

ROAM METROPOLITAN DISTRICT NO. 2
GRAND COUNTY, COLORADO

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
DECEMBER 31, 2025

ROAM METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Roam Metropolitan District No. 2
Grand County, Colorado

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund of Roam Metropolitan District No. 2 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 my 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 Roam Metropolitan District No. 2 as of December 31, 2025, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of my report. I am required to be independent of Roam Metropolitan District No. 2 and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 my 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.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and the budgetary comparison schedule for the General Fund be presented to supplement the basic financial statements. Such 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.

Management has omitted the management 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. I have not performed

any procedures with respect to this required supplementary information. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary budget comparison schedules identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Scott Wright

Salida, Colorado
September 11, 2026

ROAM METROPOLITAN DISTRICT NO. 2

STATEMENT OF NET POSITION DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 295,760
Receivables	927,970
Prepaid Items	2,774
Restricted Assets - Cash and Cash Equivalents	578,831
Total Assets	<u>1,805,335</u>
LIABILITIES	
Accounts Payable	1,154
Due to Other Local Governments	37,293
Noncurrent Liabilities:	
Due In More Than One Year	26,024,577
Total Liabilities	<u>26,063,024</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>925,589</u>
NET POSITION	
Net Investment in Capital Assets	(21,875,000)
Restricted For:	
Emergencies	11,490
Public Improvements	669,245
Debt Service	11,226
Unrestricted	(4,000,239)
Total Net Position	<u><u>\$ (25,183,278)</u></u>

The accompanying notes are an integral part of the financial statements.

ROAM METROPOLITAN DISTRICT NO. 2

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 60,169	\$ -	\$ -	\$ -	\$ (60,169)
Transfers to Roam Metropolitan District No. 1	10,618,098	-	-	-	(10,618,098)
Interest and Related Costs on Long-term Debt	1,523,012	-	-	-	(1,523,012)
Total Governmental Activities	\$ 12,201,279	\$ -	\$ -	\$ -	(12,201,279)
General Revenues:					
Property Taxes					751,492
Specific Ownership Taxes					37,428
Investment Earnings					309,043
Total General Revenues					1,097,963
Increase (Decrease) in Net Position					(11,103,316)
Net Position - Beginning of Year					(14,079,962)
Net Position - End of Year					\$(25,183,278)

The accompanying notes are an integral part of the financial statements.

ROAM METROPOLITAN DISTRICT NO. 2

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 190,436	\$ 7,843	\$ 97,481	\$ 295,760
Property Taxes Receivable	33,604	894,366	-	927,970
Prepaid Items	2,774	-	-	2,774
Restricted Assets - Cash and Cash Equivalents	-	7,067	571,764	578,831
Total Assets	<u>\$ 226,814</u>	<u>\$ 909,276</u>	<u>\$ 669,245</u>	<u>\$ 1,805,335</u>
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ 1,154	\$ -	\$ -	\$ 1,154
Due to Other Local Governments	31,323	5,970	-	37,293
Total Liabilities	<u>32,477</u>	<u>5,970</u>	<u>-</u>	<u>38,447</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	33,509	892,080	-	925,589
Total Deferred Inflows of Resources	<u>33,509</u>	<u>892,080</u>	<u>-</u>	<u>925,589</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	2,774	-	-	2,774
Restricted For:				
TABOR Emergency Reserve	11,490	-	-	11,490
Public Improvements	-	-	669,245	669,245
Debt Service	-	11,226	-	11,226
Unassigned	146,564	-	-	146,564
Total Fund Balances	<u>160,828</u>	<u>11,226</u>	<u>669,245</u>	<u>841,299</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 226,814</u>	<u>\$ 909,276</u>	<u>\$ 669,245</u>	<u>\$ 1,805,335</u>

The accompanying notes are an integral part of the financial statements.

ROAM METROPOLITAN DISTRICT NO. 2

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2025

	<u>Total</u>
Total Fund Balances - Governmental Funds	<u>\$ 841,299</u>
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Some liabilities, including bonds, notes and leases payable are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	
- Series 2021 ⁽³⁾ Bonds Payable	<u>(21,875,000)</u>
Accrued interest payable on bonds is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	
	<u>(4,149,577)</u>
Net Position of Governmental Activities	<u><u>\$ (25,183,278)</u></u>

ROAM METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Taxes:				
General Property Taxes	\$ 29,645	\$ 721,847	\$ -	\$ 751,492
Specific Ownership Tax	1,488	35,940	-	37,428
Investment Earnings	7,881	17,423	283,739	309,043
Total Revenues	<u>39,014</u>	<u>775,210</u>	<u>283,739</u>	<u>1,097,963</u>
Expenditures				
Current:				
General and Administrative	24,088	36,081	-	60,169
Transfers to Roam Metropolitan District No. 1	-	-	10,618,098	10,618,098
Debt Service:				
Interest	-	750,000	-	750,000
Fiscal Charges	-	4,747	18,272	23,019
Total Expenditures	<u>24,088</u>	<u>790,828</u>	<u>10,636,370</u>	<u>11,451,286</u>
Net Change in Fund Balances	14,926	(15,618)	(10,352,631)	(10,353,323)
Fund Balances, Beginning of Year	<u>145,902</u>	<u>26,844</u>	<u>11,021,876</u>	<u>11,194,622</u>
Fund Balances, End of Year	<u>\$ 160,828</u>	<u>\$ 11,226</u>	<u>\$ 669,245</u>	<u>\$ 841,299</u>

The accompanying notes are an integral part of the financial statements.

ROAM METROPOLITAN DISTRICT NO. 2

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Total</u>
Net Change in Fund Balances - Total Governmental Funds	<u>\$ (10,353,323)</u>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
- Change in Accrued Interest Payable	<u>(749,993)</u>
Change in Net Position of Governmental Funds	<u><u>\$ (11,103,316)</u></u>

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

The financial statements of Roam Metropolitan District No. 2 (District) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the District's financial statements.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

As required by GAAP, these financial statements present the activities of Roam Metropolitan District No. 2, i.e., the primary government. The District does not have any component units for which the District is considered financially accountable, nor is the District a component unit of any other primary governmental entity.

Primary Government. The District, a quasi-municipal corporation and a political subdivision of the State of Colorado was organized by order and decree of the District Court of Grand County, Colorado, on November 22, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes) and the District's Service Plan, approved by the Town of Winter Park, on August 7, 2018. The District was organized to design, acquire, construct, relocate, redevelop, and finance public improvements. The District's primary revenues are property taxes. An elected Board of Directors governs the District. The District has no employees, and all operations and administrative functions are contracted. The more significant accounting policies of the District are described as follows:

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the District. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the District with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds. The District has no proprietary or

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

fiduciary funds. Individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual, and regulatory requirements.

The District reports the following major governmental funds:

- *General Fund* - This is the District's primary operating fund. It is used to account for all activities of the District not required to be accounted for in another fund.
- *Debt Service Fund* - This fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.
- *Capital Project Fund* - This fund is used to account for the acquisition and/or construction of major capital facilities and infrastructure.

D. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents the consumption of net position that applies to a future period that will not be recognized as an outflow of the resources (expenditure) until the future period. At the end of the current fiscal year, the District did not have any items that qualify for reporting in this category.

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

In addition to liabilities, the statement of net 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 – unavailable property tax revenues.

The governmental funds also reported deferred inflows of resources representing deferred property tax revenues.

Deferred outflows of resources are presented below the total assets on the government-wide and governmental fund statements. Deferred inflows of resources are presented below the total liabilities on the government-wide and governmental fund statements.

E. Cash, Cash Equivalents, 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 and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District. Colorado State Statutes authorize the District to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value.

F. Long-term Obligations

In the government-wide Statement of Net Position long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

G. Fund Balance

The District utilizes the fund balance presentation as required under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned. These fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are legally or contractually required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose but is neither restricted nor committed; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that do not meet any other of the above criteria and are available for any purpose; positive amounts are reported only in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 7).

H. Budgetary Information

Budgets are adopted on a basis consistent with GAAP for all funds. According to Local Government Budget Law, the legal level of appropriations is at the total fund expenditures level and lapse at year-end. During the year, the District's Board of Directors can modify the budget by line item within a fund's total appropriation without notification.

Upon meeting notification and publication requirements, supplemental amendments increasing appropriations may be passed by resolution of the Board of Directors. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Directors.

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

I. Property Taxes

The District's Board of Directors levies property taxes. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15th by certification to the County Commissioners to put the tax lien on the individual properties as of January 1st 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, sale 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.

Note 2. Deposits and Investments

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

Cash and Cash Equivalents	\$ 295,760
Restricted Assets- Cash and Cash Equivalents	<u>578,831</u>
Total	<u>\$ 874,591</u>

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

Deposits With Local Government Investment Pools	\$ 295,760
Deposits With Corporate Trust Institutions	<u>578,831</u>
Total	<u>\$ 874,591</u>

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The District's deposits with depository financial institutions are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act (PDPA). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. PDPA requires that cash be deposited in eligible public depositories and that deposits 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 with the District being a named participant in the single institution collateral pool. The minimum

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

At December 31, 2025, the District had no amounts on deposit with depository financial institutions. All of the District deposits held at December 31, 2025, consisted of bond proceeds held with UMB Bank (UMB), a corporate bond trustee. A corporate bond trustee is a financial institution that is granted trust powers, such as a commercial bank or trust company. This entity, in turn, has a duty to the bond issuer to enforce the terms of a bond indenture. A trustee sees that bond interest payments and principal repayments are made as scheduled and protects the interests of the bondholders if the issuer defaults. UMB is a nationally recognized and ranked provider of corporate trust and escrow services.

Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' 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 trusts. The District participates in UMB's Corporate Trust FDIC Sweep program whereby the District has instructed UMB to nightly sweep its assets on deposit into the Colorado Local Government Liquid Asset Trust's COLOTRUST PLUS+ fund omnibus account. The PLUS+ fund may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The PLUS+ fund is a stable \$1.00 net asset value (NAV) fund that offers daily liquidity.

Investments

Credit Risk. Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. These investments include local government investment pools and certain obligations of the United States government. State law limits investments in commercial paper, corporate bonds, and money market mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. 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.

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The District places no limit on the amount it may invest in any one issuer.

Fair Value of Investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2025, the District had no investments measured at fair value, and there were no unrealized losses reflective of changes in the fair market value of investments.

Note 3. Legal Compliance – Budgets

No later than October 15, the District Manager submits to the Board of Directors a proposed budget for the calendar year commencing the following January 1. The budget is prepared by fund and line item and includes information on the prior year, current year estimates and requested appropriations and estimated revenues for the upcoming year.

The Board of Directors holds public hearings and must adopt the budget by resolution prior to December 15. Once adopted, the Board may at any time, by resolution, amend the budget. The District had one supplemental appropriation during the year ended December 31, 2025.

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying required supplemental information are presented with a higher level of detail than legally required to facilitate closer financial analysis.

Note 4. Capital Assets

All capital assets will be dedicated to the Town of Winter Park or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

Note 5. Long-term Debt

General Obligation Bonds. On December 14, 2021, the District issued its Series 2021(3) Limited Tax General Obligation Bonds (2021(3) Bonds), totaling \$21,875,000 with an interest rate of 6.00%. The 2021(3) Bonds were issued to finance and reimburse a portion of the costs of planning, designing, acquiring, constructing, installing, relocating, and redeveloping certain public infrastructure improvements within the District. The 2021(3) Bonds are secured by and

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

payable from Pledged Revenue as defined by the Indenture of Trust to mean: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; (c) all PILOT Revenues; (d) All Capital Fees, if any; (e) any Public Improvement Cost Contributions which the District determines, in its absolute discretion, to deposit with the Trustee for application as Pledged Revenue, and (f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. General obligation bonds currently outstanding at December 31, 2025, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General Government – Public Improvements	6.00%	<u>\$21,875,000</u>

Unpaid Debt Service. The Series 2021(3) Bonds were issued as “cash-flow” bonds, meaning that the general obligation bonds contain no scheduled principal payments prior to the final maturity date. Principal payments on the 2021(3) Bonds are payable from, and solely to the extent of, Pledged Revenue, if any, remaining after the annual interest payment due on the 2021(3) Bonds. Interest is payable on December 1 each year to the extent of Pledged Revenue is available therefor, commencing December 1, 2022. To the extent interest is not paid when due, such interest is compounding at the rate of 6.00% on each interest payment date.

Insufficiencies as of December 31, 2025, on the Series 2021(3) Bonds are as follows:

<u>Application</u>	<u>Series 2021(3) Bonds</u>	<u>Compound Interest</u>
December 1, 2022 Unpaid Interest	\$ 1,180,095	\$ -
December 1, 2023 Unpaid Interest	1,151,353	70,806
December 1, 2024 Unpaid Interest	715,500	144,135
December 1, 2025 Unpaid Interest	<u>562,500</u>	<u>195,713</u>
<i>Total Unpaid Debt Service</i>	<u>\$ 3,609,448</u>	<u>\$ 410,654</u>

Optional Redemption. The 2021(3) Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2026, and on any date thereafter, upon payment of par plus accrued interest thereon and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00%
December 1, 2028, to November 30, 2029	1.00%
December 1, 2029, and thereafter	0.00%

Notwithstanding any other provision provided in the indenture of Trust or the Pledge Agreement, the District shall not be required to impose the required mill levy for payment of

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

the bonds after December, 2060 (for collection in 2061). In the event that any amount of principal of or interest on the 2021(3) Bonds remain unpaid after the application of all Pledged Revenue available therefor on December 1, 2061, the 2021(3) Bonds shall be deemed discharged.

Intergovernmental Agreement with Roam Metropolitan District No. 1 and Roam Metropolitan District No. 2.

The District entered into an Intergovernmental Agreement Concerning District Operations (Master IGA) dated December 21, 2018, with Roam Metropolitan District No. 1 (District No. 1 or Service District), and Roam Metropolitan District No. 3 (District No. 3). District and District No. 3 are collectively referred to therein as the “Financing Districts.” The Master IGA sets forth the rights and obligations of the financing districts to fund, and of the Service District to construct, own or transfer, and to operate and maintain public facilities and services of benefits to all Districts, and to implement the Consolidated Service Plan (Service Plan) of the Districts. The Service Plan describes the relationship between the Districts. In the Master IGA, the District contracts for and supervises the construction and acquisition of facilities subject to annual budget appropriation, as described in the Service Plan.

Funding of Capital Costs. Under the Master IGA, future capital needs of the Districts will be accomplished through the issuance of one or more series of bonds or other debt instruments which will be secured by certain pledged revenues of the Financing Districts. It is anticipated that the Districts will enter into additional future capital pledge agreements, pursuant to which the Financing Districts will pledge certain revenues to the Service District for payment of any debt issued by the Service District.

In furtherance of the Districts’ Service Plan, in the Master IGA, the Financing Districts further acknowledge that the Service District will and/or has incurred certain Developer Obligations (as defined in the Master IGA) associated with the acquisition, construction, and installation of public improvements for the benefit of the Financing Districts, and that Developer Obligations will be refunded from the proceeds of Bonds. District No. 1 has entered into certain reimbursement agreements with Fraser River Development Co., LLC (Developer) and/or its affiliates or other developers. All public improvements funded by the Districts will be either dedicated to the Town of Winter Park or other governmental entities or will be owned and operated by the Service District (District-Owned Improvements). The Service District will be responsible for the operation and maintenance of all facilities and will perform certain administrative services for the District in exchange for fees. The proceeds from the issuance of Series 2021(3) Bonds are anticipated to reimburse the public improvements costs incurred by the Developer, to the extent that the obligation to pay such amounts are in accordance with the Service Plan.

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2024, was as follows:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance	Due Within One Year
<i>Bonds Payable:</i>					
Series 2021(3) GO Bonds	\$ 21,875,000	\$ -	\$ -	\$ 21,875,000	\$ -
Accrued Interest	<u>3,399,584</u>	<u>749,993</u>	<u>-</u>	<u>4,149,577</u>	<u>-</u>
Total Long- term Liabilities	<u>\$ 25,274,584</u>	<u>\$ 749,993</u>	<u>\$ -</u>	<u>\$ 26,024,577</u>	<u>\$ -</u>

Authorized Debt. The Service Plan authorizes debt in the amount of \$55,000,000 (Service Plan Debt Cap Limitation). At an election held on November 6, 2018, a majority of the qualified electors of the District authorized the issuance of debt in accordance with the Service Plan Debt Cap Limitation. In no event is the District authorized to issue debt in an amount that exceeds the Service Plan Debt Cap Limitation without Town of Winter Park approval. As of December 31, 2025, \$33,125,000 of the Service Plan Debt Cap Limitation remains. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing additional public improvements within the District's service area, if needed.

Note 6. 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 maintains commercial insurance for significant insurable risks. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability 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 7. Commitments and Contingencies

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.

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

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

On November 6, 2018, qualified electors of the District passed election questions allowing: (1) the District to increase property taxes up to \$2,000,000 annually, without limitation of rate, to pay the District's administration, operations and maintenance expenses; (2) allowing the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations; (3) debt issuance authorizations totaling \$880,000,000 with tax increases as necessary for the payment of such debt; and (4) the authorization to enter into multiple fiscal year intergovernmental agreements with the State or political subdivisions.

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 has established an emergency reserve for the year ended December 31, 2025, in the amount of \$11,490.

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 interpretation of how to calculate Fiscal Year Spending limits may require judicial interpretation.

Note 8. Deficit Net Position

The District has incurred general obligation debt for the acquisition, construction, and reimbursement of public improvements incurred by developers within the District. All of these improvements will be deeded or transferred to other local and state governmental entities. These entities will assume the responsibility for continued maintenance of these improvements and therefore, these assets will no longer belong to the District but will still exist for the benefit and use of the taxpayers of the District. The debt issued to finance the public improvements within the District has created a deficit net position of \$25,183,278 as of December 31, 2025. In addition, pledged revenues have not been sufficient to pay accrued interest on the District's debt.

Note 9. Related Parties

The majority of the District's board members are officers, employees, or consultants for the developer, Fraser River Development Co., LLC (see Note 4).

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025

Note 10. Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through September 11, the date the financial statements were available to be issued, in accordance with GASB Statement No. 105, Subsequent Events.

Management has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ROAM METROPOLITAN DISTRICT NO. 2

GENERAL FUND REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget - Over (Under) Actual Amounts
Budgetary Revenues			
Taxes:			
General Property Taxes	\$ 29,740	\$ 29,645	\$ (95)
Specific Ownership Tax	1,784	1,488	(296)
Investment Earnings	-	7,881	7,881
Total Budgetary Revenues	31,524	39,014	7,490
Budgetary Expenditures			
Current:			
Accounting	9,000	9,411	(411)
Audit	6,200	5,750	450
District Management	3,000	4,171	(1,171)
Election Costs	1,000	190	810
Insurance / SDA Dues	3,000	3,032	(32)
Miscellaneous	100	40	60
County Treasurer Fees	1,487	1,494	(7)
Emergency Reserve	945	-	945
Total Budgetary Expenditures	24,732	24,088	644
Net Change in Fund Balance	6,792	14,926	8,134
Budgetary Fund Balance, Beginning of Year	145,401	145,902	501
Budgetary Fund Balance, End of year	\$ 152,193	\$ 160,828	\$ 8,635
Reconciliation to GAAP Basis			
Total fund balance GAAP basis		\$ 160,828	

ROAM METROPOLITAN DISTRICT NO. 2

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2025

Budgetary Information

The District follows the requirements of the Colorado Local Government Budget Law in establishing the budgetary data reflected in the financial statements. The Board of Directors adopts an annual budget for the General Fund prior to December 31 of the preceding year. The budget includes estimated expenditures and the means of financing them. A public hearing is held prior to adoption of the budget, and the budget is legally enacted by resolution. Appropriations are adopted at the fund level. The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in the governmental fund financial statements.

Budget Amendments

During the year ended December 31, 2025, no amendments to the original appropriations were made. Accordingly, the original and final budgets are identical.

Explanation of Variances – Original Budget to Final Budget

There were no differences between the original and final budgets for the year ended December 31, 2025.

Explanation of Variances – Final Budget to Actual

Actual revenues were higher than estimated revenues due to investment earnings not having been budgeted. General and administrative costs were \$644 under budget due to lower than anticipated District management and accounting costs, and budgeted emergency reserve costs that did not need to be utilized.

TABOR Emergency Reserve

Under the Colorado Taxpayer's Bill of Rights, the District is required to maintain an emergency reserve equal to 3% of fiscal year spending, excluding bonded debt service. The emergency reserve is included in the annual budget under Total Budgetary Expenditures and Reserves, but the reserve is not available for general spending.

SUPPLEMENTARY INFORMATION

ROAM METROPOLITAN DISTRICT NO. 2

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget - Over (Under) Actual Amounts
Revenues			
Taxes:			
General Property Taxes	\$ 718,418	\$ 721,847	\$ 3,429
Specific Ownership Taxes	43,105	35,940	(7,165)
Investment Earnings	-	17,423	17,423
Other Revenues	4,587	-	(4,587)
Total Revenues	<u>766,110</u>	<u>775,210</u>	<u>9,100</u>
Expenditures			
Current:			
County Treasurer Fees	35,921	36,081	160
Miscellaneous	1,000	-	(1,000)
Debt Service:			
Bond Interest	750,000	750,000	-
Fiscal Charges	4,300	4,747	447
Total Expenditures	<u>791,221</u>	<u>790,828</u>	<u>(393)</u>
Net Change in Fund Balance	(25,111)	(15,618)	9,493
Fund Balance, Beginning of Year	<u>34,268</u>	<u>26,844</u>	<u>(7,424)</u>
Fund Balance, End of year	<u>\$ 9,157</u>	<u>\$ 11,226</u>	<u>\$ 2,069</u>

ROAM METROPOLITAN DISTRICT NO. 2

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary (and GAAP) Basis	Final Budget - Over (Under) Actual Amounts
Revenues				
Investment Earnings	\$ 600,000	\$ 283,739	\$ 283,739	\$ -
Total Revenues	<u>600,000</u>	<u>283,739</u>	<u>283,739</u>	<u>-</u>
Expenditures				
Transfers to Roam Metropolitan District No. 1	10,000,000	10,630,000	10,618,098	(11,902)
Debt Service:				
Fiscal Charges	<u>20,000</u>	<u>20,000</u>	<u>18,272</u>	<u>(1,728)</u>
Total Expenditures	<u>10,020,000</u>	<u>10,650,000</u>	<u>10,636,370</u>	<u>(13,630)</u>
Net Change in Fund Balance	(9,420,000)	(10,366,261)	(10,352,631)	13,630
Fund Balance, Beginning of Year	<u>11,279,980</u>	<u>11,021,876</u>	<u>11,021,876</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 1,859,980</u>	<u>\$ 655,615</u>	<u>\$ 669,245</u>	<u>\$ 13,630</u>