BUCKLEY YARD METROPOLITAN DISTRICT NO. 2

2025 ANNUAL REPORT
TO
THE CITY OF AURORA, COLORADO

Pursuant to §32-1-207(3)(c) and the Service Plan for Buckley Yard Metropolitan District No. 2 ("**District"** or **"District No. 2**"), District No. 2 is required to provide an annual report to the City of Aurora with regard to the following matters:

For the year ending December 31, 2025, District No. 2 makes the following report:

§32-1-207(3) Statutory Requirements

1. **Boundary changes made.**

   There were no boundary changes made to the District's boundaries in 2025.

2. **Intergovernmental Agreements entered into or terminated.**

   The District did not enter into or terminate any Intergovernmental Agreements in 2025.

3. **Access information to obtain a copy of rules and regulations adopted by the board.**

   As of December 31, 2025, the District has not adopted any rules and regulations.

4. **A summary of litigation involving Public Improvements owned by the District.**

   To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's Public Improvements as of December 31, 2025.

5. **Status of the construction of Public Improvements by the District.**

   The District did not construct any public improvements in 2025. The developer constructs public improvements subject to reimbursment from the District of costs certified by an independent engineer.

6. **A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.**

   There were no improvements constructed that were conveyed or dedicated by the District in 2025. Any public improvement construction and conveyance was done by the Developer.

7. **The final assessed valuation of the District as of December 31st of the reporting year.**

The final assessed valuation for 2025 as reported by the Arapahoe County Assessor is $6,440,639.

8. **A copy of the current year's budget.**

   A copy of the 2026 Budget is attached hereto as **Exhibit A**.

9. **A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

   The 2025 Audit is not complete at the time of filing this report. The 2024 Audit is the most current audit and it is attached hereto as **Exhibit B**.

10. **Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

    There were no uncured defaults existing for more than 90-days under any District debt instrument in 2025.

11. **Any inability of the District to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

    There were no incidents of District inability to pay its obligations as they came due under any obligation which continued beyond 90-days in 2025.

Service Plan Requirements

12. **Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.**

    See Section 1 above.

13. **Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.**

    See Section 2 above.

14. **Current year budget including a description of the Public Improvements to be constructed in such year**.

    See Sections 5, 6 and 8 above.

EXHIBIT A
2026 Budget

BUCKLEY YARD METRO DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 3,056,741	$ 1,359,509	$ 711,360
REVENUES			
Property taxes	64,129	66,319	137,766
Property Taxes - ACT	19,963	37,832	93,924
Property taxes - ARI	2,580	2,642	6,917
Specific ownership taxes	5,103	5,692	13,123
Transfers from District No. 2 - Sub-Dist	34,363	24,894	67,622
Interest Income	102,323	34,000	23,000
Developer advance	4,536,794	49,284	20,361
Facilities fees	-	141,650	154,700
Other Revenue	624	-	-
Total revenues	4,765,879	362,313	517,413
Total funds available	7,822,620	1,721,822	1,228,773
EXPENDITURES			
General Fund	50,557	61,480	74,000
Debt Service Fund	452,537	470,431	527,572
Capital Projects Fund	5,960,017	478,551	-
Total expenditures	6,463,111	1,010,462	601,572
Total expenditures and transfers out requiring appropriation	6,463,111	1,010,462	601,572
ENDING FUND BALANCES	$ 1,359,509	$ 711,360	$ 627,201
EMERGENCY RESERVE	$ 1,000	$ 1,000	$ 1,200
AVAILABLE FOR OPERATIONS	-	17,140	-
DEBT SERVICE RESERVE FUND	621,250	621,250	621,250
DEBT SERVICE SURPLUS FUND	120,544	71,970	4,751
TOTAL RESERVE	$ 742,794	$ 711,360	$ 627,201

See summary of significant assumptions.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ -	$ -	$ 16,036
State assessed	-	-	20
Vacant land	2,482,900	2,542,786	6,422,220
Personal property	-	-	2,330
Other	34	34	33
Certified Assessed Value	$ 2,482,934	$ 2,542,820	$ 6,440,639
MILL LEVY			
General	10.394	10.394	4.327
Debt Service	15.434	15.687	17.063
ARI	1.039	1.039	1.074
ACT Pledge	8.040	14.878	14.583
Total mill levy	34.907	41.998	37.047
PROPERTY TAXES			
General	$ 25,808	$ 26,430	$ 27,869
Debt Service	38,322	39,889	109,897
ARI	2,580	2,642	6,917
ACT Pledge	19,963	37,832	93,924
Levied property taxes	86,673	106,793	238,607
Adjustments to actual/rounding	(1)	-	-
Budgeted property taxes	$ 86,672	$ 106,793	$ 238,607
BUDGETED PROPERTY TAXES			
General	**$ 25,807**	**$ 26,430**	**$ 27,869**
Debt Service	**38,322**	**39,889**	**109,897**
ARI	**2,580**	**2,642**	**6,917**
ACT Pledge	**19,963**	**37,832**	**93,924**
	$ 86,672	**$ 106,793**	**$ 238,607**

See summary of significant assumptions.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ (17,205)	$ (286)	$ 18,140
REVENUES			
Property taxes	25,807	26,430	27,869
Property taxes - ARI	2,580	2,642	6,917
Specific ownership taxes	1,671	1,550	1,913
Developer advance	36,794	49,284	20,361
Other Revenue	624	-	-
Total revenues	67,476	79,906	57,060
Total funds available	50,271	79,620	75,200
EXPENDITURES			
General and administrative			
Accounting	23,495	30,000	32,000
Auditing	6,700	6,590	7,100
County Treasurer's Fee	426	436	522
Dues and Membership	321	326	500
Insurance	2,921	2,771	3,000
Legal	13,341	15,000	20,000
Miscellaneous	-	-	2,465
Election	212	2,155	-
Website	600	1,600	1,600
Transfers to other districts	2,541	2,602	6,813
Total expenditures	50,557	61,480	74,000
Total expenditures and transfers out requiring appropriation	50,557	61,480	74,000
ENDING FUND BALANCES	$ (286)	$ 18,140	$ 1,200
EMERGENCY RESERVE	$ 1,000	$ 1,000	$ 1,200
AVAILABLE FOR OPERATIONS		17,140	-
TOTAL RESERVE	$ 1,000	$ 18,140	$ 1,200

See summary of significant assumptions.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 1,181,144	$ 881,244	$ 693,220
REVENUES			
Property taxes	38,322	39,889	109,897
Property Taxes - ACT	19,963	37,832	93,924
Specific ownership taxes	3,432	4,142	11,210
Transfers from District No. 2 - Sub-Dist	34,363	24,894	67,622
Interest Income	56,557	34,000	23,000
Facilities fees	-	141,650	154,700
Total revenues	152,637	282,407	460,353
Total funds available	1,333,781	1,163,651	1,153,573
EXPENDITURES			
Debt Service			
Bond Interest - 2022A	425,000	425,000	425,000
Paying agent fees	7,000	7,000	7,000
County Treasurer's Fee	874	1,166	3,057
Transfers to other districts	19,663	37,265	92,515
Total expenditures	452,537	470,431	527,572
Total expenditures and transfers out requiring appropriation	452,537	470,431	527,572
ENDING FUND BALANCES	$ 881,244	$ 693,220	$ 626,001
DEBT SERVICE RESERVE FUND	$ 621,250	$ 621,250	$ 621,250
DEBT SERVICE SURPLUS FUND	120,544	71,970	4,751
TOTAL RESERVE	$ 741,794	$ 693,220	$ 626,001

See summary of significant assumptions.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 1,892,802	$ 478,551	$ -
REVENUES			
Interest Income	45,766	-	-
Developer advance	4,500,000	-	-
Total revenues	4,545,766	-	-
Total funds available	6,438,568	478,551	-
EXPENDITURES			
Capital Projects			
Capital outlay	5,923,181	448,551	-
Accounting	23,495	20,000	-
Legal	13,341	10,000	-
Total expenditures	5,960,017	478,551	-
Total expenditures and transfers out requiring appropriation	5,960,017	478,551	-
ENDING FUND BALANCES	$ 478,551	$ -	$ -

See summary of significant assumptions.

BUCKLEY YARD METRO DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Buckley Yard Metro District No. 2 (District) a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Arapahoe County, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the Service Plan approved by The City of Aurora (City). The District was established to for planning, design, constructing, and financing public improvements for the development. The District has no employees and all administrative functions are contracted.

The organization of the District was approved by eligible electors of the District, voting at the election held on November 2, 2021 (the "2021 Election"). At the 2021 Election, the eligible electors of the District authorized the issuance of debt for public improvements. The Subdistrict was authorized to issue debt at the May 3, 2022 Election.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material**.**

Revenues

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. Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Revenues – (continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate
Single-Family Residential	6.25%
Multi-Family Residential	6.25%
Commercial	27.00%
Industrial	27.00%
Lodging	27.00%

Category	Rate
Agricultural Land	27.00%
Renewable Energy Land	27.00%
Vacant Land	27.00%
Personal Property	27.00%
State Assessed	27.00%
Oil & Gas Production	87.50%

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County

Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5.5% of the property taxes collected.

Transfers from Subdistrict

The intergovernmental revenues are transfers from Buckley Yard Metro District No. 2 Subdistrict and are pledged for debt service payments. The District will coordinate the payment of principal and interest on the Series 2022A Bonds.

Developer Advance

The District is in the development stage. As such, all of the District's general and administrative expenditures will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds (if applicable) and other legally available revenues.

Facilities Fees

The District imposes a Facilities Fee of $2,250 on each single-family detached residential unit and a Facilities Fee of $1,700 on each single-family attached residential unit. The fees are payable by the end user at the time of closing. The revenue from the fees is pledged for payment of bonds or any other indebtedness of the District.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.50%.

BUCKLEY YARD METRO DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

General and Administrative

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

Pledged Revenue – ARI

The District is required by the Service Plan to impose a mill levy for Aurora regional improvements (the "ARI Mill Levy"). The ARI Mill Levy is defined in the Service Plan as (i) for the first 20 years, one mill; (ii) for the next 20 years, five mills; and (iii) for the next 10 years, a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt it issued to construct non-regional improvements. The ARI Mill Levy is not pledged to the payment of the Bonds.

Pledged Revenue – Aurora CentreTech

Prior to its inclusion into the District, the West Parcel was within the boundaries of Aurora CentreTech Metropolitan District ("Aurora CentreTech"). Pursuant to an Order of Exclusion approved by the Arapahoe County District Court on June 2, 2022, the 18.21-acre West Parcel was excluded from the boundaries of Aurora CentreTech (the "Exclusion Order"). among Aurora CentreTech, the District, and the Property Owner, the West Parcel (the "Overlap Area") has been excluded from Aurora CentreTech. Pursuant to State statute, property excluded from a special district remains subject to the special district's outstanding indebtedness existing as of the effective date of the exclusion order excluding such property from the boundaries of a special district.

As of the effective date of the Exclusion Order, Aurora CentreTech has outstanding debt comprised of General Obligation Refunding and Improvement Bonds, Series 1998A and General Obligation Refunding Bonds, Series 1998C which mature on December 1, 2028 (the "1998 ACT Debt") the repayment of which the West Parcel is partially responsible. The West Parcel will be assessed the debt mill levy imposed by Aurora CentreTech for so long as the 1998 ACT Debt is outstanding.

Pursuant to an Exclusion Agreement among Aurora CentreTech, the District and the Property Owner (the Developer), the District covenants to remit to Aurora CentreTech an amount equal to the EA Mill Levy Revenue, defined below, in every year beginning in tax levy year 2022 (for tax collection year 2023) and in every year thereafter through tax levy year 2028 (for tax collection year 2029). The "EA Mill Levy Revenue" is an annual amount equal to what would be collected on the assessed valuation of the West Parcel if assessed 34 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, abatement on or after January 1, 2021) less the debt mill levy imposed by Aurora CentreTech on the West Parcel, (subject to adjustment) (the "EA Mill Levy"). The Exclusion Agreement terminates when all of the EA Mill Levy Revenue for tax collection years 2023 through 2029 has been remitted to Aurora CentreTech.

The EA Mill Levy is not an additional mill levy to be imposed by the District (or any other person); rather, such number of mills is solely for the purpose of calculating the annual amount of the EA Mill Levy Revenue to be paid to ACT by the District throughout the term of the Exclusion Agreement. The presentation reflects 34 mills imposed on the West Parcel throughout the term of the Exclusion Agreement, which is intended to reflect the sum of the debt mill levy imposed by Aurora CentreTech on the West Parcel and the burden of the EA Mill Levy Revenue obligation for the years shown.

Expenditures (continued)

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2022 Bonds (discussed under Debt and Leases).

Debt and Leases

Series 2022A Bonds

In July 2022, the District issued $6,800,000 in Series 2022A Limited Tax General Obligation Bonds and $1,569,000 in Series 2022B Subordinate Limited Tax General Obligation Bonds. The Series 2022A Bonds shall be issued as a single term bond, be dated as of the date of issuance, and bear interest at the rate per annum of 6.250%, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Senior Pledged Revenue available therefor on June 1 and December 1 of each year, commencing December 1, 2022 and maturing on December 1, 2052. The Series 2022B Subordinate Bonds are cash flow bonds and therefore no payment schedule is available and bear interest at the rate per annum of 9.250% calculated on the basis of a 360-day year of twelve 30-day months.

Developer Advances

The District also has operating and capital advances, which are estimated through 2026 as shown below.

	Balance - December 31, 2024	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2025
Developer Advance - Capital	$ 4,500,000	$ -	$ -	$ 4,500,000
Accrued Interest - Developer Advances - Capital	162,082	360,000	-	522,082
Developer Advance - Operations	96,716	49,284	-	146,000
Accrued Interest - Developer Advances - Operations	10,727	10,027	-	20,754
	$ 4,769,525	$ 419,311	$ -	$ 5,188,836

	Balance - December 31, 2025	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2026
Developer Advance - Capital	$ 4,500,000	$ -	$ -	$ 4,500,000
Accrued Interest - Developer Advances - Capital	522,082	360,000	-	882,082
Developer Advance - Operations	146,000	20,361	-	166,361
Accrued Interest - Developer Advances - Operations	20,754	13,166	-	33,920
	$ 5,188,836	$ 393,527	$ -	$ 5,582,363

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the 2022A Bonds.

This information is an integral part of the accompanying budget.

Buckley Yard Metropolitan District No. 2

6,800,000
Limited Tax General Obligation Bonds
Series 2022A

Issue Date July 27, 2022
Interest Rate of 6.250% - 6.750%
Due June 1 and December 1

	Series 2022A Senior Bonds	
Year Ended December 31,	Principal	Interest
2026	$ -	$ 425,000
2027	-	425,000
2028	-	425,000
2029	-	425,000
2030	85,000	425,000
2031	90,000	419,688
2032	105,000	414,062
2033	110,000	407,500
2034	130,000	400,625
2035	135,000	392,500
2036	155,000	384,063
2037	165,000	374,375
2038	190,000	364,063
2039	200,000	352,188
2040	225,000	339,688
2041	235,000	325,625
2042	265,000	310,937
2043	280,000	294,375
2044	310,000	276,875
2045	330,000	257,500
2046	360,000	236,875
2047	385,000	214,375
2048	420,000	190,312
2049	445,000	164,062
2050	485,000	136,250
2051	515,000	105,937
2052	1,180,000	73,750
Total	$ 6,800,000	$ 8,560,625

Assumes no redemptions, other than mandatory sinking fund redemptions, prior to maturity.
Figures have been rounded and may differ from actual debt service payments

BUCKLEY YARD METRO DISTRICT NO. 2 SUBDISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2 SUB-DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Property taxes	32,919	23,976	65,021
Specific ownership taxes	1,938	1,278	3,576
Other Revenue	-	-	403
Total revenues	34,857	25,254	69,000
Total funds available	34,857	25,254	69,000
EXPENDITURES			
Debt Service			
Transfers to other districts	34,363	24,894	67,622
County Treasurer's Fee	494	360	975
Contingency	-	-	403
Total expenditures	34,857	25,254	69,000
Total expenditures and transfers out requiring appropriation	34,857	25,254	69,000
ENDING FUND BALANCES	$ -	$ -	$ -

See summary of significant assumptions.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2 SUB-DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/7/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ -	$ -	$ 16,036
Vacant land	1,155,157	1,120,073	2,928,508
Certified Assessed Value	$ 1,155,157	$ 1,120,073	$ 2,944,544
MILL LEVY			
Debt Service	28.497	21.406	22.082
Total mill levy	28.497	21.406	22.082
PROPERTY TAXES			
Debt Service	32,919	23,976	65,021
Levied property taxes	32,919	23,976	65,021
Budgeted property taxes	$ 32,919	$ 23,976	$ 65,021
BUDGETED PROPERTY TAXES			
Debt Service	**$ 32,919**	**$ 23,976**	**$ 65,021**
	$ 32,919	**$ 23,976**	**$ 65,021**

See summary of significant assumptions.

BUCKLEY YARD METRO DISTRICT NO. 2 SUBDISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Buckley Yard Metro District No. 2 Subdistrict (Subdistrict), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized pursuant to §32-1-l l0l(l)(f)(I), C.R.S. by a resolution approved by Buckley Yard Metropolitan District No. 2 (District). The District operates under the Service Plan approved by the City of Aurora, Colorado (City). The District was established to for planning, design, constructing, and financing public improvements for the development. In accordance with Section 32-1-1101(1)(f)(III), C.R.S., the District Board constitutes the ex officio the Board of Directors of the Subdistrict.

The Subdistrict has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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 Subdistrict. Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Revenues – (continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate
Single-Family Residential	6.25%		Agricultural Land	27.00%
Multi-Family Residential	6.25%		Renewable Energy Land	27.00%
Commercial	27.00%		Vacant Land	27.00%
Industrial	27.00%		Personal Property	27.00%
Lodging	27.00%		State Assessed	27.00%
			Oil & Gas Production	87.50%

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the Subdistrict's share will be equal to approximately 5.5% of the property taxes collected.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Transfer to Other Districts

Pursuant to an Agreement with Buckley Yard Metropolitan District No. 2, the Subdistrict is obligated to impose a mill levy, not to exceed 53.728 mills, subject to certain adjustments, and remit property taxes derived from such mill levy, together with facilities fees and a portion of specific ownership taxes applicable to property within the Subdistrict.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserve. This reserve must be at least 3% of fiscal year spending. Since all funds are transferred to District 2, an Emergency Reserve is not reflected in the Subdistrict's budget.

This information is an integral part of the accompanying budget.

EXHIBIT B
2024 Audit

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Buckley Yard Metropolitan District No. 2
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Buckley Yard Metropolitan District No. 2 (the 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, and the respective changes in financial position thereof, and the respective budgetary comparisons for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Fiscal Focus Partners, LLC

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Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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.

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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary and Other 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 and other information (together, the information) as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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. 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 our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
July 28, 2025

BASIC FINANCIAL STATEMENTS

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	$ 2,378
Cash and Investments - Restricted	1,877,901
Prepaid Insurance	2,771
Receivable from County Treasurer	1,892
Property Tax Receivable	130,769
Capital Assets:	
Capital Assets Not Being Depreciated	10,571,929
Total Assets	12,587,640
LIABILITIES	
Accounts Payable	11,087
Retainage Payable	510,987
Due to ARI	3,359
Accrued Bond Interest - 2022A	35,417
Noncurrent Liabilities:	
Due in More Than One Year	13,516,588
Total Liabilities	14,077,438
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	130,769
Total Deferred Inflows of Resources	130,769
NET POSITION	
Restricted for:	
Emergency Reserve	900
Capital Projects	478,551
Unrestricted	(2,100,018)
Total Net Position	$ (1,620,567)

See accompanying Notes to Basic Financial Statements.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 87,887	$ -	$ -	$ -	$ (87,887)
Interest on Long-Term Debt and Related Costs	787,099	-	-	-	(787,099)
Total Governmental Activities	$ 874,986	$ -	$ -	$ -	(874,986)
GENERAL REVENUES					
Property Taxes					97,047
Property taxes - ARI					2,580
Property Taxes - ACT					19,963
Specific Ownership Taxes					7,041
Interest Income					102,323
Other Revenue					624
Total General Revenues					229,578
CHANGES IN NET POSITION					(645,408)
Net Position - Beginning of Year					(975,159)
NET POSITION - END OF YEAR					$ (1,620,567)

See accompanying Notes to Basic Financial Statements.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Special Revenue Fund - Subdistrict	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	$ 2,378	$ -	$ -	$ -	$ 2,378
Cash and Investments - Restricted	900	-	879,801	997,200	1,877,901
Receivable from County Treasurer	449	521	922	-	1,892
Due from Other Funds	-	-	521	-	521
Prepaid Insurance	2,771	-	-	-	2,771
Property Tax Receivable	29,072	23,976	77,721	-	130,769
Total Assets	$ 35,570	$ 24,497	$ 958,965	$ 997,200	$ 2,016,232
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 3,425	$ -	$ -	$ 7,662	$ 11,087
Retainage Payable	-	-	-	510,987	510,987
Due to Other Funds	-	521	-	-	521
Due to ARI	3,359	-	-	-	3,359
Total Liabilities	6,784	521	-	518,649	525,954
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	29,072	23,976	77,721	-	130,769
Total Deferred Inflows of Resources	29,072	23,976	77,721	-	130,769
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid Expense	2,771	-	-	-	2,771
Restricted for:					
Emergency Reserves	900	-	-	-	900
Debt Service	-	-	881,244	-	881,244
Capital Projects	-	-	-	478,551	478,551
Unassigned	(3,957)	-	-	-	(3,957)
Total Fund Balances (Deficits)	(286)	-	881,244	478,551	1,359,509
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 35,570	$ 24,497	$ 958,965	$ 997,200	

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.	10,571,929
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(8,369,000)
Developer Advance Payable	(4,596,716)
Accrued Interest Bonds	(413,481)
Accrued Interest Developer Advance	(172,808)
Net Position of Governmental Activities	$ (1,620,567)

See accompanying Notes to Basic Financial Statements.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Special Revenue Fund - Subdistrict	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	$ 25,807	$ 32,919	$ 38,322	$ -	$ 97,048
Property taxes - ARI	2,580	-	-	-	2,580
Property Taxes - ACT	-	-	19,963	-	19,963
Specific Ownership Taxes	1,671	1,938	3,432	-	7,041
Interest Income	-	-	56,557	45,766	102,323
Other Revenue	624	-	-	-	624
Total Revenues	30,682	34,857	118,274	45,766	229,579
EXPENDITURES					
Current:					
Accounting	23,495	-	-	23,495	46,990
Auditing	6,700	-	-	-	6,700
County Treasurer's Fee	426	494	874	-	1,794
Dues and Memberships	321	-	-	-	321
Election	212	-	-	-	212
Insurance	2,921	-	-	-	2,921
Legal	13,341	-	-	13,341	26,682
Website	600	-	-	-	600
Intergovenmental Expenditures	2,541	-	19,663	-	22,204
Debt Service:					
Bond Interest - 2022A	-	-	425,000	-	425,000
Paying Agent Fees	-	-	7,000	-	7,000
Capital Projects:					
Capital Outlay	-	-	-	5,923,181	5,923,181
Total Expenditures	50,557	494	452,537	5,960,017	6,463,605
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,875)	34,363	(334,263)	(5,914,251)	(6,234,026)
OTHER FINANCING SOURCES (USES)					
Developer Advance	36,794	-	-	4,500,000	4,536,794
Transfers From Other Funds	-	-	34,363	-	34,363
Transfers To Other Funds	-	(34,363)	-	-	(34,363)
Total Other Financing Sources	36,794	(34,363)	34,363	4,500,000	4,536,794
NET CHANGE IN FUND BALANCES	16,919	-	(299,900)	(1,414,251)	(1,697,232)
Fund Balances (Deficits) - Beginning of Year	(17,205)	-	1,181,144	1,892,802	3,056,741
FUND BALANCES (DEFICITS) - END OF YEAR	$ (286)	$ -	$ 881,244	$ 478,551	$ 1,359,509

See accompanying Notes to Basic Financial Statements.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds	$ (1,697,232)
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	5,923,181
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	(4,536,794)
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 Bond Interest Payable - Change in Liability	(164,854)
Accrued Developer Advance Interest Payable - Change in Liability	(169,709)
Changes in Net Position of Governmental Activities	$ (645,408)

See accompanying Notes to Basic Financial Statements.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 25,807	$ 25,807	$ -
Property taxes - ARI	2,580	2,580	-
Specific Ownership Taxes	1,703	1,671	(32)
Interest Income	20	-	(20)
Other Revenue	-	624	624
Total Revenues	30,110	30,682	572
EXPENDITURES			
Accounting	35,000	23,495	11,505
Auditing	7,700	6,700	1,000
Contingency	1,333	-	1,333
County Treasurer's Fee	426	426	-
Dues And Membership	1,000	321	679
Election	-	212	(212)
Insurance	3,000	2,921	79
Legal	22,000	13,341	8,659
Miscellaneous	2,000	-	2,000
Intergovernmental Expenditures	2,541	2,541	-
Website	-	600	(600)
Total Expenditures	75,000	50,557	24,443
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,890)	(19,875)	25,015
OTHER FINANCING SOURCES (USES)			
Developer Advance	45,590	36,794	(8,796)
Total Other Financing Sources (Uses)	45,590	36,794	(8,796)
NET CHANGE IN FUND BALANCE	700	16,919	16,219
Fund Balance (Deficit) - Beginning of Year	300	(17,205)	(17,505)
FUND BALANCE (DEFICIT) - END OF YEAR	$ 1,000	$ (286)	$ (1,286)

See accompanying Notes to Basic Financial Statements.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
SPECIAL REVENUE FUND - SUBDISTRICT
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	$ 32,919	$ 32,919	$ -
Specific Ownership Taxes	1,975	1,938	(37)
Other Revenue	106	-	(106)
Total Revenues	35,000	34,857	(143)
EXPENDITURES			
Contingency	106	-	106
County Treasurer's Fee	494	494	-
Total Expenditures	600	494	106
OTHER FINANCING SOURCES (USES)			
Transfers To Other Funds	(34,400)	(34,363)	37
Total Other Financing Sources (Uses)	(34,400)	(34,363)	37
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Buckley Yard 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 on November 10, 2021, recorded on November 19, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the city of Aurora (the City), on August 9, 2021. The District's service area is located in the City, Arapahoe County (the County), Colorado. The District was established to provide for the planning, design, acquisition, construction, installation, relocation, and redevelopment of the public improvements within and without the boundaries of the District.

Pursuant to a resolution of the Board of Directors of the District (the Board) adopted on March 1, 2022 (and effective March 24, 2022), the Board established the Buckley Yard Metropolitan District No. 2 – Subdistrict (the Subdistrict), the boundaries of which are within the boundaries of the District. Under state law, a subdistrict is an independent quasi-municipal corporation possessing all of the rights, privileges, and immunities of the special district creating the subdistrict.

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, and a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity. The financial operations of the Subdistrict are included within these financial statements.

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

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 the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements - (Continued)

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.

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 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Subdistrict 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 of the District.

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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 ended 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.

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 30 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

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

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2024. The deficit will be eliminated with the receipt of property tax revenues or 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	$	2,378
Cash and Investments - Restricted		1,877,901
Total Cash and Investments	$	1,880,279

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

Deposits with Financial Institutions	$	1,000,478
Investments		879,801
Total Cash and Investments	$	1,880,279

Cash Deposits

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.

On December 31, 2024, the District's cash deposits had a bank balance and carrying balance of $1,000,478.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

On December 31, 2024, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted-Average Under 60 Days	$ 879,801

COLOTRUST

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 4,648,748	$ 5,923,181	$ -	$ 10,571,929
Total Capital Assets, Not Being Depreciated	4,648,748	5,923,181	-	10,571,929
Governmental Activities Capital Assets, Net	$ 4,648,748	$ 5,923,181	$ -	$ 10,571,929

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of 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
Bonds Payable:					
Series 2022A	$ 6,800,000	$ -	$ -	$ 6,800,000	$ -
Series 2022B	1,569,000	-	-	1,569,000	-
Accrued Interest on:					
Series 2022B	213,210	164,854	-	378,064	-
Subtotal Bonds Payable	8,582,210	164,854	-	8,747,064	-
Other Debts:					
Developer Advance - Operations	59,922	36,794	-	96,716	-
Developer Advance - Capital	-	4,500,000	-	4,500,000	-
Accrued Interest on:					
Developer Advance - Operations	3,099	7,627	-	10,726	-
Developer Advance - Capital	-	162,082	-	162,082	-
Subtotal Other Debts	63,021	4,706,503	-	4,769,524	-
Total Long-Term Obligations	$ 8,645,231	$ 4,871,357	$ -	$ 13,516,588	$ -

Limited Tax General Obligation Bonds, Series 2022A (the Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2022B(3) (the Subordinate Bonds) and together with the Senior Bonds, (the Bonds)

The District issued the Bonds on July 27, 2022, in the amount of $6,800,000 and $1,569,000 for the Senior Bonds and Subordinate Bonds, respectively.

Proceeds of the Bonds

Proceeds from the sale of the Senior Bonds were used to: (a) pay or reimburse Project Costs; (b) fund capitalized interest on the Senior Bonds; (c) fund the Reserve Fund in the amount of the Reserve Requirement; and (d) pay costs of issuance of the Senior Bonds.

Proceeds from the sale of the Subordinate Bonds were used to pay or reimburse Project Costs and pay costs of issuance of the Subordinate Bonds.

Senior Bonds Details

The Senior Bonds bear interest at 6.25%, payable semi-annually on June 1 and December 1, beginning on December 1, 2022. Principal payments on the Senior Bonds are due annually on each December 1, beginning on December 1, 2030. The Senior Bonds mature on December 1, 2052.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A (the Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2022B(3) (the Subordinate Bonds) and together with the Senior Bonds, (the Bonds) (Continued)

Senior Bonds Details (Continued)

The Senior Bonds are not subject to early termination or acceleration. The Senior Bonds do not have any unused lines of credit, and no assets have been pledged as collateral on the Senior Bonds.

Optional Redemption of Bonds

The Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
September 1, 2027 to August 31, 2028	3.00%
September 1, 2028 to August 31, 2029	2.00%
September 1, 2029 to August 31, 2030	1.00%
September 1, 2030, and Thereafter	0.00%

Senior Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue derived by the District from the following sources:

(a) the Senior Tax Revenue;
(b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy;
(c) the Capital Facilities Fee Tax Revenue;
(d) the Subdistrict Debt Service Revenues; and
(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Senior Tax Revenue

The Senior Tax Revenue, prior to the expiration of the EA Mill Levy Revenue Term, is the revenue derived from the imposition of the Senior Required Mill Levy *less* the amount of the EA Mill Levy Revenue. Upon expiration of the EA Mill Levy Revenue Term, the Senior Tax Revenue is the revenue generated from the imposition of the Senior Required Mill Levy.

The EA Mill Levy Revenue is the portion of the District's ad valorem revenue required to be paid to Aurora CentreTech Metropolitan District (ACT) each year. Such amount is computed as an amount equal to the annual ad valorem tax revenue that would be derived from the West Parcel if the EA Mill Levy were imposed on the West Parcel.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A (the Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2022B(3) (the Subordinate Bonds) and together with the Senior Bonds, (the Bonds) (Continued)

Senior Required Mill Levy

The Senior Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, and if necessary, to replenish the Reserve Fund to the Reserve Requirement, and to fund the Surplus Fund to the Maximum Surplus Amount but not in excess of 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004) *minus* the ACT Debt Mill Levy prior to the ACT Debt Mill Levy Termination Date.

The ACT Debt Mill Levy is the debt service mill levy imposed by ACT each year on the portion of the District comprising the West Parcel.

Subdistrict Debt Service Revenues

The Subdistrict Debt Service Revenues is the moneys derived from the Subdistrict from its imposition of the Subdistrict Required Mill Levy which is an ad valorem mill levy imposed upon all taxable property of the Subdistrict each year in the amount of 50 mills, as adjusted, *minus* the number of mills equal to the Senior Required Mill Levy.

Reserve Fund

The Senior Bonds are additionally secured by the Reserve Fund, which will initially be funded with proceeds of the Senior Bonds in the amount of the Reserve Requirement of $621,250. Amounts on deposit in the Reserve Fund on the final maturity date of the Senior Bonds are to be applied to the payment of the Senior Bonds on such date.

Moneys in the Reserve Fund shall be used by the Trustee, if necessary, only to prevent a default in the payment of the principal of, premium, if any, or interest on the Senior Bonds, and the Reserve Fund is pledged to the payment of the Senior Bonds.

Surplus Fund

Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus amount of $680,000. The Surplus Fund is to be maintained for so long as any Senior Bond is outstanding and is pledged to the payment of the Senior Bonds.

Events of Default of the Senior Bonds

Events of default occur if the District fails to impose the Senior Required Mill Levy, or to apply the Senior Pledged Revenues as required by the Senior Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture. Acceleration of the Senior Bonds shall not be an available remedy for an Event of Default.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A (the Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2022B(3) (the Subordinate Bonds) and together with the Senior Bonds, (the Bonds) (Continued)

Subordinate Bonds Details

The Subordinate Bonds bear interest at a rate of 9.25% per annum payable annually on December 15, beginning on December 15, 2022, to the extent of available Subordinate Pledged Revenue and mature on December 15, 2052. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

All of the Subordinate Bonds and interest thereon will be deemed paid, satisfied, and discharged on the Termination Date of December 16, 2062, regardless of the amount of principal and interest paid prior to the Termination Date.

The Subordinate Bonds are not subject to acceleration. The Subordinate Bonds do not have any unused lines of credit, and no assets have been pledged as collateral on the Subordinate Bonds.

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue consisting of the following:

(a) the Subordinate Tax Revenue;
(b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy;
(c) the Subordinate Capital Facilities Fee Tax Revenue;
(d) the Subordinate Subdistrict Debt Service Revenues; and
(e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Subordinate Tax Revenue

If the EA Mill Levy Revenue has not been deducted from the Senior Tax Revenue or has not otherwise been paid from another District revenue source to ACT, and the EA Mill Levy Revenue Term has not expired, the Subordinate Tax Revenue is the moneys derived from imposition of the Subordinate Required Mill Levy *less* the amount of the EA Mill Levy Revenue.

Subordinate Required Mill Levy

The Subordinate Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 50 mills, as adjusted, *minus* the number of mills equal to the Senior Bond Mill Levy, *or* if no Senior Bonds are then outstanding and the ACT Debt Mill Levy Termination Date has not yet occurred, *minus* the number of mills equal to the ACT Debt Mill Levy or such lesser amount sufficient to pay all the principal of, premium, if any, and interest on the Bonds in full.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A (the Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2022B(3) (the Subordinate Bonds) and together with the Senior Bonds, (the Bonds) (Continued)

Subordinate Subdistrict Debt Service Revenues

The Subordinate Subdistrict Debt Service Revenues is all Subdistrict Debt Service Revenues remaining after the application thereof to the payment of the Senior Bonds and any other Senior Bonds then outstanding.

Events of Default of the Subordinate Bonds

Events of default occur if the District fails to impose the Subordinate Required Mill Levy, or to apply the Subordinate Pledged Revenues as required by the Subordinate Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture. Acceleration of the Subordinate Bonds shall not be an available remedy for an Event of Default.

The District's Senior Bonds will mature as follows:

	Bonded Debt		
Year Ending December 31,	Principal	Interest	Total
2025	$ -	$ 425,000	$ 425,000
2026	-	425,000	425,000
2027	-	425,000	425,000
2028	-	425,000	425,000
2029	-	425,000	425,000
2030-2034	520,000	2,066,875	2,586,875
2035-2039	845,000	1,867,189	2,712,189
2040-2044	1,315,000	1,547,500	2,862,500
2045-2049	1,940,000	1,063,124	3,003,124
2050-2052	2,180,000	315,937	2,495,937
Total	$ 6,800,000	$ 8,985,625	$ 15,785,625

Due to the cash flow nature of the Subordinate Bonds, principal and interest payments on the Subordinate Bonds cannot be predicted with certainty and are not presented in the above maturity schedule.

Developer Advances

See Note 7.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On November 2, 2021, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $384,000,000 at an interest rate not to exceed 18% per annum. On December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 2, 2021 Election	Authorization Used Senior 2022A Bonds	Authorization Used Subordinate 2022B Bonds	Remaining at December 31, 2024
Streets	$ 16,000,000	$ 1,900,000	$ -	$ 14,100,000
Parks and Recreation	16,000,000	1,800,000	-	14,200,000
Water	16,000,000	1,900,000	-	14,100,000
Sanitation/Storm Sewer	16,000,000	1,200,000	1,569,000	13,231,000
Public Transportation	16,000,000	-	-	16,000,000
Mosquito Control	16,000,000	-	-	16,000,000
Safety Protection	16,000,000	-	-	16,000,000
Fire Protection	16,000,000	-	-	16,000,000
TV Relay/Translation	16,000,000	-	-	16,000,000
Security	16,000,000	-	-	16,000,000
Operations/Maintenance	16,000,000	-	-	16,000,000
Refunding	160,000,000	-	-	160,000,000
Intergovernmental Agmts	16,000,000	-	-	16,000,000
Private Agreements	16,000,000	-	-	16,000,000
Special Assessment Debt	16,000,000	-	-	16,000,000
Total	$ 384,000,000	$ 6,800,000	$ 1,569,000	$ 375,631,000

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $16,000,000.

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. The District had restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 900
Capital Projects	478,551
Total Restricted Net Position	$ 479,451

The District has a deficit in unrestricted net position.

NOTE 7 AGREEMENTS

Infrastructure Acquisition and Reimbursement Agreement

The District and Buckley Yard REF Acquisition LLC (the Developer) entered into an Infrastructure Acquisition and Reimbursement Agreement on July 11, 2022 (the ARA) which establishes the terms and conditions pursuant to which the District is to reimburse eligible costs funded by the Developer and/or acquire completed public improvements constructed by the Developer.

The Developer may initiate a request for the District's acceptance of eligible costs of public infrastructure (the District Eligible Costs). Upon certification of costs by an engineer and adoption of a resolution of the District accepting the costs, the Certified District Eligible Costs will bear simple interest at the rate of 8% per annum from the date of the District Acceptance Resolution until paid in full.

As of December 31, 2024, outstanding advances under the agreement totaled $4,500,000 and accrued interest totaled $162,082.

Funding and Reimbursement Agreement (Operations and Maintenance)

On July 11, 2022, the District and the Developer entered into a Funding and Reimbursement Agreement (Operations and Maintenance) (the Operations Funding Agreement or OFA) pursuant to which the Developer will advance funds to the District for purposes of paying general operating, administrative and maintenance costs, and the District will reimburse the Developer for such advances, together with simple interest thereon at the rate of 8% from the date of such advance to the date of repayment of such amount.

NOTE 7 AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement (Operations and Maintenance) (Continued)

Under the OFA, the Developer may loan funds to the District in sums not to exceed the aggregate of $50,000 per annum for two years, up to a total of $100,000. On January 14, 2025, the agreement was extended one year to December 31, 2025, and will make advances to the District up to $50,000 under the one-year renewal of the Agreement.

As of December 31, 2024, outstanding advances under the agreement totaled $96,716 and accrued interest totaled $10,726.

Exclusion Agreement

The District, Aurora CentreTech Metropolitan District (as previously defined as ACT) and the Developer entered into an Exclusion Agreement dated April 28, 2022.

The West Parcel of the Development was previously within the boundaries of ACT. ACT petitioned for exclusion of the West Parcel from its boundaries and the District petitioned for inclusion of the West Parcel into its boundaries, both of which have been approved by the Arapahoe County District Court.

As of the effective date of the Exclusion Order, ACT had outstanding debt comprised of General Obligation Refunding and Improvement Bonds, Series 1998A and General Obligation Refunding Bonds, Series 1998C which mature on December 1, 2028 (the 1998 ACT Debt), the repayment of which the West Parcel is partially responsible. The West Parcel will be assessed the debt mill levy imposed by ACT for so long as the 1998 ACT Debt is outstanding.

Pursuant to the Exclusion Agreement, the District covenants to remit to ACT an amount equal to the EA Mill Levy Revenue in every year beginning in tax levy year 2022 (for tax collection year 2023) and in every year thereafter through tax levy year 2028 (for tax collection year 2029). The EA Mill Levy Revenue is an annual amount equal to what would be collected on the assessed valuation of the West Parcel if assessed 34 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, abatement on or after January 1, 2021) less the debt mill levy imposed by ACT on the West Parcel, (subject to adjustment) (the EA Mill Levy). The Exclusion Agreement terminates when all of the EA Mill Levy Revenue for tax collection years 2023 through 2029 has been remitted to ACT.

The EA Mill Levy is not an additional mill levy to be imposed by the District (or any other person); rather, such number of mills is solely for the purpose of calculating the annual amount of the EA Mill Levy Revenue that is to be paid to ACT by the District from the tax revenue generated from imposition of the Senior Required Mill Levy.

The Exclusion Agreement will terminate when all of the EA Mill Levy Revenue for tax collection years 2023 through 2029 has been remitted to ACT.

NOTE 7 AGREEMENTS (CONTINUED)

Revenue Pledge Agreement

The Subdistrict and the District entered into the Revenue Pledge Agreement concurrently upon the issuance of the Bonds for the purpose of setting forth the Subdistrict's obligation to provide ad valorem property tax revenue derived from the taxable property of the Subdistrict (and specific ownership tax revenue allocable thereto) in order to pay a portion of the debt service on the Bonds (and other District Bonds, if any).

ARI Mill Levy

Pursuant to the Service Plan, the District is required to impose an ARI Mill Levy for the purpose of funding the costs of regional improvements generally intended to encompass street and transportation related improvements of a regional nature, and for related overhead and administration costs.

The ARI Mill Levy is equal to (i) one mill for collection beginning in the first year of collection of a debt service mill levy of the District and continuing in each year thereafter through the 20th year; (ii) five mills from the 21st year through the earlier to occur of; (A) the 40th year of imposition of the ARI Mill Levy or (B) the date of repayment of the District's debt incurred for the purpose of financing Service Plan contemplated public improvements (other than regional improvements); and (iii) for an additional ten years, the ARI Mill Levy is to be equal to the average debt service mill levy imposed by the District for the ten years prior to the date of repayment of the District's debt incurred for the purpose financing Service Plan contemplated public improvements (other than regional improvements).

The Service Plan allows for the creation of an Aurora Regional Improvement Authority (an ARI Authority) established by an intergovernmental agreement (an ARI Establishment Agreement), for the purpose of providing regional improvements. Alternatively, the District may enter into an intergovernmental agreement governing the use of the revenue derived by the District from imposition of the ARI Mill Levy (the ARI Revenue) for the regional improvements identified in such agreement (each an ARI IGA).

As of December 31, 2024, amounts due under the agreement total $3,359.

NOTE 8 RELATED PARTIES

Some members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District. The District has entered into various funding agreements with the Developer.

Operation Fund Agreement

- Purpose: To pay general, administrative, operations, and maintenance costs of the District(s).
- Parties: Districts and the Developer
- Original Date: July 11, 2022
- Extension Date: January 14, 2025
- Years Covered: Through December 31, 2025
- Maximum Amount: $150,000
- Interest Rate: 8% per annum from date of deposit
- Principal Balance at December 31, 2024: $96,716
- Accrued Interest Balance at December 31, 2024: $10,726

Infrastructure Acquisition and Reimbursement Agreement

- Purpose: To fund public improvements within the District.
- Parties: Districts and the Developer
- Original Date: July 11, 2022:
- Maximum Amount: $5,115,630.
- Interest Rate: 8% per annum from date District acceptance
- Principal Balance at December 31, 2024: $4,500,000
- Accrued Interest Balance at December 31, 2024: $162,082

Some members of the Board of Directors are employees, owners or otherwise associated with JR Engineering. The District has entered into a contract with JR Engineering for engineering services. These members may have conflicts of interest in dealing with the District. In the year ended December 31, 2024, the District paid $234,133 to JR Engineering.

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the Subdistrict Debt Service Fund to the Debt Service Fund is for pledged revenue transfers pursuant to the Revenue Pledge Agreement.

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, workers compensation, 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 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 12 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 20, 2020, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under 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 salary or benefit increases.

NOTE 12 TAX SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

SUPPLEMENTARY INFORMATION

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
DEBT SERVICE 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			
Property Taxes	$ 38,322	$ 38,322	$ -
Property Taxes - ACT	19,963	19,963	-
Specific Ownership Taxes	3,497	3,432	(65)
Interest Income	40,000	56,557	16,557
Total Revenues	101,782	118,274	16,492
EXPENDITURES			
County Treasurer's Fee	874	874	-
Paying Agent Fees	7,000	7,000	-
Bond Interest - 2022A	425,000	425,000	-
Contingency	4,462	-	4,462
Intergovernmental Expenditures	19,664	19,663	1
Total Expenditures	457,000	452,537	4,463
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(355,218)	(334,263)	20,955
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	34,400	34,363	(37)
Total Other Financing Sources (Uses)	34,400	34,363	(37)
NET CHANGE IN FUND BALANCE	(320,818)	(299,900)	20,918
Fund Balance - Beginning of Year	1,179,131	1,181,144	2,013
FUND BALANCE - END OF YEAR	$ 858,313	$ 881,244	$ 22,931

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

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Interest Income	$ 90,000	$ 45,766	$ 45,766	$ -
Total Revenues	90,000	45,766	45,766	-
EXPENDITURES				
Accounting	10,000	23,495	23,495	-
Legal	10,000	13,341	13,341	-
Capital Outlay	4,626,528	7,063,164	5,923,181	1,139,983
Total Expenditures	4,646,528	7,100,000	5,960,017	1,139,983
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,556,528)	(7,054,234)	(5,914,251)	1,139,983
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	4,500,000	4,500,000	-
Total Other Financing Sources	-	4,500,000	4,500,000	-
NET CHANGE IN FUND BALANCE	(4,556,528)	(2,554,234)	(1,414,251)	1,139,983
Fund Balance - Beginning of Year	4,556,528	4,556,528	1,892,802	(2,663,726)
FUND BALANCE - END OF YEAR	$ -	$ 2,002,294	$ 478,551	$ (1,523,743)

OTHER INFORMATION

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024

Bonds and Interest Maturing in the Year Ending December 31,	$6,800,000 Limited Tax General Obligation Bonds Series 2022A Issue Date July 27, 2022 Interest Rate of 6.250% Interest Due June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2025	$ -	$ 425,000	$ 425,000
2026	-	425,000	425,000
2027	-	425,000	425,000
2028	-	425,000	425,000
2029	-	425,000	425,000
2030	85,000	425,000	510,000
2031	90,000	419,688	509,688
2032	105,000	414,062	519,062
2033	110,000	407,500	517,500
2034	130,000	400,625	530,625
2035	135,000	392,500	527,500
2036	155,000	384,063	539,063
2037	165,000	374,375	539,375
2038	190,000	364,063	554,063
2039	200,000	352,188	552,188
2040	225,000	339,688	564,688
2041	235,000	325,625	560,625
2042	265,000	310,937	575,937
2043	280,000	294,375	574,375
2044	310,000	276,875	586,875
2045	330,000	257,500	587,500
2046	360,000	236,875	596,875
2047	385,000	214,375	599,375
2048	420,000	190,312	610,312
2049	445,000	164,062	609,062
2050	485,000	136,250	621,250
2051	515,000	105,937	620,937
2052	1,180,000	73,750	1,253,750
Total	$ 6,800,000	$ 8,985,625	$ 15,785,625

Due to the cash flow nature of the Subordinate Bonds, principal and interest payments on the Subordinate Bonds cannot be predicted with certainty and are not presented in this Schedule of Debt Service Requirements to Maturity.

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for General	Mills Levied for Debt Service	Mills Levied for ACT Pledge	Mills Levied for ARI	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2022	$ 370,367	5.000	55.664	0.000	0.000	$ 22,468	$ 22,468	100.00 %
2023	830,433	10.000	21.664	5.503	1.000	31,695	31,694	100.00 %
2024	2,482,934	10.394	15.434	8.040	1.039	86,672	86,672	100.00 %
Estimated for the Year Ending December 31,								
2025	$ 2,542,820	10.394	15.687	14.878	1.039	$ 106,793		

BUCKLEY YARD METROPOLITAN DISTRICT NO. 2 - SUBDISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for General	Mills Levied for Debt Service	Mills Levied for ACT Pledge	Mills Levied for ARI	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2022	$ -	0.000	0.000	0.000	0.000	$ -	$ -	- %
2023	370,367	0.000	28.497	0.000	0.000	10,554	10,554	100.00 %
2024	1,155,157	0.000	28.497	0.000	0.000	32,919	32,919	100.00 %
Estimated for the Year Ending December 31,								
2025	$ 1,120,073	0.000	21.406	0.000	0.000	$ 23,976		