPING MILL LEVY**  
 December 31, 2025

|                                                 | 2024<br>Mill Levy * | 2025<br>Mill Levy ** | Change       |
|-------------------------------------------------|---------------------|----------------------|--------------|
| Aberdeen Metropolitan District No. 2            | 78.141              | 79.611               | 1.470        |
| Brighton School District No. 27J                | 56.644              | 56.290               | (0.354)      |
| Commerce City North Infrastructure District     | 8.000               | 8.000                | 0.000        |
| Adams County                                    | 26.944              | 27.479               | 0.535        |
| Fire District 4 South Adams                     | 14.750              | 14.750               | 0.000        |
| Rangeview Library District                      | 3.667               | 3.715                | 0.048        |
| City of Commerce City                           | 2.700               | 2.613                | (0.087)      |
| South Adams County Water & Sanitation District  | 2.013               | 2.265                | 0.252        |
| Central Colorado Water Conservation District    | 1.017               | 0.980                | (0.037)      |
| Central Colorado Water Conservation Subdistrict | 1.507               | 1.462                | (0.045)      |
| Urban Drainage and Flood Control                | 0.900               | 0.900                | 0.000        |
| Urban Drainage and Flood Control – South Platte | 0.100               | 0.100                | 0.000        |
| <b>Total Mill Levy</b>                          | <b>196.383</b>      | <b>198.165</b>       | <b>1.782</b> |

\* -- For property tax collections in 2025

\*\* -- For property tax collections in 2026

ABERDEEN METROPOLITAN DISTRICT NO. 2

**HISTORICAL DEBT RATIOS**

December 31, 2025

|                                                          | 12/31/21     | 12/31/22     | 12/31/23     | 12/31/24     | 12/31/25     |
|----------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| General Obligation Bonds                                 | \$ 4,841,642 | \$ 5,119,517 | \$ 5,414,438 | \$ 5,725,768 | \$ 6,055,000 |
| Accrued, unpaid interest -<br>Bonds                      | -            | -            | -            | -            | -            |
| Restricted cash                                          | ( 497,326)   | ( 557,289)   | ( 587,878)   | ( 629,296)   | ( 662,346)   |
| Combined assessed property<br>values within the District | 1,316,700    | 1,282,600    | 2,076,570    | 1,741,410    | 1,689,930    |
| Ratio of net debt to assessed<br>property values         | 329.9%       | 345.8%       | 232.4%       | 292.7%       | 319.1%       |