WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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Board of Directors
Wyndham Hill Metropolitan District No. 2
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Wyndham Hill 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Wyndham Hill Metropolitan District No. 2 as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Other Matters

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

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

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

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

July 9, 2026

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 307,122
Cash and Investments - Restricted	16,130
Prepaid Insurance	7,963
Property Tax Receivable	2,162,400
Capital Assets:	
Capital Assets Not Being Depreciated	125,000
Total Assets	2,618,615
DEFERRED OUTFLOWS OF RESOURCES	
Bond Insurance Cost, Net of Amortization	216,241
Total Deferred Outflows of Resources	216,241
LIABILITIES	
Accounts Payable	4,379
Accrued Interest	57,855
Noncurrent Liabilities:	
Due Within One Year	386,856
Due in More Than One Year	32,667,487
Total Liabilities	33,116,577
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	2,162,400
Total Deferred Inflows of Resources	2,162,400
NET POSITION	
Restricted for:	
Emergency Reserve	6,100
Debt Service	10,030
Unrestricted	(32,460,251)
Total Net Position	$ (32,444,121)

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 88,360	$ -	$ -	$ -	$ (88,360)
Interest on Long-Term Debt and Related Costs	1,796,743	-	-	-	(1,796,743)
Total Governmental Activities	$ 1,885,103	$ -	$ -	$ -	(1,885,103)
GENERAL REVENUES					
Property Taxes					2,151,012
Specific Ownership Taxes					87,257
Interest Income					57,967
Royalties					17,139
Total General Revenues and Transfers					2,313,375
CHANGES IN NET POSITION					428,272
Net Position - Beginning of Year					(32,872,393)
NET POSITION - END OF YEAR					$ (32,444,121)

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	$ 307,122	$ -	$ 307,122
Cash and Investments - Restricted	16,130	-	16,130
Prepaid Insurance	7,963	-	7,963
Property Tax Receivable	170,718	1,991,682	2,162,400
Total Assets	$ 501,933	$ 1,991,682	$ 2,493,615
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 4,379	$ -	$ 4,379
Total Liabilities	4,379	-	4,379
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	170,718	1,991,682	2,162,400
Total Deferred Inflows of Resources	170,718	1,991,682	2,162,400
FUND BALANCES			
Nonspendable:			
Prepaid Expense	7,963	-	7,963
Restricted for:			
Emergency Reserves	6,100	-	6,100
Debt Service	10,030	-	10,030
Unassigned	302,743	-	302,743
Total Fund Balances	326,836	-	326,836
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 501,933	$ 1,991,682	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			125,000
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.			
Bond Insurance Cost			216,241
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued Interest			(1,465,730)
Bonds Payable - Series 2018B			(3,419,684)
Bonds Payable - Series 2020A			(18,380,000)
Bonds Payable - Series 2020B			(9,600,000)
Bond Premium - Series 2020A			(246,784)
Net Position of Governmental Activities			$ (32,444,121)

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
DECEMBER 31, 2025

	General Fund and Total Governmental Fund
REVENUES	
Property Taxes	$ 2,151,012
Specific Ownership Taxes	87,257
Interest Income	57,967
Royalties	17,139
Total Revenues	2,313,375
EXPENDITURES	
General and Administrative:	
Accounting	18,300
Auditing	7,314
County Treasurer's Fee	32,273
Dues and Membership	1,650
Insurance	7,236
District Management	863
Legal	18,135
Election	2,349
Website	240
Debt Service:	
Bond Interest Series 2018B	100,000
Bond Interest Series 2020A	710,769
Bond Interest Series 2020B	1,058,925
Bond Principal Series 2020A	330,000
Paying Agent Fees	7,000
Total Expenditures	2,295,054
NET CHANGE IN FUND BALANCE	18,321
Fund Balance - Beginning of Year	308,515
FUND BALANCE - END OF YEAR	$ 326,836

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 18,321
Amounts reported for governmental activities in the statement of activities are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Bond Insurance Cost	(9,010)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Bond Principal Payment	330,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable - Change in Liability	71,705
Amortization of Bond Premium	17,256
Changes in Net Position of Governmental Activities	$ 428,272

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget Original	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	$ 2,153,865	$ 2,153,418	$ 2,151,012	$ (2,406)
Specific Ownership Taxes	86,155	94,625	87,257	(7,368)
Interest Income	5,000	40,000	57,967	17,967
Royalties	-	11,797	17,139	5,342
Total Revenues	2,245,020	2,299,840	2,313,375	13,535
EXPENDITURES				
General and Administrative:				
Accounting	21,000	21,000	18,300	2,700
Auditing	6,900	7,314	7,314	-
County Treasurer's Fee	32,308	32,308	32,273	35
District Management	5,000	500	863	(363)
Dues and Membership	1,500	1,650	1,650	-
Election	5,000	2,349	2,349	-
Insurance	7,556	7,236	7,236	-
Legal	21,000	20,000	18,135	1,865
Miscellaneous	6,685	-	-	-
Website	-	-	240	(240)
Debt Service:				
Paying Agent Fees	7,000	7,000	7,000	-
Bond Interest Series 2018B	55,000	100,000	100,000	-
Bond Interest Series 2020A	710,769	710,769	710,769	-
Bond Interest Series 2020B	1,030,000	1,115,000	1,058,925	56,075
Bond Principal Series 2020A	330,000	330,000	330,000	-
Total Expenditures	2,239,718	2,355,126	2,295,054	60,072
NET CHANGE IN FUND BALANCE	5,302	(55,286)	18,321	73,607
Fund Balance - Beginning of Year	305,155	308,515	308,515	-
FUND BALANCE - END OF YEAR	$ 310,457	$ 253,229	$ 326,836	$ 73,607

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Wyndham Hill Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court in Weld County on May 26, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan with Wyndham Hill Metropolitan District No. 1 (District No. 1) and Wyndham Hill Metropolitan District No. 3 (District No. 3) approved by the Town of Frederick on February 13, 2004, as amended on August 11, 2005, October 12, 2006, February 14, 2008, and April 9, 2020. The District, District No. 3, and District No. 4, the financing districts, are intended to provide funding to District No. 1, the operating district, for construction, operation and maintenance of the public improvements, while District No. 1 is intended to manage the financial, construction and operation and maintenance of such improvements.

The District was established to provide financing for the design, acquisition, construction, and completion of public improvements, including streets, traffic and safety controls and devices, transportation services, park and recreation, water, mosquito and pest control and sanitation facilities, generally located in the collector roadway system, services and programs. District No. 1 contracts with the Wyndham Hill Master Association, Inc., for the maintenance of park and recreation facilities including a District No. 1-operated pool and community building. The operation and maintenance of all other services and facilities is anticipated to be provided by other entities and not by the District.

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

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 1, District No. 3, District No. 4 and the Town of Frederick.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial resources of the District. The difference between the assets, liabilities and deferred outflows and inflows of resources 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 charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Increases in bonds payable are recorded as an increase in liabilities.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major revenue source susceptible to accrual is property taxes. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental fund:

> The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors (the Board) 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 adopted budgets for the General Fund and Debt Service Fund have been consolidated and reflected as the General Fund Budget for financial reporting purposes.

The District has amended its annual budget for the year ended December 31, 2025.

Property Taxes

The District's Board of Directors levies property taxes. 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 instalments, 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 are recorded initially as deferred inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Fund Balance and Net Position

Net position is reported in the governmental activities and is classified as restricted or unrestricted. Restrictions of net position represent amounts that are not available for appropriation or are legally restricted. As of December 31, 2025, fund balances of governmental funds are classified as follows:

Nonspendable Fund Balance – Amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact. This includes amounts that are not expected to be converted to cash, for example, prepaid amounts.

Restricted Fund Balance – Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that are subject to a purpose constraint imposed by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Net Position (Continued)

Assigned Fund Balance – Amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the General Fund.

Unassigned Fund Balance – Represents the residual classification for the District's General Fund and could report a surplus or deficit.

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

Adoption of New Accounting Standard

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures (Statement 102)*. Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that 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	$	307,122
Cash and Investments - Restricted		16,130
Total Cash and Investments	$	323,252

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

Deposits with Financial Institutions	$	14,437
Investments		308,815
Total Cash and Investments	$	323,252

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposit 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 equal to 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 deposit a bank and carrying balance of $14,437.

Investments

The District has not adopted a formal investment policy; however, it follows state statutes regarding investments. The District also follows investment policies in bond or note agreements when those agreements are more restrictive than state statutes.

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

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

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

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

* Local government investment pools

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust		
Money Market Fund - CSAFE	Less Than One Year	$ 308,815

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), 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 the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1. 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, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for 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. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 125,000	$ -	$ -	$ 125,000
Governmental Activities Capital Assets, Net	$ 125,000	$ -	$ -	$ 125,000

On December 20, 2019, the District entered into a Relinquishment of Surface Rights Agreement with K.P. Kauffman Company, Inc. (KPK) regarding specific oil and gas sites operated by KPK. The total consideration to be paid to KPK by the District for KPK's relinquishment, extinguishment or restriction of its Surface Rights in "Section 33", Township 2 North, Range 68 West of the PM, County of Weld, state of Colorado) is $150,000. At the initial closing on January 29, 2020, the District paid $75,000 of the consideration as a partial payment. Part of the remaining balance, $50,000, was paid to KPK on September 11, 2020. The remaining $25,000 will be disbursed at a future date when the process of plugging and abandoning the well is fully completed. The flowline has been temporarily abandoned in place until such time that it is removed during excavation activities. The $125,000 paid to KPK for surface rights was recorded as an addition to Construction in Progress and will be reclassified to land upon completion of the real property transfer to the District. As of December 31, 2025, the transfer has not yet occurred.

NOTE 5 LONG-TERM OBLIGATIONS

The District's long-term obligations consist of the following for the year December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
Limited Tax General Obligation Bonds					
Series 2020A	$ 18,710,000	$ -	$ 330,000	$ 18,380,000	$ 370,000
Series 2020B	9,600,000	-	-	9,600,000	-
Junior Lien General Obligation Limited Tax Bonds					
Series 2018B	3,419,684	-	-	3,419,684	-
Accrued Interest					
Series 2020B	1,243,501	823,229	1,058,925	1,007,805	-
Series 2018B	234,703	265,367	100,000	400,070	-
Subtotal Bonds Payable	33,207,888	1,088,596	1,488,925	32,807,559	370,000
Bond Premium:					
Bond Premium - Series 2020A	264,040	-	17,256	246,784	16,856
Subtotal Bond Premium / Discount	264,040	-	17,256	246,784	16,856
Total Long-Term Obligations	$ 33,471,928	$ 1,088,596	$ 1,506,181	$ 33,054,343	$ 386,856

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2018B Note

The District issued the 2018B Subordinate Limited Tax Revenue Note on December 4, 2018, for an amount not to exceed $10,000,000 with the ability to draw on the Note as needed. Draws are to be issued to the Developer, a related party (see Note 7), for amounts advanced to the District by the Developer for capital projects of District No.1. Interest payments are due annually on December 15 at a rate of 7.76% computed on the basis of a 360-day year with the principal due at maturity on December 1, 2048. On April 23, 2020, the Developer agreed to reduce the interest rate on the Note from 8.00% to 7.76%. The repayment of the Note will be subordinate to any outstanding senior debt.

The District drew down $2,078,512 of principal on the date of issuance. There were five additional draws in 2019 totaling $4,888,939. In 2020, there was one draw of $75,000 and principal payments of $3,622,767. There were no draws in 2025. The District incurred $265,367 in interest expense for the year and made interest payments of $100,000 for the year ended December 31, 2025.

The following summarizes the debt service requirements to maturity for the 2018B Note:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 265,367	$ 265,367
2027	-	265,367	265,367
2028	-	265,367	265,367
2029	-	265,367	265,367
2030	-	265,367	265,367
2031-2035	-	1,326,837	1,326,837
2036-2040	-	1,326,837	1,326,837
2041-2045	-	1,326,837	1,326,837
2046-2048	3,419,684	773,989	4,193,673
Total	$ 3,419,684	$ 6,081,336	$ 9,501,020

Series 2020A and 2020B Senior and Subordinate General Obligation (Limited Tax) Refunding Bonds and Improvement Bonds

On May 5, 2020, the District issued $20,070,000 of senior and $9,600,000 of subordinate general obligation limited tax bonds. The bonds were issued for the purpose of paying and discharging the outstanding Series 2015 Bonds, Series 2016A, 2016B and 2019A Notes, repaying a portion of the District’s outstanding Subordinate Note Series 2018B, funding a debt service reserve fund, and paying costs of issuance in connection with the bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2020A and 2020B Senior and Subordinate General Obligation Limited Tax Bonds (Continued)

The Series 2020A Senior Bonds bear a coupon interest rate of 3.125% to 5.00% per annum which is payable semi-annually on June 1 and December 1, commencing on December 1, 2020, and on the maturity dates of the Series 2020A Senior Bonds, subject to optional and mandatory sinking fund redemption prior to maturity. The Series 2020A Senior Bonds will mature on December 1, 2049. The Series 2020A Senior Bonds will constitute limited tax general obligations of the District payable solely from the Senior Pledged Revenue and certain District Funds and accounts established by the Senior Pledged Revenue, which consists primarily of the revenues derived from a District property tax levy of not more than 51.000 mills (subject to adjustment as described herein), and the portion of the specific ownership taxes on motor vehicles imposed by the state of Colorado. The Series 2020A Senior Bonds will constitute an irrevocable, but nonexclusive, first lien on the Senior Pledged Revenue and the amounts in such funds and accounts. The District made $330,000 of principal payments in 2025. The District made $710,769 of interest payments in 2025, and incurred $57,855 in interest expense for the year ended December 31, 2025 for these bonds.

The Series 2020B Subordinate Bonds bear a coupon rate of 7.625% per annum which is payable annually on December 15, commencing December 15, 2020. The 2020B Subordinate Bonds mature on December 15, 2049. The 2020B Subordinate Bonds will also constitute limited tax general obligations of the District payable solely from and to the extent of Subordinate Pledged Revenue and certain District Funds and accounts established by the Subordinate Pledged Revenue, which consists primarily of the revenues derived from a District property tax levy of not more than 51 mills (subject to adjustment as derived herein), and the portion of the specific ownership taxes on motor vehicles imposed by the state of Colorado.

The Series 2020B Subordinate Bonds are structured as “cash flow” bonds. There are no scheduled payments of principal of the Series 2020B Subordinate Bonds prior to their maturity date, but rather the Subordinate Bonds are subject to mandatory redemption on each December 15 prior to maturity from and to the extent of any available Subordinate Pledged Revenues. All Series 2020B Subordinate Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 16, 2049, regardless of the amount of principal and interest paid on the Series 2020B Subordinate Bonds prior to such date. The District made $1,058,925 of interest payments in 2025, and incurred $823,229 in interest expense for the year ended December 31, 2025 for these bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2020A and 2020B Senior and Subordinate General Obligation Limited Tax Bonds (Continued)

The 2020A Senior Limited Tax General Obligation Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 370,000	$ 694,269	$ 1,064,269
2027	385,000	675,769	1,060,769
2028	430,000	656,519	1,086,519
2029	450,000	635,019	1,085,019
2030	490,000	617,019	1,107,019
2031-2035	2,890,000	2,780,395	5,670,395
2036-2040	3,780,000	2,186,301	5,966,301
2041-2045	4,800,000	1,459,375	6,259,375
2046-2049	4,785,000	460,100	5,245,100
Total	$ 18,380,000	$ 10,164,766	$ 28,544,766

The annual debt service requirements on the 2020B Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions will constitute a Senior Indenture Event of Default (whatever the reason for such event or condition and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgement, decree, rule, regulation or order of any court or any administrative or governmental body):

a) The District fails or refuses to impose the Senior Required Mill Levy or to apply the Senior Pledged Revenue as required by the Senior Indenture;

b) The District defaults in the performance or observance of any of the covenants, agreements or conditions on the part of the District in the Senior Indenture or the Authorizing Resolution, other than as described in (a) above, and fails to remedy the same after notice thereof pursuant as provided in the Senior Indenture; or

c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2020A Senior Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Amortization of Original Discount/Premium

In the government-wide financial statements [and proprietary fund types in the fund 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 premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Authorization

The District has been authorized to issue debt pursuant to Colorado Law via TABOR elections held November 2004 and November 2005. The voted authorization has been limited by the service plan approved by the Town of Frederick. The 4th Amendment to the service plan limits the total new money revenue and general obligation debt of the District and District No. 1 and District No. 3 to $36,000,000 aggregate with the District being limited to $27,000,000, District No. 1 being limited to $2,000,000 and District No. 4 being limited to $7,000,000. At December 31, 2025, the District had no remaining voted authorized but unissued indebtedness.

NOTE 6 NET POSITION

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

Restricted net position includes net position that is restricted for use either by externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 6,100
Debt Service	10,030
Total Restricted Net Position	$ 16,130

The District had a deficit unrestricted net position at December 31, 2025. This deficit amount is the result of the District being responsible for the repayment of bonds issued for public improvements, which have been conveyed to other governmental entities.

NOTE 7 RELATED PARTIES

Certain members of the Board of Directors are employees and are associated with Bellock Construction Company, the Construction Manager for the District, and Frederick Development Company, Inc., the Developer within the District. The District has a separate Board of Directors from District No. 1, District No. 3, and District No. 4.

Construction Management Agreement

A construction management agreement was entered into during 2005 between District No. 1 and Bellock Construction Company. The agreement calls for Bellock Construction Company to provide management services of all activities related to construction projects to be completed within Wyndham Hill Metropolitan Districts No. 1, No. 2, No. 3, and No. 4. The agreement expires on December 31 of each year, but is automatically extended for a successive annual period so long as sufficient funds have been appropriated, unless contrary action is taken.

Private Placement Long Term Obligations

Frederick Development Company, Inc. (the Developer), a related party, advanced the District funds for capital projects of District No. 1. The District received advances starting in 2019. The developer advances were initially issued with an interest rate of 8.00%. On April 23, 2020, the Developer agreed to reduce the interest rate on the Note from 8.00% to 7.76%. As of December 31, 2025, the outstanding balance of the Series 2018B Note is $3,419,684.

NOTE 8 AGREEMENTS

District Service Agreement

In order to implement the Service Plan, the District entered into an intergovernmental agreement with District No. 1 and District No. 3. The Districts entered into the District Coordinating Services Agreement on April 23, 2020, effective for District No. 1, the District, District No. 3, and District No. 4. District No. 1, the coordinating District, will own, operate, and maintain all public improvements within the boundaries of the Districts that are not otherwise dedicated or conveyed to the Town, the County or other public entity or owners' association. The financing Districts, including the District, District No. 3, and District No. 4, are responsible for all costs incurred by the District No. 1 in providing administrative and operation and maintenance services.

NOTE 9 RISK MANAGEMENT

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

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

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

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.

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

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

NOTE 11 NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 2, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all annual District revenue without regard to any limitations under TABOR.

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

Annual operating property revenue is limited to a 5.25% increase (or 10.50% over a two-year period), such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

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

SUPPLEMENTARY INFORMATION

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied: General Operations	Total Mills Levied: Debt Service	Total Mills Levied: Total	Total Property Taxes: Levied	Total Property Taxes: Collected	Percent Collected to Levied
2021	$ 24,081,320	(0.8)%	4.663	51.000	55.663	$ 1,340,439	$ 1,347,278	100.51 %
2022	27,429,950	13.9 %	4.663	51.000	55.663	1,526,833	1,519,669	99.53 %
2023	29,467,910	7.4 %	4.793	52.427	57.220	1,686,154	1,681,926	99.75 %
2024	34,852,580	18.3 %	4.918	59.635	64.553	2,249,839	2,273,140	101.04 %
2025	33,529,450	(3.8)%	3.715	60.523	64.238	2,153,865	2,151,012	99.87 %
Estimated for Year Ending December 31, 2026	$ 34,294,400	2.3%	4.978	58.076	63.054	$ 2,162,400		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor and Treasurer

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENT TO MATURITY
DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the Year Ending December 31,	$20,070,000 General Obligation (Limited Tax) Refunding Bonds and Improvement Bonds Interest Rate - 3.0% to 5.0% Series 2020A Dated: May 5, 2020 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ 370,000	$ 694,269	$ 1,064,269
2027	385,000	675,769	1,060,769
2028	430,000	656,519	1,086,519
2029	450,000	635,019	1,085,019
2030	490,000	617,019	1,107,019
2031	510,000	597,419	1,107,419
2032	550,000	577,019	1,127,019
2033	575,000	555,019	1,130,019
2034	615,000	537,769	1,152,769
2035	640,000	513,169	1,153,169
2036	685,000	487,569	1,172,569
2037	715,000	460,169	1,175,169
2038	760,000	437,825	1,197,825
2039	785,000	413,125	1,198,125
2040	835,000	387,613	1,222,613
2041	860,000	360,475	1,220,475
2042	920,000	328,150	1,248,150
2043	955,000	293,575	1,248,575
2044	1,015,000	257,675	1,272,675
2045	1,050,000	219,500	1,269,500
2046	1,120,000	180,000	1,300,000
2047	1,160,000	137,875	1,297,875
2048	1,230,000	94,250	1,324,250
2049	1,275,000	47,975	1,322,975
Total	$ 18,380,000	$ 10,164,766	$ 28,544,766

CONTINUING DISCLOSURE – OTHER INFORMATION
(UNAUDITED)

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT
TABLE #1

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2013	2014	$ 7,219,655	- %	0.000	0.000
2014	2015	7,192,300	(0.38)	0.000	0.000
2015	2016	11,360,740	57.96	50.000	0.000
2016	2017	18,170,390	59.94	28.994	21.006
2017	2018	17,420,320	(4.13)	11.005	44.220
2018	2019	24,195,650	38.89	15.275	40.000
2019	2020	24,279,940	0.35	11.133	44.530
2020	2021	24,081,320	(0.82)	4.663	51.000
2021	2022	27,429,950	13.91	4.663	51.000
2022	2023	29,467,910	7.43	4.663	51.000
2023	2024	34,852,580	18.27	4.918	59.635
2024	2025	33,529,450	(3.80)	3.715	60.523
2025	2026	34,294,400	2.28	4.978	58.076

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
PROPERTY TAX COLLECTIONS IN THE DISTRICT
TABLE #2

Levy Year	Collection Year	Taxes Levied	Current Tax Collection	Collection Rate
2015	2016	$ 568,037	$ 2,131,746	375.28 %
2016	2017	908,520	908,058	99.95
2017	2018	962,908	962,078	99.91
2018	2019	1,337,415	1,081,935	80.90
2019	2020	1,351,494	1,349,906	99.88
2020	2021	1,340,439	1,347,278	100.51
2021	2022	1,526,833	1,519,669	99.53
2022	2023	1,686,154	1,681,926	99.75
2023	2024	2,249,839	2,273,140	101.04
2024	2025	2,153,865	2,151,012	99.87
2025	2026	2,162,400	-	-

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
TABLE #3

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2025		
Vacant	$ 635,880	1.85 %
Commercial	1,950	0.01
Natural Resources	972,870	2.84
State Assessed	61,670	0.18
Personal Property	248,530	0.72
Residential	32,373,500	94.40
Total	$ 34,294,400	100.00 %

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
TEN LARGEST OWNERS OF PROPERTY WITHIN THE DISTRICT
TABLE #4

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2025		
ST VRAIN VALLEY SCHOOL DISTRICT	$ 4,039,800	67.45 %
FREDERICK DEVELOPMENT COMPANY INC	458,400	7.65
WYNDHAM HILL METRO DISTRICT NO. 2	458,140	7.65
UNKNOWN	400,710	6.69
RESIDENT	164,950	2.75
WINDSOR DEVELOPMENT COMPANY LP	135,930	2.27
RESIDENT	87,490	1.46
RESIDENT	86,160	1.44
HPA BORROWER 2017 1 LLC	82,820	1.38
RESIDENT	75,170	1.26
Total	$ 5,989,570	100.00 %

WYNDHAM HILL METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
SELECTED RATIOS OF THE DISTRICT (DIRECT DEBT OF THE DISTRICT)
TABLE #5

Property Class	Total Debt	Senior Debt
Direct Debt	$ 31,399,684	$ 18,380,000
2025 Certified Assessed Valuation	$ 34,294,400	$ 34,294,400
Ratio of Direct Debt to 2025 Certified Assessed Valuation	92%	54%
2025 District Statutory Actual Value	$ 523,771,755	$ 523,771,755
Ratio of Direct Debt to 2025 District Statutory "Actual" Value	5.99%	3.51%