LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
Town of Johnstown, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ledge Rock Center Residential Metropolitan District No. 2
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ledge Rock Center Residential Metropolitan District No. 2 ("District"), as of and for the year ended December 31, 2024, 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, 2024, 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, P.C.

Colorado Springs, Colorado
November 11, 2025

BASIC FINANCIAL STATEMENTS

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	$ 217
Cash and Investments - Restricted	526
Prepaid Insurance	2,813
Property Tax Receivable	5
Capital Assets:	
Capital Assets Not Being Depreciated	6,033,370
Total Assets	6,036,931
LIABILITIES	
Accounts Payable	5,182
Due to Other Districts	8
Noncurrent Liabilities:	
Due in More Than One Year	3,333,637
Total Liabilities	3,338,827
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	5
Total Deferred Inflows of Resources	5
NET POSITION	
Restricted for:	
Capital Projects	518
Unrestricted	2,697,581
Total Net Position	$ 2,698,099

See accompanying Notes to Basic Financial Statements.

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 41,142	$ -	$ -	$ -	$ (41,142)
Interest on Long-Term Debt and Related Costs	703,575	-	-	-	(703,575)
Total Governmental Activities	$ 744,717	$ -	$ -	$ -	(744,717)
GENERAL REVENUES					
Property Taxes					10
Interest Income					518
Intergovernmental Revenues					3,492,391
Total General Revenues and Transfers					3,492,919
CHANGES IN NET POSITION					2,748,202
Net Position - Beginning of Year					(50,103)
NET POSITION - END OF YEAR					$ 2,698,099

See accompanying Notes to Basic Financial Statements.

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 217	$ -	$ -	$ 217
Cash and Investments - Restricted	-	8	518	526
Prepaid Insurance	2,813	-	-	2,813
Property Tax Receivable	1	4	-	5
Total Assets	$ 3,031	$ 12	$ 518	$ 3,561
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 5,182	$ -	$ -	$ 5,182
Due to Other Districts	-	8	-	8
Total Liabilities	5,182	8	-	5,190
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	1	4	-	5
Total Deferred Inflows of Resources	1	4	-	5
FUND BALANCES				
Nonspendable:				
Prepaid Expense	2,813	-	-	2,813
Restricted for:				
Capital Projects	-	-	518	518
Unassigned	(4,965)	-	-	(4,965)
Total Fund Balances	(2,152)	-	518	(1,634)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,031	$ 12	$ 518	

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.	6,033,370
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advance Payable	(3,333,637)
Net Position of Governmental Activities	$ 2,698,099

See accompanying Notes to Basic Financial Statements.

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 2	$ 8	$ -	$ 10
Interest Income	-	-	518	518
Intergovernmental Revenues	-	-	3,492,391	3,492,391
Total Revenues	2	8	3,492,909	3,492,919
EXPENDITURES				
Current:				
Accounting	15,726	-	1,008	16,734
District Management	8,968	-	-	8,968
Dues And Membership	342	-	-	342
Election	160	-	-	160
Engineering	-	-	5,425	5,425
Insurance	2,710	-	-	2,710
Intergovernmental Expenditures	-	8	-	8
Legal	6,251	-	552	6,803
Capital Projects:				
Capital Outlay	-	-	6,033,370	6,033,370
Total Expenditures	34,157	8	6,040,355	6,074,520
EXCESS OF REVENUES UNDER EXPENDITURES	(34,155)	-	(2,547,446)	(2,581,601)
OTHER FINANCING SOURCES (USES)				
Developer Advance	39,119	-	6,040,622	6,079,741
Repay Developer Advance	-	-	(3,492,391)	(3,492,391)
Total Other Financing Sources	39,119	-	2,548,231	2,587,350
NET CHANGE IN FUND BALANCES	4,964	-	785	5,749
Fund Balances - Beginning of Year	(7,116)	-	(267)	(7,383)
FUND BALANCES - END OF YEAR	$ (2,152)	$ -	$ 518	$ (1,634)

See accompanying Notes to Basic Financial Statements.

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds	$	5,749
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.		
Capital Outlay		6,033,370
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.		
Developer Advance		(6,079,741)
Repay Developer Advance		3,492,391
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 Developer Advance - Change in Liability		(703,567)
Changes in Net Position of Governmental Activities	$	2,748,202

See accompanying Notes to Basic Financial Statements.

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 2	$ 2	$ -
Total Revenues	2	2	-
EXPENDITURES			
Accounting	30,000	15,726	14,274
Contingency	4,400	-	4,400
District Management	35,000	8,968	26,032
Dues And Membership	400	342	58
Election	-	160	(160)
Insurance	3,000	2,710	290
Legal	20,000	6,251	13,749
Miscellaneous	1,500	-	1,500
Website	700	-	700
Total Expenditures	95,000	34,157	60,843
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(94,998)	(34,155)	60,843
OTHER FINANCING SOURCES (USES)			
Developer Advance	94,998	39,119	(55,879)
Total Other Financing Sources (Uses)	94,998	39,119	(55,879)
NET CHANGE IN FUND BALANCE	-	4,964	4,964
Fund Balance - Beginning of Year	-	(7,116)	(7,116)
FUND BALANCE - END OF YEAR	$ -	$ (2,152)	$ (2,152)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Ledge Rock Center Residential 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 for Weld County recorded on December 2, 2021, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Johnstown (Town) on September 8, 2021, as amended and restated on June 6, 2022, and subsequently amended on December 4, 2023.

The District was organized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, repair, replacement and operations and maintenance of the Public Improvements from the proceeds of debt that may be issued by the District and to provide for the ownership, operation or maintenance by the Town or District where appropriate.

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, public improvement fees, and intergovernmental revenues.

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.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and other assets.

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 of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses 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 amended its budget for the year ending December 31, 2024.

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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business- type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. 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.

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.

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 property tax revenues are recorded as revenue in the year they are available or collected.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only 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 amounts become 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

If more than one classification of fund balances 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, 2024. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2025.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:		
Cash and Investments	$	217
Cash and Investments - Restricted		526
Total Cash and Investments	$	743

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	$	225
Investments		518
Total Cash and Investments	$	743

Deposits with Financial Institutions

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

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

At December 31, 2024, the District's cash deposits had a bank and carrying balance of $225.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

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, 2024, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (CSAFE)	Weighted-Average Under 60 Days	$ 518
		$ 518

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ -	$ 6,033,370	$ -	$ 6,033,370
Total Capital Assets, Not Being Depreciated	$ -	$ 6,033,370	$ -	$ 6,033,370

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Other Debts:					
Developer Advance - Operating	$ 40,555	$ 39,119	$ -	$ 79,674	$ -
Developer Advance - Capital	-	6,040,622	3,492,391	2,548,231	-
Accrued Interest on:					
Developer Advance - Operating	2,165	4,976	-	7,141	-
Developer Advance - Capital	-	698,591	-	698,591	-
Subtotal Other Debts	42,720	6,783,308	3,492,391	3,333,637	-
Total Long-Term Obligations	$ 42,720	$ 6,783,308	$ 3,492,391	$ 3,333,637	$ -

Authorized Debt

On November 2, 2021, a majority of the qualified electors of the District authorized the incurrence of indebtedness in an amount not to exceed $3,900,000 in general obligation debt for Public Improvements in an amount not to exceed $61,300,000.

	Amount Authorized on November 2, 2021	Authorization Used by District 1 Series 2024 Bonds	Authorized But Unused
Water	$ 3,900,000	$ 1,851,304	$ 2,048,696
Sanitation	3,900,000	758,396	3,141,604
Streets	3,900,000	319,274	3,580,726
Traffic and Safety	3,900,000	-	3,900,000
Parks and Recreation	3,900,000	2,038,026	1,861,974
Transportation	3,900,000	-	3,900,000
TV Relay and Translation	3,900,000	-	3,900,000
Mosquito Control	3,900,000	-	3,900,000
Security	3,900,000	-	3,900,000
Fire Protection and Emergency Medical	3,900,000	-	3,900,000
Debt Refunding	7,800,000	-	7,800,000
Limited Mill Levy	3,900,000	-	3,900,000
Revenue	3,900,000	-	3,900,000
Directional Drilling	3,900,000	-	3,900,000
Reimbursement Agreements	3,900,000	-	3,900,000
Operations and Maintenance	3,900,000	-	3,900,000
Total	$ 66,300,000	$ 4,967,000	$ 61,333,000

Pursuant to the Amended and Restated Service Plan, the District is permitted to issue bond indebtedness in an aggregate amount up to $4,967,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 NET POSITION

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

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

	Governmental Activities
Restricted Net Position:	
Debt Service Reserve	$ -
Capital Projects Reserve	518
Total Restricted Net Position	$ 518

NOTE 7 AGREEMENTS

Funding and Reimbursement Agreement

The District has approved a Multiple-Year Funding and Reimbursement Agreement (FRA) with Ledge Rock Center, LLC (Developer), a Kansas limited liability company, with an effective date of December 14, 2021. The FRA sets forth the terms upon which the Developer is to advance funds to the District to pay, or will directly pay, its ongoing operations, maintenance and administrative expenses (O&M Expenses) which enable it to provide administrative and operations services for itself on a periodic basis as needed from the date of the FRA up to an aggregate amount of $1,000,000 upon written notice from the District.

The FRA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each Advance from the date such loan amount is made to the District, until paid. At December 31, 2024, there was $79,674 in unpaid principal and $7,141 in unpaid interest.

Advance and Reimbursement Agreement

The District has approved a Multiple-Year Advance and Reimbursement Agreement (ARA) with the Developer with an effective date of December 14, 2021. The ARA sets forth the terms upon which the Developer is to advance funds to the District to for formation and organization costs, construction, installation, and acquisition of Public Improvements (Capital Expenses) as needed from the date of the ARA up to an aggregate amount of $4,967,000 per the Amended and Restated Service Plan dated December 4, 2023.

The ARA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each Advance from the date such loan amount is made to the District, until paid. At December 31, 2024, there was $2,548,231 in unpaid principal and $698,591 in unpaid interest.

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreement – Financing Public Improvements

The District and Ledge Rock Center Residential Metropolitan District No. 1 (District No. 1), entered into an Intergovernmental Agreement regarding the Financing of Public Improvements on March 25, 2024 (FPI). The FPI sets for the terms and limitations regarding the Maximum Mill Levy and the District's Pledge Cap relating to the issuance of District No. 1's 2024 Bonds.

Capital Pledge Agreements

On May 1, 2024, the District, District No. 1, and UMB Bank N.A. (Bank) entered into a Senior Capital Pledge Agreement and a Subordinate Capital Pledge Agreement (collectively, the Capital Pledge Agreements). The Capital Pledge Agreements outline the obligations of the District to provide certain pledged revenues to District No. 1 to facilitate the payment of the District No. 1 Limited Tax General Obligation Bonds, Series 2024A (Senior Bonds) and the Subordinate Limited Tax General Obligation Bonds, Series 2024B (Subordinate Bonds). The Capital Pledge Agreements define the District's Pledge to District No. 1 as $4,967,000 in principal, bearing interest at the rate of interest on the Senior Bonds and Subordinate Bonds. Per the Capital Pledge Agreements, the District must certify a mill levy in an amount sufficient to fund the Senior Bond Fund for the relevant Bond Year and pay the Bonds as they come due, but (i) not in excess of 40 mills, or such lesser mill levy which will fund the Senior Bond Fund, provided, however, that in the event that the method of calculating assessed valuation is changed or there are any constitutionally mandated tax credits, cuts or abatements after January 1, 2021, the maximum mill levy of 40 mills will be increased or decreased to reflect such changes (Senior Required Mill Levy). In addition, the District must certify a mill levy equal to (i) 40 mills less the Senior Required Mill Levy, or (ii) such lesser mill levy which will generate Subordinate Property Tax revenues sufficient to pay the Subordinate Bonds, provided, however, that in the event that the method of calculating assessed valuation is changed or there are any constitutionally mandated tax credits, cuts or abatements after January 1, 2021, the maximum mill levy of 40 mills will be increased or decreased to reflect such changes (Subordinate Required Mill Levy).

Improvement Acquisition Agreement

The District has approved an Improvement Acquisition Agreement, with an effective date of December 14, 2021 ("IAA") with the Developer, setting forth the rights, obligations and procedures for the acquisition of Public Improvements from the Developer and for the reimbursement by the District to the Developer of costs related to Public Improvements.

NOTE 7 AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement - Joint

The District has approved a Multiple-Year Funding and Reimbursement Agreement (FRA) with Ledge Rock Center, LLC (Developer), a Kansas limited liability company, Ledge Rock Center Residential Metropolitan District No. 1, and Ledge Rock Center Commercial Metropolitan District, with an effective date of December 14, 2021. The FRA sets forth the terms upon which the Developer is to advance funds to the District to pay, or will directly pay, its ongoing operations, maintenance and administrative expenses (O&M Expenses) which enable it to provide administrative and operations services for itself on a periodic basis as needed from the date of the FRA up to an aggregate amount of $500,000 upon written notice from the District.

The FRA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each Advance from the date such loan amount is made to the District, until paid. At December 31, 2024, there was $0 in unpaid principal and $0 in unpaid interest.

Advance and Reimbursement Agreement - Joint

The District has approved a Multiple-Year Advance and Reimbursement Agreement (ARA) with the Developer, Ledge Rock Center Residential Metropolitan District No. 1, and Ledge Rock Center Commercial Metropolitan District, with an effective date of December 14, 2021. The ARA sets forth the terms upon which the Developer is to advance funds to the District for formation and organization costs, construction, installation, and acquisition of Public Improvements (Capital Expenses) as needed from the date of the ARA up to an aggregate amount of $3,900,000.

The ARA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each Advance from the date such loan amount is made to the District, until paid. At December 31, 2024, there was $0 in unpaid principal and $0 in unpaid interest.

NOTE 8 RELATED PARTY

A majority of the members of the Board of Directors are employees, officers, or are otherwise associated with the Developer and/or Carson Development Inc., and may have conflicts of interest in dealing with the District. The Board of Directors believes that all potential conflicts, if any, have been disclosed.

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

NOTE 10 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 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 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, except Enterprises.

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 2, 2021, a majority of the District's electors authorized the District to collect and spend or retain in a reserve any currently levied taxes and fees of the District without regard to any limitation under TABOR.

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 benefit increases.

The District's management has taken steps it believes are necessary to comply 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.

SUPPLEMENTARY INFORMATION

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	$ 8	$ 8	$ 8	$ -
Total Revenues	8	8	8	-
EXPENDITURES				
County Treasurer's Fee	1	8	-	8
Intergovernmental Expenditures	-	-	8	(8)
Total Expenditures	1	8	8	-
NET CHANGE IN FUND BALANCE	7	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ 7	$ -	$ -	$ -

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	$ -	$ 3,492,391	$ 3,492,391
Interest Income	-	518	518
Total Revenues	-	3,492,909	3,492,909
EXPENDITURES			
Accounting	-	1,008	(1,008)
Engineering	-	5,425	(5,425)
Legal	-	552	(552)
Capital Outlay	15,000,000	6,033,370	8,966,630
Total Expenditures	15,000,000	6,040,355	8,959,645
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,000,000)	(2,547,446)	12,452,554
OTHER FINANCING SOURCES (USES)			
Developer Advance	15,000,000	6,040,622	(8,959,378)
Repay Developer Advance	-	(3,492,391)	(3,492,391)
Total Other Financing Sources (Uses)	15,000,000	2,548,231	(12,451,769)
NET CHANGE IN FUND BALANCE	-	785	785
Fund Balance - Beginning of Year	-	(267)	(267)
FUND BALANCE - END OF YEAR	$ -	$ 518	$ 518

OTHER INFORMATION

LEDGE ROCK CENTER RESIDENTIAL METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied: General Operations	Total Mills Levied: Debt Service	Total Mills Levied: Total	Total Property Taxes: Levied	Total Property Taxes: Collected	Percent Collected to Levied
2021/2022	$ 17,970	0.0%	-	-	-	$ -	$ -	- %
2022/2023	15,470	-13.9%	-	-	-	-	-	- %
2023/2024	190	-98.8%	10.000	40.000	50.000	10	10	100.00 %
Estimated for Year Ending December 31, 2025	$ 100	-47.4%	10.382	41.528	51.910	$ 5		

Note:

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

Source: Weld County Assessor and Treasurer.