

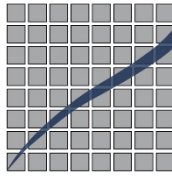
**PATRIOT PARK METROPOLITAN DISTRICT NO. 2
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Patriot Park Metropolitan District No. 2
El Paso County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2025, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

BiggsKofford LLP

Colorado Springs, Colorado
May 21, 2026

BASIC FINANCIAL STATEMENTS

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	\$ 66,620
Cash and Investments - Restricted	930,616
Accounts Receivable	13,923
Receivable from County Treasurer	3,583
Property Tax Receivable	349,273
Capital Assets:	
Capital Assets Net	413,225
Total Assets	<u>1,777,240</u>
LIABILITIES	
Accounts Payable	15,576
Prepaid Owner Fees	4,693
Due to Other Districts - Patriot Park MD No. 1	75,227
Accrued Interest	10,875
Noncurrent Liabilities:	
Due Within One Year	50,000
Due in More Than One Year	4,160,430
Total Liabilities	<u>4,316,801</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	349,273
Total Deferred Inflows of Resources	<u>349,273</u>
NET POSITION	
Net Investment in Capital Assets	(176,532)
Restricted for:	
Emergency Reserve	7,900
Debt Service	667,269
Unrestricted	<u>(3,387,471)</u>
Total Net Position	<u>\$ (2,888,834)</u>

See accompanying Notes to Basic Financial Statements.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 329,899	\$ 63,382	\$ 25,000	\$ -	\$ (241,517)
Interest on Long-Term Debt and Related Costs	140,987	-	-	1,500	(139,487)
Total Governmental Activities	\$ 470,886	\$ 63,382	\$ 25,000	\$ 1,500	(381,004)
GENERAL REVENUES					
Property Taxes					468,692
Specific Ownership Taxes					44,944
Interest Income					26,482
Total General Revenues and Transfers					540,118
CHANGES IN NET POSITION					
					159,114
Net Position - Beginning of Year					(3,047,948)
NET POSITION - END OF YEAR					\$ (2,888,834)

See accompanying Notes to Basic Financial Statements.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 66,620	\$ -	\$ 66,620
Cash and Investments - Restricted	7,900	922,716	930,616
Receivable from County Treasurer	1,195	2,388	3,583
Accounts Receivable	13,923	-	13,923
Property Tax Receivable	116,422	232,851	349,273
Total Assets	\$ 206,060	\$ 1,157,955	\$ 1,364,015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 15,576	\$ -	\$ 15,576
Prepaid Owner Fees	4,693	-	4,693
Due to Other Districts - Patriot Park MD No. 1	75,227	-	75,227
Total Liabilities	95,496	-	95,496
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	116,422	232,851	349,273
Total Deferred Inflows of Resources	116,422	232,851	349,273
FUND BALANCES			
Restricted for:			
Emergency Reserves	7,900	-	7,900
Debt Service	-	925,104	925,104
Unassigned	(13,758)	-	(13,758)
Total Fund Balances	(5,858)	925,104	919,246
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 206,060	\$ 1,157,955	

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.

Capital Assets, Net 413,225

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	(10,875)
Bonds Payable	(3,035,000)
Developer Advance Payable	(832,275)
Accrued Interest on Developer Advances	(343,155)

Net Position of Governmental Activities	\$ (2,888,834)
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See accompanying Notes to Basic Financial Statements.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 156,215	\$ 312,477	\$ 468,692
Specific Ownership Taxes	14,980	29,964	44,944
Transfer Fee	-	1,500	1,500
Maintenance Fee	63,382	-	63,382
Interest Income	720	25,762	26,482
Intergovernmental Revenues - Patriot Park Md No. 1	25,000	-	25,000
Total Revenues	<u>260,297</u>	<u>369,703</u>	<u>630,000</u>
EXPENDITURES			
General:			
Banking Fees	-	20	20
Billing	20,080	-	20,080
County Treasurer's Fee	2,344	4,689	7,033
Covenant Enforcement	13,709	-	13,709
Intergovernmental Expenditures - Patriot Park MD No. 1	168,955	-	168,955
Trash Collection	30,088	-	30,088
Website	165	-	165
Debt Service:			
Bond Interest	-	132,440	132,440
Bond Principal	-	45,000	45,000
Paying Agent Fees	-	4,000	4,000
Total Expenditures	<u>235,341</u>	<u>186,149</u>	<u>421,490</u>
EXCESS OF REVENUES OVER EXPENDITURES	24,956	183,554	208,510
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	(16,000)	16,000	-
Total Other Financing Sources (Uses)	<u>(16,000)</u>	<u>16,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,956	199,554	208,510
Fund Balances (Deficit) - Beginning of Year	<u>(14,814)</u>	<u>725,550</u>	<u>710,736</u>
FUND BALANCES - END OF YEAR	<u>\$ (5,858)</u>	<u>\$ 925,104</u>	<u>\$ 919,246</u>

See accompanying Notes to Basic Financial Statements.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	\$	208,510
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Depreciation Expense		(27,976)
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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		45,000
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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 on Bonds - Change in Liability		162
Accrued Interest Payable Developer Advance - Change in Liability		(66,582)

Changes in Net Position of Governmental Activities	\$	<u>159,114</u>
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PATRIOT PARK METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 156,297	\$ 156,215	\$ (82)
Specific Ownership Taxes	15,630	14,980	(650)
Maintenance Fee	60,480	63,382	2,902
Interest Income	200	720	520
Other Revenue	3,000	-	(3,000)
Intergovernmental Revenues - Patriot Park Md No. 1	25,000	25,000	-
Total Revenues	260,607	260,297	(310)
EXPENDITURES			
Billing	18,000	20,080	(2,080)
Contingency	5,745	-	5,745
County Treasurer's Fee	2,344	2,344	-
Covenant Enforcement	14,175	13,709	466
Intergovernmental Expenditures	169,583	168,955	628
Trash Collection	28,153	30,088	(1,935)
Website	-	165	(165)
Total Expenditures	238,000	235,341	2,659
EXCESS OF REVENUES OVER EXPENDITURES	22,607	24,956	2,349
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	-	(16,000)	(16,000)
Total Other Financing Uses	-	(16,000)	(16,000)
NET CHANGE IN FUND BALANCE	22,607	8,956	(13,651)
Fund Balance (Deficit) - Beginning of Year	(13,148)	(14,814)	(1,666)
FUND BALANCE - END OF YEAR	\$ 9,459	\$ (5,858)	\$ (15,317)

See accompanying Notes to Basic Financial Statements.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 DEFINITION OF REPORTING ENTITY

Patriot Park Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court of El Paso County on May 18, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised statutes). The Service Plan was approved by the City of Colorado Springs, Colorado, on April 10, 2018, which formed Patriot Park Metropolitan Districts Nos. 1 and 2 (the Districts). The Districts' service area is located in the City of Colorado Springs, Colorado. The Districts were established to provide financing and construction for water, sanitation, streets, traffic and safety, transportation, parks and recreation, public art, sidewalk and public space maintenance and streetscaping.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Expenditures for property, plant, and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District incurred expenditures in excess of appropriation for the year ended December 31, 2025 in the General Fund, which may be in violation of the Local Government Budget Law.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Maintenance Fees

The District imposes a quarterly fee of \$120 from the homeowners and collects a \$250 fee at closing from each new homeowner to pay for the costs of trash service and covenant enforcement.

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental activities column 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parks and Recreation Improvements	20 Years
Ponds/Drainage	15 Years

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

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

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

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

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2025. The deficit will be eliminated with the receipt of property taxes and maintenance fees in 2026.

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.

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.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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	\$ 66,620
Cash and Investments - Restricted	930,616
Total Cash and Investments	<u>\$ 997,236</u>

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

Deposits with Financial Institutions	\$ 97,946
Investments	899,290
Total Cash and Investments	<u>\$ 997,236</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the District's cash deposits had a bank balance of \$97,704 and a carrying balance of \$97,946.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 899,290
Total		<u>\$ 899,290</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by 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.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by FitchRatings. COLOTRUST records its investments at fair value, and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 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, Being Depreciated:				
Parks and Recreation	\$ 421,971	\$ -	\$ -	\$ 421,971
Drainage and Detention	103,158	-	-	103,158
Total Capital Assets, Being Depreciated	525,129	-	-	525,129
Less: Accumulated Depreciation for:				
Parks and Rec	(63,297)	(21,099)	-	(84,396)
Drainage and Detention	(20,631)	(6,877)	-	(27,508)
Total Accumulated Depreciation	(83,928)	(27,976)	-	(111,904)
Governmental Activities Capital Assets, Net	<u>\$ 441,201</u>	<u>\$ (27,976)</u>	<u>\$ -</u>	<u>\$ 413,225</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	<u>\$ (27,976)</u>
Total Depreciation Expense - Governmental Activities	<u>\$ (27,976)</u>

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations as of December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds					
Series 2021	\$ 3,080,000	\$ -	\$ 45,000	\$ 3,035,000	\$ 50,000
Total Bonds Payable	3,080,000	-	45,000	3,035,000	50,000
Loans and Notes from Direct					
Borrowings and Direct Placements:					
Developer Advances - Capital	832,275	-	-	832,275	-
Accrued Interest on:					
Developer Advance - Capital	276,573	66,582	-	343,155	-
Total Loans and Notes from					
Direct Borrowings/Direct					
Placements	1,108,848	66,582	-	1,175,430	-
Total Long-Term Obligations	\$ 4,188,848	\$ 66,582	\$ 45,000	\$ 4,210,430	\$ 50,000

\$3,200,000 General Obligation Limited Tax Bonds, Series 2021

On February 10, 2021, the District issued its \$3,200,000 General Obligation Limited Tax Bonds, Series 2021 (2021 Bonds). The Bonds were issued for the purposes of: (a) pay or reimburse the Project Costs; (b) fund a portion of the interest to accrue on the Bonds; (c) fund the Reserve Fund; and (d) pay costs incidental to the issuance of the Bonds.

The 2021 Bonds bear an interest at rate of 4.30%, payable semi-annually on June 1 and December 1, beginning on June 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2022. The Series 2021 Bonds mature on December 1, 2050.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Bonds.

Pledged Revenue

The Bonds are payable solely from and to the extent of the Pledged Revenue, consisting generally of the moneys derived from the following sources, net of any costs of collection:

- (a) all Property Tax Revenues;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy;
- (c) Capital Fees, if any; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$3,200,000 General Obligation Limited Tax Bonds, Series 2021 (Continued)

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy on all taxable property of the District each year in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due in such Bond year (less any amount thereof for which amounts are then due on deposit in the Capitalized Interest Account of the Bond Fund,), and if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (i) not in excess of 30 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2006), and (ii) if the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, not less than 30 mills, or such lesser mill levy which will fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due, will replenish the Reserve Fund to the amount of the Reserve Requirement, and will fund the Surplus Fund to the Maximum Surplus Amount.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default thereunder except as described below:

- i. The District fails or refuses to impose the Required Mill Levy; or
- ii. The District fails or refuses to apply the Pledged Revenue as required under the Indenture; or
- iii. The District defaults in the performance or observance of any of the other covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution, other than as described in Events of Default (i) and (ii) above, and fails to remedy the same after notice thereof pursuant to the Indenture; or
- iv. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2021 Bonds.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$3,200,000 General Obligation Limited Tax Bonds, Series 2021 (Continued)

Remedies on Occurrence of Event of Default

Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

- i. Receivership: Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Indenture to, the Trustee.
- ii. Suit for Judgment: The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Act, the Series 2021 Bonds, the Bond Resolution, the Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.
- iii. Mandamus or Other Suit: The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.
- iv. No Acceleration of Bonds: Notwithstanding the occurrence of an Event of Default, the Indenture does not provide for acceleration of the outstanding principal of the Series 2021 Bonds. Accordingly, the Bonds do not become immediately due and payable as a result of an Event of Default.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2025, to November 30, 2026	3.00%
December 1, 2026, to November 30, 2027	2.00
December 1, 2027, to November 30, 2028	1.00
December 1, 2028, and Thereafter	0.00

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$3,200,000 General Obligation Limited Tax Bonds, Series 2021 (Continued)

Optional Redemption (Continued)

The District's long-term obligations regarding the 2021 Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 50,000	\$ 130,505	\$ 180,505
2027	55,000	128,355	183,355
2028	60,000	125,990	185,990
2029	60,000	123,410	183,410
2030	70,000	120,830	190,830
2031-2035	415,000	555,990	970,990
2036-2040	570,000	454,080	1,024,080
2041-2045	760,000	315,620	1,075,620
2046-2050	995,000	132,870	1,127,870
Total	<u>\$ 3,035,000</u>	<u>\$ 2,087,650</u>	<u>\$ 5,122,650</u>

Authorized Debt

Pursuant to the District's Service Plan, the District is limited to issuing a total of \$4,000,000 in bonds. The District is also limited to a maximum debt service mill levy of 30 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District, pursuant to the Service Plan. In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on May 8, 2018, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$134,400,000 at an interest rate not to exceed 18% per annum.

At December 31, 2025, the District had authorized but unissued electoral indebtedness of \$131,200,000.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

Operations Reimbursement Agreement(s)

The District, Patriot Park MD No. 1, and Patriot Park Investments, LLC (Developer) have entered into a Reimbursement Agreement (Operations) dated effective as of May 22, 2018 (as the same may be amended from time to time, the ORA). The ORA provides that the Developer will advance funds to the District for the purpose of paying the operating expenses of the District until December 31, 2021, and may be renewed for successive one (1) year periods by the Developer and the District. The District agreed to reimburse such advances, together with interest thereon (at a rate equal to 6%), subject to annual appropriation and budget approval, from legally available funds within any fiscal year and not otherwise required for operations, capital improvements, and debt service costs and expenses of the District. Since payment of such reimbursement obligation is subject to annual appropriation, they are subordinate to all bonded indebtedness of the District, whenever issued (including the Series 2021 Bonds).

As of December 31, 2025, the District has no outstanding amounts related to this agreement.

Facilities Acquisition Agreement(s)

The District, Patriot Park MD No. 1, and Patriot Park Investments, LLC (Developer) have entered into a Facilities Funding and Acquisition Agreement dated effective as of May 22, 2018 (as the same may be amended from time to time, the FFAA). The FFAA provides that, upon application of the District, the Developer (a) may construct or cause to have constructed by a general contractor the Public Improvements which the District will acquire after they have been completed, or (b) will initially fund the construction of Public Improvements by the District subject to reimbursement (both as more particularly described therein). The District agreed to reimburse such advances, together with interest thereon (at a rate equal to 8%), subject to annual appropriation and budget approval, bonds or other legally available revenue to repay such costs. In the event that the District is unable to reimburse the Developer for any such advance or the acquisition of Public Improvements within 30 years of such event, any amount of principal and accrued interest outstanding at such time shall be deemed to be forever discharged and satisfied in full.

Since payment of such reimbursement obligation is subject to annual appropriation, they are subordinate to all bonded indebtedness of the District, whenever issued (including the 2021 Bonds). The FFAA terminates on December 31, 2047, unless terminated earlier by mutual written agreement of the parties thereto.

As of December 31, 2025, outstanding advances for capital improvements totaled \$832,275 with accrued interest of \$343,155.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 413,225
Current Portion of Long-term Obligations	(7,685)
Noncurrent Portion of Long-term Obligations	(582,072)
Net Investment in Capital Assets	<u>\$ (176,532)</u>

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 7,900
Debt Service	667,269
Total Restricted Net Position	<u>\$ 675,169</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which are anticipated to be conveyed to other governmental entities and which costs are anticipated to be removed from the District's financial records.

Restricted net position reported in the government-wide Statement of Net Position differs from restricted fund balance reported in the governmental fund financial statements due to the effects of accrual accounting. Restricted net position includes the impact of accrued interest payable on long-term debt and deferred inflows of resources related to property taxes, which are not reported as liabilities or deferred inflows in the governmental funds. Accordingly, restricted net position should not be expected to equal restricted fund balance reported in the Debt Service Fund.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 7 RELATED PARTY

The Developer of the property which constitutes the District is Patriot Park Investments, LLC and GK Patriot LLC (the Developers). The members of the Board of Directors are officers of, employees of, or associated with the Developers, and may have conflicts of interest in dealing with the District.

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

The District entered into an Intergovernmental Agreement with Patriot Park Metropolitan District No. 1 (District No. 1) dated May 22, 2018 (IGA). The IGA provides that the District will provide residential covenant enforcement, trash collection services, and related activities for the area within the District's boundaries, whereas District No. 1 shall be primarily responsible for providing substantially all of the other operation and maintenance services for the Districts, including but not limited to drainage area maintenance, park area and open space maintenance, and landscaping 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; injuries to employees; or acts of God.

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

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

NOTE 10 INTERFUND TRANSFER

The transfer from the General Fund to the Debt Service Fund was to transfer 2021 through 2024 transfer fees that are pledged to the Bonds.

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% 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.

On May 8, 2018, District voters passed an election question to increase property taxes \$10,000,000 annually, without limitation of rate, to pay the District's operational and maintenance costs. The voters also authorized the District to retain and spend all revenue from sources other than property taxes without regard to any limitations under TABOR.

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.

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 revenue is limited to a 5.25% increase, 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

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 312,593	\$ 312,477	\$ (116)
Specific Ownership Taxes	3,126	29,964	26,838
Transfer Fee	-	1,500	1,500
Interest Income	25,500	25,762	262
Total Revenues	341,219	369,703	28,484
EXPENDITURES			
Banking Fees	-	20	(20)
County Treasurer's Fee	4,689	4,689	-
Paying Agent Fees	4,000	4,000	-
Bond Interest	132,440	132,440	-
Bond Principal	45,000	45,000	-
Contingency	3,871	-	3,871
Total Expenditures	190,000	186,149	3,851
EXCESS OF REVENUES OVER EXPENDITURES	151,219	183,554	32,335
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	-	16,000	16,000
Total Other Financing Sources	-	16,000	16,000
NET CHANGE IN FUND BALANCE	151,219	199,554	48,335
Fund Balance - Beginning of Year	722,761	725,550	2,789
FUND BALANCE - END OF YEAR	\$ 873,980	\$ 925,104	\$ 51,124

OTHER INFORMATION

PATRIOT PARK METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

\$3,200,000 Limited Tax General Obligation Bonds			
Issue Date February 10, 2021			
Principal Due Annually December 1			
Interest at 4.30%			
Due June 1 and December 1			
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 50,000	\$ 130,505	\$ 180,505
2027	55,000	128,355	183,355
2028	60,000	125,990	185,990
2029	60,000	123,410	183,410
2030	70,000	120,830	190,830
2031	70,000	117,820	187,820
2032	80,000	114,810	194,810
2033	80,000	111,370	191,370
2034	90,000	107,930	197,930
2035	95,000	104,060	199,060
2036	100,000	99,975	199,975
2037	105,000	95,675	200,675
2038	115,000	91,160	206,160
2039	120,000	86,215	206,215
2040	130,000	81,055	211,055
2041	135,000	75,465	210,465
2042	145,000	69,660	214,660
2043	150,000	63,425	213,425
2044	160,000	56,975	216,975
2045	170,000	50,095	220,095
2046	180,000	42,785	222,785
2047	185,000	35,045	220,045
2048	200,000	27,090	227,090
2049	210,000	18,490	228,490
2050	220,000	9,460	229,460
Total	<u>\$ 3,035,000</u>	<u>\$ 2,087,650</u>	<u>\$ 5,122,650</u>

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

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2021	\$ 2,103,060	16.699	33.398	\$ 105,357	\$ 105,356	100.00%
2022	7,096,630	16.638	33.277	354,228	354,229	100.00
2023	6,830,570	17.321	34.642	354,937	354,937	100.00
2024	8,365,250	18.735	37.471	470,177	468,692	99.68
2025	8,338,050	18.745	37.490	468,890	468,692	99.96
Estimated for Year Ending December 31, 2026	\$ 6,987,700	16.661	33.323	\$ 349,273		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from County Treasurer does not permit identification of specific year of assessment.

Source: El Paso County Assessor and Treasurer