DUBLIN NORTH METROPOLITAN DISTRICT NO. 2

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

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WIPFLI

Board of Directors
Dublin North Metropolitan District No. 2
El Paso County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Dublin North 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 Dublin North 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.

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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.

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Other Matters

Required Supplemental Information

Management has omitted the 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 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.

Supplemental 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 supplemental 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 supplemental 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 of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Denver, Colorado

September 20, 2026

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Dublin North Metropolitan District No. 2

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	$ 9,328	$ -	$ 9,328	$ -	$ 9,328
Cash and investments - restricted	5,192	4,909	10,101	-	10,101
Receivable - County Treasurer	1,065	1,168	2,233	-	2,233
Property taxes receivable	137,564	168,626	306,190	-	306,190
Accounts receivable - Dublin North MD #3	130,178	50,004	180,182	-	180,182
Capital assets not being depreciated	-	-	-	6,808,083	6,808,083
Total Assets	283,327	224,707	508,034	6,808,083	7,316,117
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	-	243,316	243,316
Total Deferred Outflows of Resources	-	-	-	243,316	243,316
Total Assets and Deferred Outflows of Resources	$ 283,327	$ 224,707	$ 508,034	7,051,399	7,559,433
LIABILITIES					
Accounts payable	$ 24,643	$ -	$ 24,643	-	24,643
Accrued interest	-	-	-	11,800	11,800
Long-term liabilities:					
Due within one year	-	-	-	131,000	131,000
Due in more than one year	-	-	-	9,727,932	9,727,932
Total Liabilities	24,643	-	24,643	9,870,732	9,895,375
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	137,564	168,626	306,190	-	306,190
Total Deferred Inflows of Resources	137,564	168,626	306,190	-	306,190
FUND BALANCES/NET POSITION					
Fund Balances:					
Restricted:					
Emergencies	5,192	-	5,192	(5,192)	-
Debt service	-	56,081	56,081	(56,081)	-
Unassigned	115,928	-	115,928	(115,928)	-
Total Fund Balances	121,120	56,081	177,201	(177,201)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 283,327	$ 224,707	$ 508,034		
Net Position:					
Restricted for:					
Emergencies				5,192	5,192
Debt service				44,281	44,281
Unrestricted				(2,691,605)	(2,691,605)
Total Net Position				$(2,642,132)	$(2,642,132)

The notes to the financial statements are an integral part of these statements.

Dublin North Metropolitan District No. 2

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES					
Accounting and audit	$ 21,014	$ -	$ 21,014	$ -	$ 21,014
Insurance	13,815	-	13,815	-	13,815
Legal	41,188	-	41,188	-	41,188
Management fees	16,362	-	16,362	-	16,362
Miscellaneous expenses	203	-	203	-	203
Treasurer's fees	2,092	2,295	4,387	-	4,387
Landscape maintenance	38,183	-	38,183	-	38,183
Maintenance & Utilities	12,036	-	12,036	-	12,036
Principal payments	-	122,000	122,000	(122,000)	-
Interest expense	-	145,158	145,158	18,033	163,191
Interest expense - developer note	-	-	-	237,873	237,873
Total Expenditures	144,893	269,453	414,346	133,906	548,252
GENERAL REVENUES					
Property taxes	139,411	152,902	292,313	-	292,313
Specific ownership taxes	13,363	14,656	28,019	-	28,019
Transfer from District No. 3	62,635	68,696	131,331	-	131,331
Interest and other income	6,252	105	6,357	-	6,357
Total General Revenues	221,661	236,359	458,020	-	458,020
NET CHANGES IN FUND BALANCES	76,768	(33,094)	43,674	(43,674)	
CHANGE IN NET POSITION				(90,232)	(90,232)
FUND BALANCES/NET POSITION: (DEFICIT)					
BEGINNING OF YEAR	44,352	89,175	133,527	(2,685,427)	(2,551,900)
END OF YEAR	$ 121,120	$ 56,081	$ 177,201	$ (2,819,333)	$ (2,642,132)

The notes to the financial statements are an integral part of these statements.

Dublin North Metropolitan District No. 2

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2025

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 139,411	$ 139,411	$ -
Specific ownership taxes	9,031	13,363	4,332
Transfer from District No. 3	63,752	62,635	(1,117)
Interest and other income	-	6,252	6,252
Total Revenues	212,194	221,661	9,467
EXPENDITURES			
Accounting and audit	16,000	21,014	(5,014)
Election expense	4,000	-	4,000
Insurance	14,000	13,815	185
Legal	30,000	41,188	(11,188)
Management fees	20,000	16,362	3,638
Miscellaneous expenses	2,000	203	1,797
Fence	4,000	-	4,000
Treasurer's fees	2,091	2,092	(1)
Landscape maintenance	45,000	38,183	6,817
Maintenance & Utilities	10,000	12,036	(2,036)
Detention Pond	5,000	-	5,000
Contingency	50,000	-	50,000
Emergency reserve	6,063	-	6,063
Total Expenditures	208,154	144,893	63,261
NET CHANGE IN FUND BALANCE	4,040	76,768	72,728
FUND BALANCE (Deficit):			
BEGINNING OF YEAR	99	44,352	44,253
END OF YEAR	$ 4,139	$ 121,120	$ 116,981

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Dublin North Metropolitan District No. 2 (the "District"), located in the City of Colorado Springs, Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized in 2008 as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors. The District was formed in conjunction with Dublin North Metropolitan District No. 3 ("District No. 3").

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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.*

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District can report the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgetary Accounting

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

Assets, Liabilities, Deferred Inflows/Inflows of Resources and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2025, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and short-term investments with maturities of three months or less from the date of acquisition are considered to be cash on hand. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. The District has no depreciation expense in 2025.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $5,192 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $56,081 is restricted for the payment of the debt service costs associated with the Series 2022 Loan (see Note 4).

Committed Fund Balance
The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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
Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance
Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position 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. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

Note 2: Cash and Investments

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

Statement of Net Position:	
Cash and investments	$ 9,328
Cash and investments - Restricted	10,101
Total	$ 19,429

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

Deposits with financial institutions	$ 5,063
Investments - COLOTRUST	14,366
	$ 19,429

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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. The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value (NAV) per share.

Credit Risk

The District's investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST" or the "Trust"), is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of $1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2025, the District had $14,366 invested in COLOTRUST PLUS+.

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Capital assets not being depreciated:				
Construction in Progress	$6,808,083	$ -	$ -	$6,808,083
Total capital assets not being depreciated	6,808,083	-	-	6,808,083
Government type assets, net	$6,808,083	$ -	$ -	$6,808,083

Note 4: Long-Term Debt

A description of the long-term obligations as of December 31, 2025, is as follows:

Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Refunding Loan Series 2022A-1 and a Limited Tax General Obligation Refunding and Improvement Loan Series 2022A-2

On May 4, 2022, the District entered in to a Loan Agreement with Independent Bank for Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Refunding Loan Series 2022A-1 and a Limited Tax General Obligation Refunding and Improvement Loan Series 2022A-2 (combined "Series 2022 Loan") for the purpose of refunding the Refunded Debt. The 2022 Loan bears interest initially at the rate of 3.75% until the Tax Exempt Reissuance Date, which occurred on November 30, 2023 when the rate becomes 3.00%. Interest payments are due on June 1 and December 1 each year beginning June 1, 2022 while principal payments are due on December 1 each year beginning December 1, 2022 through the maturity date of December 1, 2047.

The interest rate resets on December 1, 2042, based upon the Prime Rate multiplied by 80%. The District may, at its option, prepay the 2022A Loans, in whole on any date on or before December 1, 2026, or in whole or in part, on any date after December 1, 2026, at a prepayment price equal to the sum of (A) the principal so prepaid; (B) accrued interest and unpaid interest thereon at the rate or rates then borne by the 2022A Loans to the date of such prepayment; and (C) if on or before December 1, 2026, a prepayment premium equal to the Prepayment Fee.

The 2022 Loan is secured by the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, and any other legally available moneys as determined by the District.

Events of Default as defined in the Loan Agreement include 1) the failure of the District to impose the Required Mill levy, 2) the Districts failure to observe or perform any other of the covenants, agreements, or conditions of the Loan Agreement, and failure to remedy the same after notice thereof within 30 days, 3) the District fails to pay principle or interest when due on the Loan and continuance of such default beyond any grace period; 4) the pledge of the Pledged Revenue or any other security interest created hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required according to the Loan Agreement and 5) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Remedies available in the Event of Default include 1) exercise any and all remedies available under the Custodial Agreement; or 2) take any other action or remedy available under the other Financing Documents or any other document, or at law or in equity.

The following is a summary of the annual long-term debt principal and interest requirements for Series 2022 Loan:

	Principal	Interest	Total
2026	$ 131,000	$ 141,600	$ 272,600
2027	136,000	137,670	273,670
2028	144,000	133,590	277,590
2029	149,000	129,270	278,270
2030	159,000	124,800	283,800
2031-2035	906,000	548,370	1,454,370
2036-2040	1,130,000	399,360	1,529,360
2041-2045	1,339,000	269,625	1,608,625
2046-2050	626,000	42,570	668,570
	$ 4,720,000	$ 1,926,855	$ 6,646,855

Advance Refunding

On May 4, 2022, the District refunded its General Obligation Refunding and Improvement Bonds, Series 2018A and $704,000 Subordinate General Obligation Limited Tax Bonds, Series 2018B Taxable Subordinate Limited Tax General Obligation Promissory Notes, Series 2018 ("Refunded Debt") in full by entering in to a Loan Agreement with Independent Bank for Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Refunding Loan Series 2022A-1 and a Limited Tax General Obligation Refunding and Improvement Loan Series 2022A-2 (combined "Series 2022 Loan"). As a result of the issuance of the Series 2022 Loan, the Refunded Debt is considered to be defeased. The reacquisition price of the old debt exceeded the net carrying amount by $303,323. This amount is recorded as a deferred outflow and is being amortized over the life of the Series 2022 Loan. The refunding resulted in an economic gain of $714,547 due to the average interest rate of the Series 2022 Loan being lower than the Refunded Debt.

Infrastructure Acquisition and Reimbursement Agreement (Apaloosa)

On June 19, 2012, the District, Dublin North Metropolitan District No. 1, Dublin North Metropolitan District No. 3 and Apaloosa Investments, a Colorado limited liability company (the "Developer") entered into an Infrastructure Acquisition and Reimbursement Agreement (the "Acquisition Agreement") to fund certain construction costs within the Districts. Pursuant to the Agreement, the Developer agreed to design and construct public infrastructure and the Districts agree to reimburse the Developer for District Eligible Costs together with interest at 8% per annum from the date the public infrastructure is accepted by the Districts. At December 31, 2025 the total outstanding under this agreement is $1,722,169 in principal and $1,153,141 in interest.

Infrastructure Acquisition and Reimbursement Agreement (Wolf Ridge)

On April 10, 2018, the District, Dublin North Metropolitan District No. 3 and Wolf Ridge Development Company, LLC, a Colorado limited liability company (the "Wolf Ridge") entered into an Infrastructure Acquisition and Reimbursement Agreement (the "Acquisition Agreement") to fund certain construction costs within the Districts. Pursuant to the Agreement, the Developer agreed to design and construct public infrastructure and the Districts agree to reimburse the Developer for District Eligible Costs together with interest at 8% per annum from the date the public infrastructure is accepted by the Districts. At December 31, 2025 the total outstanding under this agreement is $1,569,632 in principal and $522,290 in interest.

Funding and Reimbursement Agreement

On June 19, 2012, the District, Dublin North Metropolitan District No. 1, Dublin North Metropolitan District No. 3 and the Developer entered into a Funding and Reimbursement Agreement (O&M Agreement) to advance funds for general operation, administration and maintenance costs as amended on December 31, 2016. The Developer's obligation to fund additional advances ended on December 31, 2016. At December 31, 2025 the total outstanding under this agreement is $106,381 in principal and $65,386 in interest.

Amended and Restated Capital Pledge Agreement

The District and District No. 3 entered into an Amended and Restated Capital Pledge Agreement on May 4, 2022 whereby, the District and District No. 3 agreed to levy on all of the taxable property, in addition to all other taxes, direct annual taxes in 2022 (for collection in 2023), and in each year thereafter so long as the 2022A Loans or any Additional Obligations remain outstanding in the amount of the applicable Required Mill Levy. The Required Mill Levy is in an amount to be determined by the District, in consultation with District No. 3 in good faith, which, if imposed by both of the Taxing Districts for collection in the succeeding Fiscal Year, would generate Property Tax Revenues equal to the Debt Requirements for such Fiscal Year, but not in excess of 30 mills subject to adjustments for the change in the method of calculating assessed valuation.

The following is an analysis of changes in long-term debt for the year ending December 31, 2025:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Current Portion
General Obligation					
Series 2022A-1 Loan	$ 3,761,000	$ -	$ 95,000	$3,666,000	$ 103,000
Series 2022A-2 Loan	1,081,000	-	27,000	1,054,000	28,000
Other					
Developer Advance	3,398,182	-	-	3,398,182	-
Interest on Dev Advance	1,502,877	237,873	-	1,740,750	-
Total	$ 9,743,059	$ 237,873	$ 122,000	$9,858,932	$ 131,000

Debt Authorization

As of December 31, 2025, the District had remaining voted debt authorization of approximately $133,911,000. The District did not budget to issue any additional debt in 2026. According to the District's Service Plan, the District cannot issue debt in excess of $10,000,000.

Note 5: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

In 2005, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 6: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 7: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
2) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

1) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and
2) governmental funds report developer advances as revenue.

Note 8: District Coordinating Services Agreement

The Districts entered into a District Coordinating Services Agreement ("Agreement") with an effective date of January 1, 2023, whereby the District was assigned the role of Coordinating District and District No. 3 as the Financing District. The Coordinating District agreed to perform all administrative services as further described in Exhibit A to the Agreement for and on behalf of the Financing District, in compliance with all applicable federal, state, county and local or municipal body or agency statutes, ordinances and regulations, provided that the Financing District observes and performs the covenants and agreements set forth in the Agreement. The Coordinating District may suspend or curtail Administrative Services in its discretion as necessary or appropriate to address funding shortfalls that have occurred or are anticipated. The Coordinating District shall have the authority to enter into service contracts with third-parties to provide any Administrative Services required to be provided by the Coordinating District.

The Coordinating District will, operate and maintain all Public Improvements within the boundaries of the Districts that are not otherwise dedicated or conveyed to the City, the County or other public entity or owners' association, in accordance with the Service Plan and any approved development plans for the Project. The Coordinating District agrees to provide those operation and maintenance services described in Exhibit B, to the Agreement for the benefit of the Districts, provided that the Financing District observes and performs the covenants and agreements set forth in this Agreement. The Costs for the Services will be paid by the imposition by the Financing District of an ad valorem mill levy of 10 mills, adjusted as allowed under the Service Plan against the taxable property lying within its boundaries. The Financing District, shall deposit with the Coordinating District all revenue from the imposition of its Operations Mill Levy. In the event a dispute shall arise between the parties to this Agreement, the Districts agree to participate in at least four hours of mediation with a mutually approved mediator.

SUPPLEMENTAL INFORMATION

Dublin North Metropolitan District No. 2

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2025

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 152,901	$ 152,902	$ 1
Specific ownership taxes	9,939	14,656	4,717
Transfer from District No. 3	68,825	68,696	(129)
Interest and other income	-	105	105
Total Revenues	231,665	236,359	4,694
EXPENDITURES			
Principal payments	122,000	122,000	-
Interest expense	145,260	145,158	102
Paying agent fees	6,000	-	6,000
Treasurer's fees	2,294	2,295	(1)
Total Expenditures	275,554	269,453	6,101
NET CHANGE IN FUND BALANCE	(43,889)	(33,094)	10,795
FUND BALANCE:			
BEGINNING OF YEAR	93,329	89,175	(4,154)
END OF YEAR	$ 49,440	$ 56,081	$ 6,641

The notes to the financial statements are an integral part of these statements.