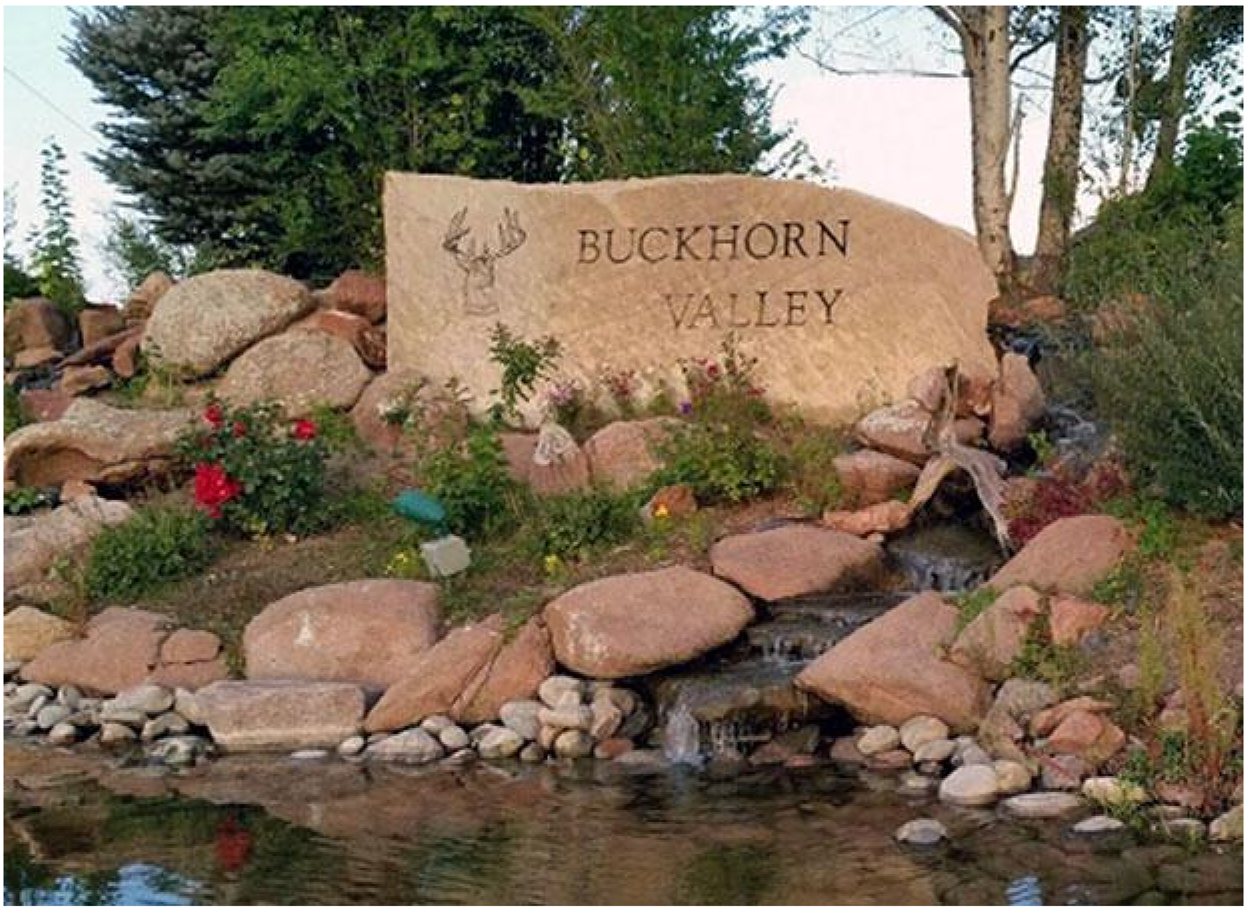
Buckhorn Valley
Metropolitan District No 2

TOWN OF GYPSUM
EAGLE COUNTY, COLORADO



ANNUAL FINANCIAL STATEMENTS

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Buckhorn Valley Metropolitan District No. 2

Eagle County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Buckhorn Valley 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

<u>Required Supplementary Information</u>

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.

<u>Supplementary Information</u>

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.

<u>Other Information</u>

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
July 27, 2026

Buckhorn Valley Metropolitan District No 2
STATEMENT OF NET POSITION
December 31, 2025

		Governmental Activities
ASSETS		
Cash and investments	$	630,807
Cash and investments – restricted		61,610
Accounts Receivable - Storage Lot Rentals		340
Receivable - due from Buckhorn Valley Metro No 1		-
Property taxes receivable		1,397,700
Specific ownership taxes receivable		6,475
Prepaid expenses		3,706
Land		14,400
Total Assets	**$**	**2,115,038**
LIABILITIES		
Accounts payable and accrued liabilities	$	-
Prepaid storage lot fees		7,380
Accrued interest payable		63,975
Current portion bonds		125,000
Bond premium		130,879
General obligation refunding bonds		15,000,000
Total Liabilities		**15,327,234**
DEFERRED INFLOWS OF RESOURCES		
Property tax revenue		1,397,700
NET POSITION (DEFICIT)		
Restricted:		
Emergency reserves		5,300
Debt service		62,252
Capital projects		-
Non-spendable		3,706
Unassigned:		(14,681,154)
Net Position (Deficit)	**$**	**(14,609,896)**

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

Buckhorn Valley Metropolitan District No 2
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended
December 31, 2025

		Program Revenue			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges For Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary Government:					
Government Activities:					
General government activities	$ (141,967)	$ 21,920	$ -	$ -	$ (120,047)
Interest and related costs on long-term debt	(2,001,842)		9,438,119	-	7,436,277
Capital project activities	-	-	-	-	-
	$ (2,143,809)	$ 21,920	$ 9,438,119	$ -	7,316,230
	General Revenues				
	Property taxes				1,410,155
	Specific ownership taxes				69,957
	Net investment income				25,302
	Total general revenue				1,505,414
	Change in net position				8,821,644
	Net Position (Deficit) – Beginning of Year				(23,431,540)
	Net Position (Deficit) – End of Year				**$ (14,609,896)**

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

Buckhorn Valley Metropolitan District No 2
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total Government Funds
ASSETS				
Cash and investments	$ 630,807	$ -	$ -	$ 630,807
Cash and investments - Restricted	5,300	56,310	-	61,610
Specific ownership taxes receivable	533	5,942	-	6,475
Property taxes receivable	406,700	991,000	-	1,397,700
Storage lot fees receivable	340	-	-	340
Receivable due from BV Metro 1	-	-	-	-
Prepaid expenses	3,706	-	-	3,706
TOTAL ASSETS	**1,047,386**	**1,053,252**	**-**	**2,100,638**
LIABILITIES				
Accounts payable and accrued liabilities	-	-	-	-
Prepaid storage lot fees	7,380	-		7,380
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	406,700	991,000	-	1,397,700
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**414,080**	**991,000**	**-**	**1,405,080**
FUND BALANCES				
Restricted:				
Emergencies (TABOR)	5,300	-	-	5,300
Debt service	-	62,252	-	62,252
Non-spendable	3,706	-	-	3,706
Unrestricted	624,300	-	-	624,300
Total Fund Balances	**633,306**	**62,252**	**-**	**695,558**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 1,047,386**	**$ 1,053,252**	**$ -**	

Amounts reported for governmental activities in the statement of net position are different because:	
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	14,400
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(15,125,000)
Accrued interest payable	(63,975)
Bond Premiums	(130,879)
Net position of governmental activities	**$ (14,609,896)**

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

Buckhorn Valley 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 Projects Fund	Total Government Funds
REVENUES				
Property taxes	$ 116,119	$ 1,294,036	$ -	$ 1,410,155
Specific ownership taxes	5,761	64,196	-	69,957
Storage lot rental fees	21,920	-	-	21,920
Other income	-	-	-	-
Gain from Litigation Settlement	-	9,438,119	-	9,438,119
Net investment income	15,621	9,681	-	25,302
Total Revenues	**159,421**	**10,806,032**	-	**10,965,453**
EXPENDITURES				
General and administrative costs	13,479		-	13,479
Storage lot management fees	21,820	-	-	21,820
Litigation fees	24,945	-	-	24,945
Debt service				
Debt management and compliance	-	89,001	-	89,001
Bond interest payments	-	9,583,222	-	9,583,222
Bond principal payments	-	14,746,836	-	14,746,836
Bond issuance costs	-	975,555	-	975,555
Capital projects	81,723	-	-	81,723
Total Expenditures	**141,967**	**25,394,614**	**-**	**25,536,581**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**17,454**	**(14,588,582)**	**-**	**(14,571,128)**
OTHER FINANCING SOURCES (USES)				
Fund Transfers In / (Out)	626,174	(626,174)	-	-
Proceeds from issuing Series 2025 Bonds	-	15,258,357	-	15,258,357
EXCESS OF REVENUES AND OTHER FINANCING SOURCES	**643,628**	**43,601**	**-**	**687,229**
FIND BALANCES – BEGINNING	(10,322)	18,651	-	8,329
FUND BALANCES – END OF YEAR	**$ 633,306**	**$ 62,252**	**$ -**	**$ 695,558**

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

Buckhorn Valley 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	$	687,229
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments on bonds		14,746,836
Proceeds from issuance of 2025 Bonds		(15,258,357)
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.		
Bond premium amortization		2,478
Decrease in accrued interest on bond debt		8,643,458
Changes in net position of governmental activities	**$**	**8,821,644**

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

Buckhorn Valley 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

	Amended and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	$ 116,100	$ 116,119	$ 19
Specific ownership taxes	5,700	5,761	61
Net investment income	11,022	15,621	4,599
Storage lot rental fees	24,000	21,920	(2,080)
Total Revenues	**156,822**	**159,421**	**2,599**
EXPENDITURES			
General and administrative costs	28,500	13,479	15,021
Storage lot management fees	24,000	21,820	2,180
Litigation fees	127,300	24,945	102,355
Capital projects	-	81,723	(81,723)
Total Expenditures	**179,800**	**141,967**	**119,556**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**(22,978)**	**17,454**	**40,432**
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	735,700	626,174	(109,526)
Total Other Financing Sources (Uses)	735,700	626,174	(109,526)
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER	712,722	643,628	(69,094)
FUND BALANCE – BEGINNING OF YEAR	(10,322)	(10,322)	-
FUND BALANCE – END OF YEAR	**$ 702,400**	**$ 633,306**	**$ (69,094)**

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

Buckhorn Valley Metropolitan District No 2
GENERAL FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2025

	Amended and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
District management and accounting fees	$ 40,000	$ 40,000	$ -
Administrative costs	3,000	1,476	1,524
Audit fees	8,500	8,500	-
Collection fees – County Treasurer	3,500	3,486	14
Board of Directors' fees	-	-	-
Newsletters	2,500	1,428	1,072
Election services	12,000	117	11,883
Insurance	3,300	2,742	558
Legal fees	10,000	5,335	4,665
Debt management and compliance cost allocation	(58,000)	(50,000)	(8,000)
Neighborhood Social Events	-	395	(395)
Miscellaneous costs	3,700	-	3,700
Total General and Administration	**$ 28,500**	**$ 13,479**	**$ 15,021**

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

NOTE 1 – DEFINITION OF REPORTING ENTITY

Buckhorn Valley Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 15, 2000, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a consolidated service plan (which also governs Buckhorn Valley Metropolitan District No. 1) approved by the Town of Gypsum (Town) on January 11, 2000 and amended and restated with Town approval on June 28, 2005 and July 14, 2009. The District's service area is located in Eagle County, Colorado entirely within the boundaries of the Town and is comprised of approximately 368 acres of land zoned for residential development. The District was established to provide financing for the design, acquisition, construction and installation of water, sanitation, street improvements, parks and recreational facilities, television relay and translation, mosquito control and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was created to provide certain essential public-purpose facilities for the use and benefit of all its anticipated residents and taxpayers of real property located within the boundaries of the District.

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

The statement of net position reports all financial and capital resources of the District. The difference between the 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. On November 19, 2024, the Board adopted the District’s 2025 budget and on October 21, 2025 the Board adopted a resolution amending the District’s 2025 budget.

Actual expenditures in the District’s Debt Service Fund exceeded budgeted amounts. This may be a violation of state budget law.

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.

Gain from Litigation Settlement

In connection with the favorable ruling by Eagle County District Court in July 2024 regarding litigation initiated by the District in November 2022 against Buckhorn Valley Metropolitan District No 1 (BVMD1) and 13 individuals who previously served on the District's board at various times between May 2000 and June 2021, the District entered into settlement agreements with BVMD1 and individuals in June 2025. (Additional details regarding these settlement agreements is provided in the District's 2024 annual financial statements.) A material term of the settlement agreements was the forgiveness of all but $1 million due on the Series 2008 Bonds (a $9,160,513 reduction of this debt). The total gain recognized by the District from the settlement of this litigation totaled $9,438,119.

The gain from litigation settlement does not include approximately $4,085,000 in facility fees committed by the Developer to the District that will become payable to the District as new home lots are developed.

Debt Management & Compliance Costs

CRS 32-1-1101(6)(b) prohibits the issuance of general obligation debt and other obligations in an amount that exceeds the greater of two million dollars or fifty percent of the valuation for assessment of the taxable property within the District unless the funding of such obligations (which financial obligations include more than just funding principal and interest payments) is payable from a limited debt service mill levy, which mill levy shall not exceed 50 mills (as adjusted to offset any changes in the method of calculating the assessed value of property within the District).

Debt management and compliance costs incurred by the District include all costs incurred by the District that enable and support the District's ability to manage the District's various contractual obligations per its multiple year debt agreements. Such debt agreements require the District to assess an annual debt mill levy, collect property taxes from such debt mill levy, pay periodic interest and principal payments to the lender/bondholders and comply with various operational and reporting requirements (covenants). Generally, such costs include (a) county treasurer collection fees, (b) 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), (c) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (d) lender/bond trustee service fees, (e) costs related to managing the District's annual property tax assessment process and (f) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

For the 2025 year, the District estimated 79% of general and administrative costs were related to the District's contractual obligations to manage the District's debt repayment process and comply with the various covenants in the District's debt agreements and, therefore, the District allocated 79% of such costs to the Debt Fund. Fees charged by the County Treasurer to collect taxes on behalf of the District from the District's debt mill levy are directly reported in the District's Debt Fund. Service fees charged by the lender/bond trustee and any costs related to refinancing the District's debt are directly reported in the District's Debt Fund.

Amortization of Series 2025 Bond Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the fund financial statements, governmental fund types recognize bond premium and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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 Eagle 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.

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 find 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	$	630,807
Cash and investments – restricted		61,610
Total cash and investments	**$**	**692,417**

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

Deposits with financial institutions	$	109,613
Investments		582,804
Total cash and investments	**$**	**692,417**

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 and a carrying balance of $109,613.

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 Under 60 Days	$ 582,804

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 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 – PUBLIC LAND / FACILITIES

The District owns 17 open space land tracts comprising approximately 14.4 acres within the District and valued at a nominal $1,000 per acre.

BVMD1 owns 6 land tracts within the District comprising approximately 67.7 acres of land and operates the following public infrastructure located within and without the District: (1) storm water detention ponds, (2) entryway monumentation and (3) the non-potable water system that irrigates the landscaping in the parks, open spaces and home lots. The non-potable irrigation system includes (1) two pump stations, (2) approximately 1.9 miles of surface water ditches, (3) approximately 6 miles of transport pipelines, (4) a 5.5 acre reservoir, (5) underground water main lines, (6) sprinkler systems and (7) an irrigation zone controller system. BVMD1 also owns water rights to draw water from Eagle River, Abram's Creek and Hernage Creek to supply the non-potable water irrigation system.

A significant portion of the public infrastructure and water rights owned by BVMD1 was funded from the proceeds of debt issued by the District, fees paid by District property owners directly to BVMD1 and property tax revenue contributions from the District.

NOTE 5 – 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:

	Balance at Dec. 31, 2024	Additions	Retirements	Balance at Dec. 31, 2025	Due within one year
General obligation bonds:					
Series 2003 Bonds	$ 2,055,000	$ -	($2,055,000)	$ -	$ -
Series 2008 Subordinate Bonds	5,448,836	-	(5,448,836)	-	-
Series 2010 Bonds	7,243,000	-	(7,243,000)	-	-
Series 2025 Bonds	-	15,125,000	-	15,125,000	125,000
Accrued Interest:					
Series 2003 Bonds	829,777	92,304	(922,081)	-	-
Series 2008 Subordinate Bonds	4,499,397	209,781	(4,709,178)	-	-
Series 2010 Bonds	3,378,258	556,631	(3,934,889)	-	-
Series 2025 Bonds	-	63,975	-	63,975	-
Total	**$ 23,454,268**	**$16,047,691**	**($24,312,984)**	**$ 15,188,975**	**$ 125,000**

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

Series 2025 General Obligation Refunding Bonds

On August 21, 2025, the District issued $15,125,000 General Obligation Limited Tax Refunding Bonds, Series 2025 (Series 2025 Bonds) and applied the net proceeds to retiring the District's Series 2003, 2008 and 2010 Bonds. The Series 2025 Bonds bear interest at rates between 5.00% and 5.25% and are payable semi-annually on June 1 and December 1, beginning on December 01, 2025. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The Series 2025 Bond mature on December 01, 2055.

The Series 2025 Bonds are secured by and payable solely from Pledged Revenue, net of any Direct Costs of Collection, which is comprised of revenues generated from the Limited Mill Levy. The "Limited Mill Levy" is defined in the Bond Resolution a rate of ad valorem property tax levy expressed in mills (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds and any Parity Obligations as the same become due and payable, but not in excess of 40 mills ("Maximum Limited Mill Levy"). The Maximum Limited Mill Levy is adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 11, 2000, which was 9.74%. The ratio for 2026 is 6.250%, which caused the Maximum Limited Mill Levy for 2026 to be 60.341.

The 2025 Bonds are insured and, therefore, the District is not required to maintain any minimum cash reserves in its Debt Fund.

The Series 2025 Bonds are subject to redemption prior to maturity, at the option of the District on December 01, 2030, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium ($)
December 01, 2030, to November 30, 2031	3.0%	$ 213,900
December 01, 2031, to November 30, 2032	2.0%	$ 142,600
December 01, 2032, to November 30, 2033	1.0%	$ 71,300
December 01, 2033, and thereafter	0.0%	$ -

Outstanding bond principal and interest on the Series 2025 Bonds mature as follows:

	Principal	**Interest**	**Total**
2026	$ 125,000	$ 762,825	$ 887,825
2027	240,000	756,575	996,575
2028	250,000	744,575	994,575
2029	265,000	732,075	997,075
2030	275,000	718,825	993,825
2031 to 2035	1,605,000	3,372,875	4,977,875
2036 to 2040	2,050,000	2,929,125	4,979,125
2041 to 2045	2,630,000	2,349,125	4,979,125
2046 to 2050	3,370,000	1,600,500	4,970,500
2051 to 2055	4,315,000	668,500	4,983,500
Total	**$ 15,125,000**	**$ 14,635,000**	**$ 29,760,000**

The District's debt service schedule for its Series 2025 Bonds is provided on page 24.

Events of Default – Series 2025 Bonds

The following events are considered events of default under the Series 2025 Bonds: (1) the failure by the District to impose the Limited Mill Levy or the Unlimited Mill Levy, as applicable, or to apply the proceeds of any Pledged Revenue as required by the terms of the Bond Resolution, (2) the occurrence and continuation of an event of default in connection with any Parity Obligations, as officially declared pursuant to the terms of the authorizing resolution or other documentation providing for the issuance of said Parity Obligations, (3) the breach by the District of any material covenant set forth in the Bond Resolution or failure by the District to perform any material duty imposed on it and continuation of such breach or failure for a period of thirty days after receipt by the President of the District of written notice thereof from the Owner, provided that such thirty day period shall be extended so long as the District has commenced and continues a good faith effort to remedy such breach or failure or (4) 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) Trustee initiating a lawsuit against the District and (2) 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 – 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.

Debt Authorization – Service Plan

The District's Service Plan authorizes the District to issue up to $26 million in debt and establishes a Maximum Mill Levy, subject to certain conditions and restrictions, the District is permitted to impose on taxable property within the District for the payment of debt. The Maximum Debt Mill Levy is 40 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since August 21, 2000 – at which time, the ratio was 9.74% for residential property. The ratio for the 2025 collection year was 6.70%, which caused the District's Maximum Debt Mill Levy for 2025 to be 60.341 mills.

As of December 31, 2025, total remaining debt issuance authorization under the District's 2009 Amended Service Plan is as follows:

Authorized maximum debt issuance per Service Plan	$	26,000,000
Less:		
Series 2007 G.O. Bonds	(	2,500,000)
Series 2008 Subordinate G.O. Bonds	(	8,500,000)
Series 2010 G.O. Bonds	(	7,370,000)
Unused, authorized debt issuance	**$**	**7,630,000**

Regardless of any remaining unused, authorized debt allowed under the District's service plan, Article X Section 20 of the Colorado Constitution ("Taxpayer's Bill of Rights" or TABOR) requires the eligible electors of the District vote to approve authorizing the District to issue additional debt.

NOTE 6 – 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 project fund totaled $5,300, $62,252 and $0, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 10 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the District's debt.

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 $3,706, $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 ($14,681,154). This deficit amount was a result of the District being responsible for the repayment of bonds issued to fund public improvements conveyed to the Town of Gypsum, BVMD1 and other entities.

NOTE 7 – CONTRACTUAL AGREEMENTS

District Facilities Construction and Service Agreement (DFCSA)

On May 03, 2025, the District entered into the Second Amended and Restated District Facilities Construction and Service Agreement (DFCS Agreement) with Buckhorn Valley Metropolitan District No. 1 (BVMD1). The DFCS Agreement supersedes the prior District Facilities Construction and Service Agreement and related first amendment executed in July 2000 and March 2003, respectively.

The DFCS Agreement was executed as one of the conditions to a May 13, 2025 Settlement Agreement between the District and BVMD1 that ended litigation between the two entities. Per the terms of the DFCS Agreement, both districts agreed to the following:

- The boundaries of BVMD1 would be changed to another location within the District that is comprised of land owned by BV Firewheel (the land Developer); and

- District will remit no less than $75,000 to BVMD1 for the purpose of funding repairs to the Irrigation System; and

- Adopt a resolution attaching certain one-time Facility Fees and Capital Facility Fees (see fee revenue descriptions above) to undeveloped home lots located within the District for the purpose of funding repayment of the District's debt and funding the District's Capital Reserve Fund; and

- District agrees to create an Irrigation System Enterprise Fund for the purpose of funding the operation, maintenance and repairs to the Irrigation System serving all homeowners within the District; and

- Transitioning ownership and maintenance responsibilities for the Irrigation System from BVMD1 to the District over a three-year period beginning in 2025 and ending on January 01, 2028; and

- Beginning in 2026, the District shall assume from BVMD1 ownership and maintenance responsibilities of the 67.66 acres of open space near the Irrigation System's primary reservoir; and

- Beginning in 2028, the District will fund BVMD1's costs necessary for BVMD1 to fulfill its basic governance responsibilities until BVMD1 is dissolved; and

- BVMD1 agrees to transfer any residual water rights owned by BVMD1 to the District upon dissolution of BVMD1.

Land Lease Agreement / Storage Lot

Beginning in 2019, the District converted a 2.1 acre land tract into a recreational vehicle storage lot and began leasing 35 storage spaces to various private parties. Storage spaces are rented out at the rate of $40/month per storage space.

The District contracted with S&C Storage to manage all aspects of the storage lot including supervision and monitoring of the lot, managing the lease and lease renewal process, enforcing storage lot rules and regulations on storage lot leasees, marketing storage lot leasing services to the general public and managing the administrative and accounting functions related to providing storage lot leasing services. The Management Contract is renewable annually at the option of the District and was automatically renewed on January 01, 2025 for another 12-month period.

For the 12-month period ended December 31, 2025, the District earned $21,920 in lease fee income.

NOTE 8 – RELATED PARTIES

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

The boundaries of BVMD1 is comprised entirely of one single family home lot (11 Bridger Drive), which is located within the boundaries of the District. BVMD1 also owns 6 land tracts within the District comprising approximately 67.7 acres of land.

All directors that served on the BVMD1 board had direct and/or indirect financial conflicts of interest regarding their service on BVMD1 board.

The District's Series 2008 Subordinate Bonds were owned by David Garton, Jr., who served as a director on the BVMD1 board until approximately July 2022 and formerly served on the District's board since the District's inception (May 2000) through June 2021.

NOTE 9 – 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 10 – 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 7, 2000, the District's six electors (all of whom were employees/owners or spouses of employees/owners of and qualified to vote by the company owning all land within the District at that time) unanimously voted to authorize the District to assess property taxes at no more than $500,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District's electors voted unanimously to approve a revenue change to allow the District to retain and spend up to $250,000 from revenue sources other than ad valorem taxes.

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.

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

Buckhorn Valley 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

	Amended and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	$ 1,293,800	$ 1,294,036	$ 236
Specific ownership taxes	63,400	64,196	796
Net investment income	10,000	9,681	(319)
Gain from litigation settlement	8,327,449	9,438,119	1,110,670
Total Revenues	**9,694,649**	**10,806,032**	**1,111,383**
EXPENDITURES			
Debt management & compliance	103,300	89,001	14,299
Cash payments on debt			
Bond interest payments	9,610,000	9,583,222	26,778
Bond principal payments	14,747,000	14,746,836	164
Bond Issuance Costs	500,000	975,555	(475,555)
Total Expenditures	**24,960,300**	**25,394,614**	**(434,314)**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**(15,265,651)**	**(14,588,582)**	**677,069**
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(626,174)	(626,174)
Proceeds from issuing Series 2025 Bonds	15,358,400	15,258,357	(100,043)
Total Other Financing Sources (Uses)	15,358,400	14,632,183	(726,217)
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	92,749	43,601	(49,148)
FUND BALANCE – BEGINNING	**18,651**	**18,651**	**-**
FUND BALANCE – END OF YEAR	**$ 111,400**	**$ 62,252**	**$ (49,148)**

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

Buckhorn Valley Metropolitan District No 2
DEBT SERVICE FUND
DEBT MANAGEMENT & COMPLIANCE EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2025

	Amended and Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
DEBT MANAGEMENT & COMPLIANCE			
Debt management and compliance	$ 58,000	$ 50,000	$ 8,000
Collection fees – County Treasurer	38,800	38,851	(51)
Bond paying agent fees	700	150	550
Miscellaneous costs	5,800	-	5,800
Total Debt Management & Compliance	**$ 103,300**	**$ 89,001**	**$ 14,299**

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

Buckhorn Valley 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 Final Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Net investment income	$ -	$ -	$ -
Other	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Fund management costs	-	-	-
Capital projects			
Major capital projects	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES	-	-	-
FUND BALANCE – BEGINNING OF YEAR	-	-	-
FUND BALANCE – END OF YEAR	$ -	$ -	$ -

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

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2025

The District's repayment schedule for its Series 2025 general obligation bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2026	$ 125,000	$ 762,825	5.00% to 5.25%	$ 887,825
2027	240,000	756,575	5.00% to 5.25%	996,575
2028	250,000	744,575	5.00% to 5.25%	994,575
2029	265,000	732,075	5.00% to 5.25%	997,075
2030	275,000	718,825	5.00% to 5.25%	993,825
2031	290,000	705,075	5.00% to 5.25%	995,075
2032	305,000	690,575	5.00% to 5.25%	995,575
2033	320,000	675,325	5.00% to 5.25%	995,325
2034	335,000	659,325	5.00% to 5.25%	994,325
2035	355,000	642,575	5.00% to 5.25%	997,575
2036	370,000	624,825	5.00% to 5.25%	994,825
2037	390,000	606,325	5.00% to 5.25%	996,325
2038	410,000	586,825	5.00% to 5.25%	996,825
2039	430,000	566,325	5.00% to 5.25%	996,325
2040	450,000	544,825	5.00% to 5.25%	994,825
2041	475,000	522,325	5.00% to 5.25%	997,325
2042	500,000	497,387	5.00% to 5.25%	997,387
2043	525,000	471,138	5.00% to 5.25%	996,138
2044	550,000	443,575	5.00% to 5.25%	993,575
2045	580,000	414,700	5.00% to 5.25%	994,700
2046	610,000	384,250	5.00%	994,250
2047	640,000	353,750	5.00%	993,750
2048	675,000	321,750	5.00%	996,750
2049	705,000	288,000	5.00%	993,000
2050	740,000	252,750	5.00%	992,750
2051	780,000	215,750	5.00%	995,750
2052	820,000	176,750	5.00%	996,750
2053	860,000	135,750	5.00%	995,750
2054	905,000	92,750	5.00%	997,750
2055	950,000	47,500	5.00%	997,500
Total	**$15,125,000**	**$14,846,896**		**$ 29,971,896**

The original face value of these bonds totaled $15,125,000. Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st. Beginning December 1, 2030, the District may redeem the outstanding bond balance at any time subject to paying a redemption premium to the bond holders. Beginning December 1, 2033, the District may redeem the outstanding bond balance at any time without any redemption premium payable to the bond holders.

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2018	$ 8,891,560	6.764	54.111	$ 540,608	$ 540,608	100.0%
2019	9,629,890	6.764	54.111	586,354	586,354	100.0%
2020	11,179,950	6.811	54.490	685,300	685,148	100.0%
2021	12,485,990	6.811	54.488	765,300	765,273	100.0%
2022	13,851,090	6.810	54.489	849,000	849,242	100.0%
2023	14,171,560	7.000	56.057	893,600	893,804	100.0%
2024	20,418,930	5.098	58.149	1,291,400	1,298,427	100.5%
2025	21,244,620	5.465	60.902	1,409,900	1,410,156	100.0%
2026	24,868,780	16.354	39.849	1,397,700	[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

BUCKHORN VALLEY METROPOLITAN DISTRICT NO. 2

CHANGE IN TOTAL OVERLAPPING MILL LEVY

December 31, 2025

	2024 Mill Levy *	2025 Mill Levy **	Change
Buckhorn Valley Metropolitan District No. 2	66.367	56.203	(10.164)
Eagle County School District	19.452	24.546	5.094
Eagle County	7.686	10.901	3.215
Gypsum Fire Protection District	8.885	10.251	1.366
Town of Gypsum	4.584	5.094	0.510
Colorado Mountain College	2.907	3.820	0.913
Mountain Recreation Metro District	3.285	3.650	0.365
Eagle Valley Library District	2.487	2.763	0.276
Colorado River Water Conservation District	0.451	0.502	0.051
Eagle County Conservation District	2.495	0.150	(2.345)
Cedar Hill Cemetery District	0.441	0.186	(0.255)
Total Mill Levy (Tax Area 459)	**119.040**	**118.066**	**(0.974)**

* -- For property tax collections in 2025

** -- For property tax collections in 2026

BUCKHORN VALLEY 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	$ 14,746,836	$ 14,746,836	$ 14,746,836	$ 14,746,836	$ 15,125,000
Accrued, unpaid interest - Bonds	$ 7,172,781	$ 7,836,409	$ 8,453,786	$ 8,707,433	$ 63,975
Restricted Cash in Bond Funds	$ -	$ -	($ 35,720)	($ 1,497)	($ 56,310)
Combined assessed property values within the District	$ 13,851,090	$14,171,560	$ 20,418,930	$ 21,244,620	$ 24,868,780
Ratio of debt to assessed property values	158.3%	159.4%	113.4%	110.4%	60.9%