SUMMERFIELD METROPOLITAN DISTRICT NOS. 1-3

CONSOLIDATED 2025 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for Summerfield Metropolitan District Nos. 1-3 (collectively the "**Districts**"), the Districts are required to provide an annual report to the Town of Erie (the "Town") with regard to the following matters:

For the year ending December 31, 2025, the Districts make the following report:

§32-1-207(3) Statutory Requirements

1. **Boundary changes made.**

   In 2025, there were no boundary changes made.

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

   In 2025, there were no Intergovernmental Agreements entered into or terminated.

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

   The Districts have not adopted any rules and regulations.

4. **A summary of litigation involving public improvements owned by the Districts.**

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

5. **Status of the construction of public improvements by the Districts.**

   The Districts have made significant progress on the 10-year project, with active public improvement installation ongoing. Builder/Developer has started public improvements in multiple locations, and they are starting to connect the various improvements together.

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

   The Districts constructed offsite and onsite public infrastructure improvements including water, sanitary sewer, storm sewer/drainage improvements, streets, pedestrian flatwork, landscaping, and park improvements.

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

   2025 Assessed Value District No. 1: $160.00

2025 Assessed Value District No. 2: $23,703,760

2025 Assessed Value District No. 3: $359,910

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

Copies of the 2026 Budgets are 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 for District Nos.1 and 2 are not complete at the submittal of this report. The 2024 Audits for District Nos. 1 and 2 are attached hereto as **Exhibit B**. The 2025 Audit Exemption Application for District No. 3 is attached hereto as **Exhibit C.**

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

None.

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

None.

Service Plan Requirements

1. **A narrative summary of the progress of the District in implementing the Service Plan.**

Construction and financing of public infrastructure is ongoing.

2. **Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the fiscal year.**

The Districts incurred capital expenditures in 2025 as shown on the attached budgets. In the next five (5) years, a majority of the public improvements contemplated in the Service Plan is projected to be undertaken as development demands.

3. **Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the fiscal year, including the amount**

of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the fiscal year, the amount of payment or retirement of existing indebtedness of the District in the fiscal year, the total assessed valuation of all taxable properties within the District as of January 1 of the fiscal year, and the current mill levy of the District pledged to debt retirement in the fiscal year.

Summerfield Metropolitan District No. 2 issued debt in 2025: Taxable Special Revenue Drawdown Annual Appropriation Notes, Series 2025; and Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Drawdown Bonds, Series 2026.

District No. 1 debt mill levy: 0.000
District No. 2 debt mill levy: 41.803
District No. 3 debt mill levy: 0.000

4. **A summary of residential and commercial development which has occurred within the District for the fiscal year.**

None.

5. **A summary of all taxes, fees, charges and assessments imposed by the District as of January 1 of the fiscal year.**

Each District's mill levy taxes imposed in 2025 for collection in 2026 is reflected on their attached budgets. No fees, charges or assessments imposed in 2025.

6. **The name, business address and telephone number of each member of the Board and the chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards for the report year.**

Jon R. Lee	*President*	*2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299*
Jessica Brothers	*Treasurer*	*2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299*
Amber Morrison	*Secretary*	*2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299*
Crosby Lee	*Assistant Secretary*	*2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299*
Vacancy		

The Districts regular meetings are 4th Thursday of April and October at 10:00 a.m., and the 3rd Thursday May, September, November and December at 9:00 am at Erie Recreation Center; 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado and/or via Zoom Teleconference

Chief Admin. Officer – None.

General Legal Counsel – WBA, PC; 2154 E. Commons Avenue, Suite 2000, Centennial, CO 80122; 303-858-1800

EXHIBIT A
2026 Budgets

SUMMERFIELD METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 34,439	$ 50,773	$ 59,189
REVENUES			
Property Taxes	9	8	9
Interest Income	21	700	1,000
Other Revenue	-	3,469	-
Acceptance of Reimbursable Costs	13,064,295	24,000,000	24,000,000
Transfers from Summerfield MD No. 2	13,407,795	24,202,000	24,204,020
Transfers from Summerfield MD No. 3	5,000	10,000	15,000
Total revenues	26,477,120	48,216,177	48,220,029
Total funds available	26,511,559	48,266,950	48,279,218
EXPENDITURES			
General Fund	26,460,786	48,207,761	225,810
Capital Projects Fund	-	-	48,000,000
Total expenditures	26,460,786	48,207,761	48,225,810
Total expenditures and transfers out requiring appropriation	26,460,786	48,207,761	48,225,810
ENDING FUND BALANCES	$ 50,773	$ 59,189	$ 53,408
EMERGENCY RESERVE	$ 7,700	$ 6,500	$ 6,700
AVAILABLE FOR OPERATIONS	43,073	52,689	46,708
TOTAL RESERVE	$ 50,773	$ 59,189	$ 53,408

See summary of significant assumptions.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
SUMMERFIELD METROPOLITAN DISTRICT NO. 1

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Agricultural	$ 150	$ 150	$ 160
Certified Assessed Value	$ 150	$ 150	$ 160
MILL LEVY			
General	59.403	54.906	53.740
Total mill levy	59.403	54.906	53.740
PROPERTY TAXES			
General	$ 9	$ 8	$ 9
Levied property taxes	9	8	9
Budgeted property taxes	$ 9	$ 8	$ 9
BUDGETED PROPERTY TAXES			
General	**$ 9**	**$ 8**	**$ 9**
	$ 9	**$ 8**	**$ 9**

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 34,439	$ 50,773	$ 59,189
REVENUES			
Property Taxes	9	8	9
Interest Income	21	700	1,000
Other Revenue	-	3,469	-
Acceptance of Reimbursable Costs	13,064,295	24,000,000	-
Transfers from Summerfield MD No. 2	13,407,795	24,202,000	204,020
Transfers from Summerfield MD No. 3	5,000	10,000	15,000
Total revenues	26,477,120	48,216,177	220,029
Total funds available	26,511,559	48,266,950	279,218
EXPENDITURES			
General and administrative			
Accounting	58,205	48,000	50,000
Auditing	6,700	14,628	15,500
Directors' Fees	60	60	60
Dues and Membership	1,848	2,460	2,750
Insurance	6,961	7,048	7,500
District Management	64,840	12,000	15,000
Construction Management	-	-	20,000
Legal	51,702	65,000	50,000
Miscellaneous	-	9,000	3,000
Banking fees	74	-	-
Election	24	3,065	10,000
Website	981	1,500	2,000
Capital projects			
Capital Outlay	97,540	5,000	-
Engineering	43,261	40,000	50,000
Recognition of Costs	13,064,295	24,000,000	-
Repay Developer Advance	13,064,295	24,000,000	-
Total expenditures	26,460,786	48,207,761	225,810
Total expenditures and transfers out requiring appropriation	26,460,786	48,207,761	225,810
ENDING FUND BALANCES	$ 50,773	$ 59,189	$ 53,408
EMERGENCY RESERVE	$ 7,700	$ 6,500	$ 6,700
AVAILABLE FOR OPERATIONS	43,073	52,689	46,708
TOTAL RESERVE	$ 50,773	$ 59,189	$ 53,408

See summary of significant assumptions.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/26/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Acceptance of Reimbursable Costs	-	-	24,000,000
Transfers from Summerfield MD No. 2	-	-	24,000,000
Total revenues	-	-	48,000,000
Total funds available	-	-	48,000,000
EXPENDITURES			
Capital Projects			
Recognition of Costs	-	-	24,000,000
Repay Developer Advance	-	-	24,000,000
Total expenditures	-	-	48,000,000
Total expenditures and transfers out requiring appropriation	-	-	48,000,000
ENDING FUND BALANCES	$ -	$ -	$ -

See summary of significant assumptions.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Summerfield Metropolitan District No. 1 was formed to manage the administration, operation, maintenance, construction, acquisition and installation of public improvements within the property known as "Summerfield" located in Erie, Colorado. Public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety control, and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed $100,000,000 for Summerfield Metropolitan District Nos. 1, 2, and 3.

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.

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)

Property Taxes (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 District's share will be equal to approximately 4% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

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.

Reimbursement of Accepted Costs

The District anticipates reimbursing the landowner pursuant to the Public Infrastructure Acquisition and Reimbursement Agreement dated August 16, 2023, and as amended April 16, 2024.

Debt and Leases

The District has no debt or leases.

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.

This information is an integral part of the accompanying budget.

SUMMERFIELD METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

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

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 6,532,804	$ 396,412	$ 397,902
REVENUES			
Property Taxes	4,949,620	1,735,134	1,194,883
Specific Ownership Taxes	178,987	73,000	47,796
Interest Income	224,007	50,000	7,000
Other Revenue	-	918,420	-
Intergovernmental Revenues	-	111,750	-
Note Issuance Proceeds	2,273,522	27,478	55,000
Bond Issuance Proceeds	1,000	23,043,352	23,945,000
Total revenues	7,627,136	25,959,134	25,249,679
TRANSFERS IN	-	-	121,333
Total funds available	14,159,940	26,355,546	25,768,914
EXPENDITURES			
General Fund	13,763,528	25,957,644	207,080
Debt Service Fund	-	-	1,107,035
Capital Projects Fund	-	-	24,040,000
Total expenditures	13,763,528	25,957,644	25,354,115
TRANSFERS OUT	-	-	121,333
Total expenditures and transfers out requiring appropriation	13,763,528	25,957,644	25,475,448
ENDING FUND BALANCES	$ 396,412	$ 397,902	$ 293,466
EMERGENCY RESERVE	$ 159,700	$ 86,700	$ 6,600
WORKING CAPITAL RESERVE	236,712	250,000	250,000
AVAILABLE FOR OPERATIONS	-	61,202	30,044
TOTAL RESERVE	$ 396,412	$ 397,902	$ 286,644

See summary of significant assumptions.

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

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Commercial	$ 220	$ 120	$ 110
Industrial	172,170	172,170	166,310
Agricultural	38,850	28,860	17,120
State assessed	47,460	36,510	8,650
Vacant land	-	592,000	575,920
Oil and Gas	82,971,290	33,801,680	22,896,870
Personal Property	-	-	38,780
Certified Assessed Value	$ 83,229,990	$ 34,631,340	$ 23,703,760
MILL LEVY			
General	59.403	5.832	8.606
Debt Service	0.000	44.271	41.803
Total mill levy	59.403	50.103	50.409
PROPERTY TAXES			
General	$ 4,944,111	$ 201,970	$ 203,995
Debt Service	-	1,533,164	990,888
Levied property taxes	4,944,111	1,735,134	1,194,883
Adjustments to actual/rounding	5,509	-	-
Budgeted property taxes	$ 4,949,620	$ 1,735,134	$ 1,194,883
BUDGETED PROPERTY TAXES			
General	**$ 4,949,620**	**$ 201,970**	**$ 203,995**
Debt Service	**-**	**1,533,164**	**990,888**
	$ 4,949,620	**$ 1,735,134**	**$ 1,194,883**

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

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 6,532,804	$ 396,412	$ 397,902
REVENUES			
Property Taxes	4,949,620	1,735,134	203,995
Specific Ownership Taxes	178,987	73,000	8,160
Interest Income	224,007	50,000	5,000
Other Revenue	-	918,420	-
Intergovernmental Revenues	-	111,750	-
Note Issuance Proceeds	2,273,522	27,478	-
Bond Issuance Proceeds	1,000	23,043,352	-
Total revenues	7,627,136	25,959,134	217,155
Total funds available	14,159,940	26,355,546	615,057
EXPENDITURES			
General and administrative			
County Treasurer's Fee	74,228	26,027	3,060
Debt service			
Loan Fees	74,814	-	-
Bond Issue Costs	206,686	128,500	-
Paying Agent Fees	-	4,000	-
Bond Interest	45	36,180	-
Note Interest	-	181,838	-
Note Principal	-	1,379,099	
Intergovernmental Expenditures	13,407,755	24,202,000	204,020
Total expenditures	13,763,528	25,957,644	207,080
TRANSFERS OUT			
Transfers to other fund	-	-	121,333
Total expenditures and transfers out requiring appropriation	13,763,528	25,957,644	328,413
ENDING FUND BALANCES	$ 396,412	$ 397,902	$ 286,644
EMERGENCY RESERVE	$ 159,700	$ 86,700	$ 6,600
WORKING CAPITAL RESERVE	236,712	250,000	250,000
AVAILABLE FOR OPERATIONS	-	61,202	30,044
TOTAL RESERVE	$ 396,412	$ 397,902	$ 286,644

See summary of significant assumptions.

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

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Property Taxes	-	-	990,888
Specific Ownership Taxes	-	-	39,636
Interest Income	-	-	2,000
Total revenues	-	-	1,032,524
TRANSFERS IN			
Transfers from other funds	-	-	81,333
Total funds available	-	-	1,113,857
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	-	14,863
Paying Agent Fees	-	-	4,000
Debt Service			
Bond Interest	-	-	37,165
Note Interest	-	-	69,143
Note Principal	-	-	981,864
Total expenditures	-	-	1,107,035
Total expenditures and transfers out requiring appropriation	-	-	1,107,035
ENDING FUND BALANCES	$ -	$ -	$ 6,822

See summary of significant assumptions.

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

12/5/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -
REVENUES			
Note Issuance Proceeds	-	-	55,000
Bond Issuance Proceeds	-	-	23,945,000
Total revenues	-	-	24,000,000
TRANSFERS IN			
Transfers from other funds	-	-	40,000
Total funds available	-	-	24,040,000
EXPENDITURES			
Capital Projects			
Bond Issue Costs	-	-	40,000
Intergovernmental Expenditures	-	-	24,000,000
Total expenditures	-	-	24,040,000
Total expenditures and transfers out requiring appropriation	-	-	24,040,000
ENDING FUND BALANCES	$ -	$ -	$ -

See summary of significant assumptions.

SUMMERFIELD METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Summerfield Metropolitan District No. 1 was formed to manage the administration, operation, maintenance, construction, acquisition and installation of public improvements within the property known as "Summerfield" located in Erie, Colorado. Public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety control, and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed $100,000,000 for Summerfield Metropolitan District Nos. 1, 2, and 3.

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.

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)

Property Taxes (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 District's share will be equal to approximately 4% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

Bond proceeds

The District anticipates drawing on its Series 2024 Drawdown Bonds in 2026.

Note proceeds

The District anticipates drawing on its Series 2024 Annual Appropriation Notes in 2026.

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.

Intergovernmental Transfers

The District expects to transfer funds to Summerfield Metropolitan District No. 1 for the purposes of funding operations, administrative and capital infrastructure expenditures.

SUMMERFIELD METROPOLITAN DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

In April 2024, the District issued its Series 2024 Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Drawdown Bonds (the Bonds) and its Series 2024 Taxable Special revenue Drawdown Annual Appropriation Notes (the Notes). The Bonds and the Notes were issued for the purpose of funding public infrastructure improvements.

The Bonds have a maximum aggregate principal amount of $90,000,000 and bear interest at a taxable fixed rate of 7.50% per annum until the Tax-Exempt conversion rate at which time the Bonds will bear interest at a rate of 7.0% per annum. The Bonds convert from taxable to tax-exempt once the Bonds equal or exceed $2,000,000. The Bonds are secured by pledged revenues consisting of property tax revenues, specific ownership taxes, off-site sanitary sewer reimbursement revenues received by the District beginning January 1, 2028, oil and gas tax revenues and associated specific ownership tax revenues received by the District beginning January 1, 2028, facility fee revenues received by the District beginning January 1, 2028, and any other legally available monies that the Board determines. The Bonds are cash-flow bonds meaning there are no scheduled principal payments and repayment is subject to available pledged revenues.

The Notes have a maximum aggregate principal amount of $25,000,000 and bear interest at a rate of 7.50%. The Notes are secured by pledged revenues consisting of oil and gas tax revenues received by the District through December 31, 2027, facility fee revenues received by the District through December 31, 2027, off-site sanitary sewer reimbursement revenues received by the District through December 31, 2027, and any other legally available monies that the Board determines. The Notes are cash-flow notes meaning there are no scheduled principal payments and repayment is subject to available pledged revenues.

The District has no operating or capital leases.

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.

Working Capital Reserve

The District has provided for a working capital reserve equal to $250,000.

This information is an integral part of the accompanying budget.

SUMMERFIELD METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

SUMMERFIELD METROPOLITAN DISTRICT NO.3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 7,993	$ 10,261	$ 20,497
REVENUES			
Property Taxes	6,513	18,793	7,198
Specific Ownership Taxes	230	825	860
Interest Income	623	900	1,000
Total revenues	7,366	20,518	9,058
Total funds available	15,359	30,779	29,555
EXPENDITURES			
General and administrative			
County Treasurer's Fee	98	282	108
Intergovernmental Expenditures	5,000	10,000	15,000
Total expenditures	5,098	10,282	15,108
Total expenditures and transfers out requiring appropriation	5,098	10,282	15,108
ENDING FUND BALANCES	$ 10,261	$ 20,497	$ 14,447
EMERGENCY RESERVE	$ 300	$ 700	$ 300
AVAILABLE FOR OPERATIONS	9,961	19,797	14,147
TOTAL RESERVE	$ 10,261	$ 20,497	$ 14,447

See summary of significant assumptions.

SUMMERFIELD METROPOLITAN DISTRICT NO.3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Commercial	$ 80	$ 40	$ 40
Agricultural	1,620	-	-
State assessed	8,770	8,540	760
Vacant land		218,770	211,720
Oil and gas	96,570	134,250	144,340
Personal property	-	-	3,050
Certified Assessed Value	$ 107,040	$ 361,600	$ 359,910
MILL LEVY			
General	59.403	51.971	20.000
Total mill levy	59.403	51.971	20.000
PROPERTY TAXES			
General	$ 6,358	$ 18,793	$ 7,198
Levied property taxes	6,358	18,793	7,198
Adjustments to actual/rounding	155	-	-
Budgeted property taxes	$ 6,513	$ 18,793	$ 7,198
BUDGETED PROPERTY TAXES			
General	**$ 6,513**	**$ 18,793**	**$ 7,198**
	$ 6,513	**$ 18,793**	**$ 7,198**

See summary of significant assumptions.

SUMMERFIELD METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNICANT ASSUMPTIONS

Services Provided

In accordance with its Service Plan, Summerfield Metropolitan District No. 3 was formed to manage the administration, operation, maintenance, construction, acquisition and installation of public improvements within the property known as “Summerfield” located in Erie, Colorado. Public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety control, and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed $100,000,000 for Summerfield Metropolitan District Nos. 1, 2, and 3.

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.

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)

Property Taxes (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 District's share will be equal to approximately 4% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

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.

Intergovernmental Transfers

The District expects to transfer funds to Summerfield Metropolitan District No. 1 for the purposes of funding operations and administrative expenditures.

Debt and Leases

The District has no debt or leases.

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.

This information is an integral part of the accompanying budget.

EXHIBIT B
2024 Audits for District Nos. 1 & 2

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

WIPFLI

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Board of Directors
Summerfield Metropolitan District No. 1
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of Summerfield Metropolitan District No. 1 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Summerfield Metropolitan District No. 1 as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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.

Other Information

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

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

September 25, 2025

BASIC FINANCIAL STATEMENTS

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	$ 22,933
Cash and Investments - Restricted	7,700
Prepaid Insurance	6,297
Due from Other Districts	148,500
Property Tax Receivable	8
Capital Assets:	
Capital Assets Not Being Depreciated	90,604
Total Assets	276,042
LIABILITIES	
Accounts Payable	134,657
Noncurrent Liabilities:	
Due in More Than One Year	99,000
Total Liabilities	233,657
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	8
Total Deferred Inflows of Resources	8
NET POSITION	
Restricted for:	
Emergency Reserve	7,700
Unrestricted	34,677
Total Net Position	$ 42,377

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
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	$ 284,895	$ -	$ 348,500	$ -	$ 63,605
Public Works	12,675,485	-	-	12,628,184	(47,301)
Interest on Long-Term Debt and Related Costs	6,000	-	-	-	(6,000)
Total Governmental Activities	$ 12,966,380	$ -	$ 348,500	$ 12,628,184	10,304
GENERAL REVENUES					
Property Taxes					9
Interest Income					21
Total General Revenues and Transfers					30
CHANGES IN NET POSITION					10,334
Net Position - Beginning of Year					32,043
NET POSITION - END OF YEAR					$ 42,377

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Total Governmental Fund
ASSETS		
Cash and Investments	$ 22,933	$ 22,933
Cash and Investments - Restricted	7,700	7,700
Due from Other Districts	148,500	148,500
Prepaid Insurance	6,297	6,297
Property Tax Receivable	8	8
Total Assets	$ 185,438	$ 185,438
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 134,657	$ 134,657
Total Liabilities	134,657	134,657
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax	8	8
Total Deferred Inflows of Resources	8	8
FUND BALANCES		
Nonspendable:		
Prepaid Expense	6,297	6,297
Restricted for:		
Emergency Reserves	7,700	7,700
Unassigned	36,776	36,776
Total Fund Balances	50,773	50,773
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 185,438	
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.		90,604
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Developer Advance Payable		(99,000)
Net Position of Governmental Activities		$ 42,377

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General Fund and Total Governmental Fund
REVENUES	
Property Taxes	$ 9
Interest Income	21
Transfers from Summerfield MD No. 2	12,971,684
Transfers from Summerfield MD No. 3	5,000
Total Revenues	12,976,714
EXPENDITURES	
Current:	
Accounting	58,205
Auditing	6,700
Banking Fees	74
Directors' Fees	60
District Management	64,840
Dues And Membership	1,848
Election	24
Insurance	6,961
Legal	51,702
Projects	93,500
Website	981
Capital:	
Recognition Of Costs	12,628,184
Engineering	43,261
Capital Outlay	4,040
Total Expenditures	12,960,380
EXCESS OF REVENUES OVER EXPENDITURES	16,334
OTHER FINANCING SOURCES (USES)	
Acceptance Of Reimbursable Costs	12,628,184
Repay Developer Advance	(12,628,184)
Total Other Financing Sources	-
NET CHANGE IN FUND BALANCES	16,334
Fund Balances - Beginning of Year	34,439
FUND BALANCES - END OF YEAR	$ 50,773

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds	$	16,334
Amounts reported for governmental activities in the statement of activities are different because:		
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Interest Payable Developer Advance - Change in Liability		(6,000)
Changes in Net Position of Governmental Activities	$	10,334

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 9	$ 9	$ 9	$ -
Interest Income	6,000	30	21	(9)
Transfers from Summerfield MD No. 2	250,000	13,450,000	12,971,684	(478,316)
Transfers from Summerfield MD No. 3	5,000	5,000	5,000	-
Total Revenues	261,009	13,455,039	12,976,714	(478,325)
EXPENDITURES				
Current:				
Accounting	16,500	53,000	58,205	(5,205)
Auditing	-	6,700	6,700	-
Banking Fees	-	-	74	(74)
Directors' Fees	-	-	60	(60)
District Management	-	80,000	64,840	15,160
Dues And Membership	400	1,848	1,848	-
Insurance	2,700	6,961	6,961	-
Legal	15,000	60,000	51,726	8,274
Miscellaneous	2,500	150	-	150
Transfers To Summerfield District No. 2	15,500	-	-	-
Transfers To Summerfield District No. 3	7,850	-	-	-
Projects	-	-	93,500	(93,500)
Website	600	600	981	(381)
Contingency	-	16,701	-	16,701
Capital:				
Recognition Of Costs	-	13,200,000	12,628,184	571,816
Capital Outlay	15,000	4,040	4,040	-
Engineering	-	45,000	43,261	1,739
Total Expenditures	76,050	13,475,000	12,960,380	514,620
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	184,959	(19,961)	16,334	36,295
OTHER FINANCING SOURCES (USES)				
Acceptance Of Reimbursable Costs	-	13,200,000	12,628,184	(571,816)
Repay Developer Advance	(90,000)	(13,200,000)	(12,628,184)	571,816
Total Other Financing Sources	(90,000)	-	-	-
NET CHANGE IN FUND BALANCE	94,959	(19,961)	16,334	36,295
Fund Balance - Beginning of Year	196,891	34,439	34,439	-
FUND BALANCE - END OF YEAR	$ 291,850	$ 14,478	$ 50,773	$ 36,295

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Summerfield Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan with Summerfield Metropolitan Districts No. 1 (the District), Summerfield Metropolitan District No. 2 (District No. 2), and Summerfield Metropolitan District No. 3 (District No. 3) approved by the Town of Erie on January 4, 2013, and amended on May 22, 2017. This first Amendment to the Consolidated Service Plan ("First Amendment") for Summerfield Metropolitan District Nos. 1, 2 and 3 is submitted by the Districts in accordance with the requirements of Section 32-1-207(2) of Title 32, Colorado Revised Statutes and Title 9, Chapter 4 of the Erie Municipal Code.

The operation and maintenance of all other services and facilities is anticipated to be provided by the Town of Erie and not by the District.

The District has no employees, and all services are contracted.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 1, District No. 3, and the Town of Erie.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

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

The District reports the following major governmental funds:

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

Budgets

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Capital Assets

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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.

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	$ 22,933
Cash and Investments - Restricted	7,700
Total Cash and Investments	$ 30,633

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	$	30,223
Investments		410
Total Cash and Investments	$	30,633

Deposits with Financial Institutions

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

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

At December 31, 2024, the District's deposits had a bank and carrying balance of $30,223.

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

As of December 31, 2024, the District had the following investments:

Investment	Maturity	Amount
	Weighted-Average	
Colorado Surplus Asset Fund Trust (CSAFE	Under 60 Days	$ 410
Total		$ 410

CSAFE

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

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 90,604	$ -	$ -	$ 90,604
Total Capital Assets, Not Being Depreciated	90,604	-	-	90,604
Governmental Activities Capital Assets, Net	$ 90,604	$ -	$ -	$ 90,604

NOTE 5 LONG-TERM DEBT

An analysis of the changes in long-term debt for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Other Debts:					
Developer Advance - Operating	$ 75,000	$ -	$ -	$ 75,000	$ -
Developer Advance - Capital	-	12,628,184	12,628,184	-	-
Accrued Interest on:					
Developer Advance - Operating	18,000	6,000	-	24,000	-
Subtotal Other Debts	93,000	12,634,184	12,628,184	99,000	-
Total Long-Term Obligations	$ 93,000	$ 12,634,184	$ 12,628,184	$ 99,000	$ -

NOTE 5 LONG-TERM DEBT (CONTINUED)

DEVELOPER ADVANCES

Operation Funding and Reimbursement Agreement

On December 31, 2020, the District entered into an Operation Funding and Reimbursement Agreement to repay advances made by the Developer for operations and maintenance (O&M) costs. The District agreed to repay the Developer for such O&M advances plus accrued interest at the rate of 8% As of December 31, 2024, outstanding advances under the agreement totaled $75,000 and accrued interest totaled $24,000.

Public Improvements Acquisition and Reimbursement Agreement

In August 2023, and as amended on April 16, 2024, the District entered into a public improvements acquisition and reimbursement agreement with District No. 2, TL Summerfield LLC (the Builder) and CDG Summerfield Inc. (the Landowner). The Builder will incur costs related to the financing, construction and installation of public improvements within the District. Pursuant to the agreement, costs presented to the District are required to be certified. Upon certification and acceptance of the costs, the District shall reimburse the costs to the Landowner. It is anticipated that District No. 2 will fund the reimbursement through debt proceeds. In 2024, $12,628,184 in costs were accepted under this agreement and $12,628,184 was reimbursed under this agreement.

NOTE 6 NET POSITION

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

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2024 as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 7,700
Total Restricted Net Position	$ 7,700

The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

NOTE 7 RELATED PARTIES

Three of the five members of the Board of Directors are employees and are associated with Bellock Construction Company, accountants for the District, and Community Development Group of Erie, Inc. (CDG of Erie, Inc.) or CDG Summerfield Inc., the developer within the District. During 2024, District No. 2 and District No. 3 had the same Board of Directors.

NOTE 8 AGREEMENTS

District Coordinating Services Agreement

In order to implement the Service Plan, the District entered into an Intergovernmental Agreement for District Coordinating Services with District No. 1 and District No. 3. The agreement shall remain in full force and effect until such time as each of the terms and conditions has been performed in their entirety or until the agreement is terminated by mutual written agreement of the Districts.

The District is to construct the facilities benefitting the three Districts and transfer them to the Town of Erie or the homeowners association (HOA) as required. District No. 2 and District No. 3 will, to the extent that they benefit, pay the service costs of operation and maintenance of such facilities (authorized service costs).

The District is required to fund, on an annual basis, the amount of actual service costs that it would be capable of funding through property tax revenue plus other fee revenue as determined in the annual budget. If the Districts disagree as to the amount to be paid, then the District No. 2 and District No. 3 must pay the District the amount set forth in the annual budget. The District had a balance of $148,500 due from District No. 2 and District No. 3 as of December 31, 2024.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

The District pays annual premiums to the Pool for liability, property 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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 5, 2002, the District voters passed an election question allowing the District to increase property taxes by $630,000 annually, then increased the amount to $5,000,000 during the November 2, 2004, election, without limitation of rate, to pay the District's operations, maintenance and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

OTHER INFORMATION

SUMMERFIELD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

			Total Mills Levied		Total Property Taxes		Percent
Year Ended December 31,	Assessed Valuation	Percent Change	General Operations	Total	Levied	Collected	Collected to Levied
2019/2020	$ 14,970	0.0%	$ 55.663	$ 55.663	$ 833	$ 833	100.00 %
2020/2021	9,120	-39.1%	55.663	55.663	508	508	100.00
2021/2022	2,550	-72.0%	55.663	55.663	142	142	100.00
2022/2023	70	-97.3%	57.220	57.220	4	4	100.00
2023/2024	150	114.3%	59.403	59.403	9	9	100.00
Estimated for Year Ending December 31, 2025	$ 150	0.000	54.906	55	$ 8		

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

Source: Weld County Assessor and Treasurer

SUMMERFIELD METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

SUMMERFIELD METROPOLITAN DISTRICT NO. 2
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

WIPFLI

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Board of Directors
Summerfield Metropolitan District No. 2
Weld County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of Summerfield 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Summerfield Metropolitan District No. 2 as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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.

Other Information

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

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

September 24, 2025

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and Investments	$ 313,077
Cash and Investments - Restricted	181,614
Receivable from County Treasurer	45,221
Property Tax Receivable	1,735,134
Capital Assets:	
Capital Assets, Not Being Depreciated	1,201,993
Total Assets	3,477,039
LIABILITIES	
Due to Summerfield MD No. 1	143,500
Noncurrent Liabilities:	
Due in More Than One Year	2,306,381
Total Liabilities	2,449,881
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1,735,134
Total Deferred Inflows of Resources	1,735,134
NET POSITION	
Restricted for:	
Emergency Reserves	159,700
Unrestricted	(867,676)
Total Net Position	$ (707,976)

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD 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	$ 74,228	$ -	$ -	$ -	$ (74,228)
Transfers to Summerfield MD No. 1	13,407,755	-	-	-	(13,407,755)
Interest on Long-Term Debt and Related Costs	313,404	-	-	-	(313,404)
Total Governmental Activities	$ 13,795,387	$ -	$ -	$ -	(13,795,387)
	GENERAL REVENUES				
	Property Taxes				4,949,620
	Specific Ownership Taxes				178,987
	Interest Income				224,007
	Total General Revenues				5,352,614
	CHANGES IN NET POSITION				(8,442,773)
	Net Position - Beginning of Year				7,734,797
	NET POSITION - END OF YEAR				$ (707,976)

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Total Governmental Funds
ASSETS		
Cash and Investments	$ 313,077	$ 313,077
Cash and Investments - Restricted	181,614	181,614
Receivable from County Treasurer	45,221	45,221
Property Tax Receivable	1,735,134	1,735,134
Total Assets	$ 2,275,046	$ 2,275,046
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Due to Summerfield MD No. 1	$ 143,500	$ 143,500
Total Liabilities	143,500	143,500
DEFERRED INFLOWS OF RESOURCES		
Property Tax Revenue	1,735,134	1,735,134
Total Deferred Inflows of Resources	1,735,134	1,735,134
FUND BALANCES		
Restricted for:		
Emergency Reserves	160,600	160,600
Unassigned	235,812	235,812
Total Fund Balances	396,412	396,412
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,275,046	2,275,046
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets, Not Being Depreciated		1,201,993
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued Interest		(31,859)
Bonds Payable		(1,000)
Loans Payable		(2,273,522)
Net Position of Governmental Activities		$ (707,976)

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Total Governmental Funds
REVENUES		
Property Taxes	$ 4,949,620	$ 4,949,620
Specific Ownership Taxes	178,987	178,987
Interest Income	224,007	224,007
Total Revenues	5,352,614	5,352,614
EXPENDITURES		
Current:		
County Treasurer's Fee	74,228	74,228
Debt Service:		
Bond Interest	45	45
Loan Fees	74,814	74,814
Bond Issue Costs	206,686	206,686
Intergovernmental Expenditures	13,407,755	13,407,755
Total Expenditures	13,763,528	13,763,528
EXCESS OF REVENUES UNDER EXPENDITURES	(8,410,914)	(8,410,914)
OTHER FINANCING SOURCES		
Bond Issuance Proceeds	1,000	1,000
Note Issuance Proceeds	2,273,522	2,273,522
Total Other Financing Sources	2,274,522	2,274,522
NET CHANGE IN FUND BALANCES	(6,136,392)	(6,136,392)
Fund Balances - Beginning of Year	6,532,804	6,532,804
FUND BALANCES - END OF YEAR	$ 396,412	$ 396,412

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds	$ (6,136,392)
Amounts reported for governmental activities in the statement of activities are different because:	
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.	
Loan Issuance	(2,273,522)
Bond Principal	(1,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable - Change in Liability	(31,859)
Changes in Net Position of Governmental Activities	$ (8,442,773)

See accompanying Notes to Basic Financial Statements.

SUMMERFIELD METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 4,944,111	$ 4,949,611	$ 4,949,620	$ 9
Specific Ownership Taxes	197,764	178,000	178,987	987
Interest Income	330,000	225,000	224,007	(993)
Intergovernmental - Summerfield MD No. 1	15,500	-	-	-
Total Revenues	5,487,375	5,352,611	5,352,614	3
EXPENDITURES				
Accounting	4,000	-	-	-
Auditing	6,500	-	-	-
County Treasurer's Fee	74,162	74,228	74,228	-
Dues And Membership	400	-	-	-
Loan Fees	100,000	89,814	74,814	15,000
Bond Interest	-	-	45	(45)
Bond Issue Costs	-	206,686	206,686	-
Insurance	2,100	-	-	-
Miscellaneous	2,500	-	-	-
Contingency	7,058	48,133	-	48,133
Intergovernmental Expenditures	250,000	16,231,139	13,407,755	2,823,384
Capital Outlay	10,055,000	-	-	-
Total Expenditures	10,501,720	16,650,000	13,763,528	2,886,472
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,014,345)	(11,297,389)	(8,410,914)	2,886,475
OTHER FINANCING SOURCES				
Bond Issuance Proceeds	10,055,000	1,000	1,000	-
Note issuance proceeds	-	5,096,388	2,273,522	(2,822,866)
Total Other Financing Sources	10,055,000	5,097,388	2,274,522	(2,822,866)
NET CHANGE IN FUND BALANCE	5,040,655	(6,200,001)	(6,136,392)	63,609
Fund Balance - Beginning of Year	6,390,837	6,563,468	6,532,804	(30,664)
FUND BALANCE - END OF YEAR	$ 11,431,492	$ 363,467	$ 396,412	$ 32,945

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Summerfield 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, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan with Summerfield Metropolitan Districts No. 1 (District No. 1), Summerfield Metropolitan District No. 2 (the District), and Summerfield Metropolitan District No. 3 (District No. 3) approved by the Town of Erie on January 4, 2013, and amended on May 22, 2017. This first Amendment to the Consolidated Service Plan (“First Amendment”) for Summerfield Metropolitan District Nos. 1, 2 and 3 is submitted by the Districts in accordance with the requirements of Section 32-1-207(2) of Title 32, Colorado Revised Statutes and Title 9, Chapter 4 of the Erie Municipal Code.

The operation and maintenance of all other services and facilities is anticipated to be provided by the Town of Erie and not by the District.

The District has no employees, and all services are contracted.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 1, District No. 3, and the Town of Erie.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

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

The District reports the following major governmental funds:

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

Budgets

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital 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, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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.

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	$	313,077
Cash and Investments - Restricted		181,614
Total Cash and Investments	$	494,691

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

Deposits	$	21,014
Investments		473,677
Total Cash and Investments	$	494,691

Deposits with Financial Institutions

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

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

At December 31, 2024, the District's deposits had a bank and carrying balance of $21,014.

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

As of December 31, 2024, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 473,677
Total		$ 473,677

CSAFE

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

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 1,201,993	$ -	$ -	$ 1,201,993
Total Capital Assets, Not Being Depreciated	1,201,993	-	-	1,201,993
Governmental Activities Capital Assets, Net	$ 1,201,993	$ -	$ -	$ 1,201,993

NOTE 5 LONG-TERM OBLIGATIONS

An analysis of the changes in the District's outstanding long-term obligations for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable:					
General Obligation Drawdown Bond Series 2024	$ -	$ 1,000	$ -	$ 1,000	$ -
Accrued Interest on: Series 2024	-	52	45	7	-
Subtotal Bonds Payable	-	1,052	-	1,007	-
Special Revenue Drawdown Annual Appropriation Note Series 2024	-	2,273,522	-	2,273,522	-
Accrued Interest on: Series 2024 Note Payable	-	31,852	-	31,852	-
Subtotal Special Revenue Drawdown Annual Appropriation Note	-	2,305,374	-	2,305,374	-
Total Long-Term Obligations	$ -	$ 2,306,426	$ 45	$ 2,306,381	$ -

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2024 General Obligation Limited Tax Drawdown Bond and Notes

In April 2024, the District issued its Series 2024 Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Drawdown Bonds (the Bonds) and its Series 2024 Taxable Special revenue Drawdown Annual Appropriation Notes (the Notes). The Bonds and the Notes were issued for the purpose of funding public infrastructure improvements.

The Bonds have a maximum aggregate principal amount of $90,000,000 and bear interest at a taxable fixed rate of 7.50% per annum until the Tax-Exempt conversion rate at which time the Bonds will bear interest at a rate of 7.0% per annum. The Bonds convert from taxable to tax-exempt once the Bonds equal or exceed $2,000,000. The Bonds are secured by pledged revenues consisting of property tax revenues, specific ownership taxes, off-site sanitary sewer reimbursement revenues received by the District beginning January 1, 2028, oil and gas tax revenues and associated specific ownership tax revenues received by the District beginning January 1, 2028, facility fee revenues received by the District beginning January 1, 2028, and any other legally available monies that the Board determines. The Bonds are cash-flow bonds meaning there are no scheduled principal payments and repayment is subject to available pledged revenues. As of December 31, 2024, there have been $1,000 of Bonds that have been issued and $6 of accrued interest.

The Notes have a maximum aggregate principal amount of $25,000,000 and bear interest at a rate of 7.50%. The Notes are secured by pledged revenues consisting of oil and gas tax revenues received by the District through December 31, 2027, facility fee revenues received by the District through December 31, 2027, off-site sanitary sewer reimbursement revenues received by the District through December 31, 2027, and any other legally available monies that the Board determines. The Notes are cash-flow notes meaning there are no scheduled principal payments and repayment is subject to available pledged revenues.

Due to the uncertainty of the timing of the principal and interest payments on the Bonds and Notes, a schedule of the timing of these payments is not available.

NOTE 6 NET POSITION

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

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2024 as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	$ 159,700
Total Restricted Net Position	$ 159,700

NOTE 6 NET POSITION (CONTINUED)

The District has a deficit unrestricted net position. The deficit is a result of the District being responsible for the repayment of debt which financed public infrastructure costs that have been or will be conveyed to other governmental entities.

NOTE 7 RELATED PARTIES

Three of the five members of the Board of Directors are employees and are associated with Bellock Construction Company, accountants for the District, and Community Development Group of Erie, Inc. or CDG Summerfield Inc. (CDG) the developer within the District. During 2024, District No. 1 and District No. 3 had the same Board of Directors.

NOTE 8 AGREEMENTS

District Coordinating Services Agreement

In order to implement the Service Plan, the District entered into an Intergovernmental Agreement for District Coordinating Services with District No. 1 and District No. 3. The agreement shall remain in full force and effect until such time as each of the terms and conditions has been performed in their entirety or until the agreement is terminated by mutual written agreement of the Districts.

District No. 1 is to construct the facilities benefitting the three Districts and transfer them to the Town of Erie or the homeowners association (HOA) as required. The District and District No. 3 will, to the extent that they benefit, pay the service costs of operation and maintenance of such facilities (authorized service costs).

The District is required to fund, on an annual basis, the amount of actual service costs that it would be capable of funding through property tax revenue plus other fee revenue as determined in the annual budget. If the Districts disagree as to the amount to be paid, then the District must pay District No. 1 the amount set forth in the annual budget. The District has a balance of $143,500 that is due to District No. 1 as of December 31, 2024.

Public Improvements Acquisition and Reimbursement Agreement

In August 2023, and as amended on April 16, 2024, the District entered into a public improvements acquisition and reimbursement agreement with Summerfield Metropolitan District No. 1 (District No. 1), TL Summerfield LLC (the Builder) and CDG Summerfield Inc. (the Landowner). The Builder will incur costs related to the financing, construction and installation of public improvements within the District. Pursuant to the agreement, costs presented to District No. 1 are required to be certified. Upon certification and acceptance of the costs, District No. 1 shall reimburse the costs to the Landowner. It is anticipated that the District will fund the reimbursement through debt proceeds. In 2024, $13,064,295 was sent to District No. 1 to reimburse the Landowner under this agreement.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

The District pays annual premiums to the Pool for liability, property 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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 5, 2002, the District voters passed an election question allowing the District to increase property taxes by $630,000 annually, then increased the amount to $5,000,000 during the November 2, 2004, election, without limitation of rate, to pay the District's operations, maintenance and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

OTHER INFORMATION

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

		Total Mills Levied			Total Property Taxes		Percent
Year Ended December 31,	Assessed Valuation	General Operations	Debt Service	Total	Levied	Collected	Collected to Levied
2020	$ 1,359,100	55.663	-	55.663	$ 75,652	$ 74,564	98.56 %
2021	1,017,890	55.663	-	55.663	56,659	57,193	100.94
2022	24,345,330	55.663	-	55.663	1,355,134	1,354,280	99.94
2023	106,518,760	57.220	-	57.220	6,095,003	6,083,124	99.81
2024	83,229,990	59.403	-	59.403	4,944,111	4,949,620	100.11
Estimated for Year Ending December 31, 2025	$ 34,631,340	5.832	44.271	50.103	$ 1,735,134		

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

Source: Weld County Assessor and Treasurer.

EXHIBIT C
2025 Audit Exemption for District No. 3

Application for Exemption From Audit
Short Form

Instructions

If either revenues or expenditures exceed $200,000, use the Long Form

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed $1,000,000 in the year.

Exemptions from audit are **NOT** automatic

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Short Form must be a person skilled in governmental accounting.

Read **ALL** instructions before completing and submitting this form

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis.**

Proprietary Activity should be reported on a **Budgetary Basis**.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the LexisNexis Colorado portal.

Checklist

- ☐ Has the preparer signed the application prior to board approval?
- ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
- ☐ Has the application been **personally** reviewed and approved by the governing body?
- ☐ Are all sections on the form complete, including responses to all of the questions?
- ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically? ○ Yes ○ No

- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

☐ If yes, have you included a resolution?

☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?

☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ○ Yes ◉ No

☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lg

For faster processing, the web portal should be used for submissions.

Mail

Office of the State Auditor

Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000

Questions? **Email:** osa.lg@coleg.gov **Phone:** 303-869-3000

Contact Information

For the year ended 12/31/2025 or the fiscal year ended ______________.

Name of government	Summerfield Metropolitan District No. 3
Street address	2001 16th St, Suite 1700
City, State, Zip	Denver, CO 80202
Contact person	Shelby Clymer
Phone	(303) 779-5710
Email	shelby.clymer@claconnect.com

Certification of Preparer

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge. The preparer must sign prior to board approval.

Name	Shelby Clymer	
Title	Accountant for the District	
Firm name (if applicable)	CliftonLarsonAllen LLP	
Address	2001 16th St, Suite 1700, Denver, CO 80202	
Phone	(303) 779-5710	
Preparer signature		Date prepared
Shelby Clymer		3/10/2026

See accompanying letter at the end of this form.

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types.

☑ Governmental (modified accrual basis)

☐ Proprietary (cash or budgetary basis)

Part 1: Revenues

Part 1A: Revenues Table

All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	$ 18,793
1-2	Specific ownership	$ 761
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	$ 866
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21		
1-22		
1-23		
1-24		
1-25	**TOTAL REVENUES** (add lines 1-1 through 1-24)	$ 20,420

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN $200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 1B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 2: Expenditures/Expenses

Part 2A: Expenditures/Expenses Table

All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
2-1	Administrative	
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	
2-7	Accounting and legal fees	
2-8	Repair and maintenance	
2-9	Supplies	
2-10	Utilities and telephone	
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	
2-18	Debt service interest	
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24	County Treasurer's Fee	$ 282
2-25	Transfers to Summerfield MD 1	$ 10,000
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 10,282

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN $200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 2B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 3: Debt Outstanding, Issued, and Retired

3-1	Does the entity have outstanding debt?		○ Yes	◉ No
3-2	If no, skip to line 3-13. If yes, please attach a copy of the entity's debt repayment schedule.			
3-3	Is the debt repayment schedule attached?	○ N/A	○ Yes	◉ No
	If no, MUST explain below.			
	N/A. The District has no debt.			
3-4	Is the entity current in its debt service payments?		○ Yes	◉ No
	If no, MUST explain below.			
	N/A. The District has no debt.			
3-5	If no, also indicate if the government is in default with its bond agreements.		○ Yes	◉ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.
Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Oustanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
3-6	General Obligation Bonds				$ 0
3-7	Revenue Bonds				$ 0
3-8	Notes/Loans				$ 0
3-9	Lease & SBITA** Liabilities (GASB 87 & 96)				$ 0
3-10	Developer Advances				$ 0
	Other (specify in line 3-11)				
3-11					$ 0
3-12	**TOTAL** (Add lines 3-6 through 3-11)	$ 0	$ 0	$ 0	$ 0

*Must agree to prior year-end balance
**Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	◉ Yes	○ No
3-14	If yes, how much?	$ 350,000,000	
3-15	Date the debt was authorized	11/5/2013	
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	◉ Yes	○ No
3-17	If yes, how much?	$ 100,000,000	
3-18	Date of the most recent Service Plan	5/27/2017	
3-19	Does the entity intend to issue debt within the next calendar year?	○ Yes	◉ No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	○ Yes	◉ No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	○ Yes	◉ No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	○ Yes	○ No
3-28	What are the annual lease payments?		

Please use the space below to provide any additional information (optional):

Part 4: Cash and Investments

Please provide the entity's cash deposit and investment balances.

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	
4-2	Certificates of deposit	
4-3	**TOTAL CASH DEPOSITS** (Add lines 4-1 and 4-2)	$ 0
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4	CSAFE	$ 20,400
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 20,400
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 20,400

4-11	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	○ N/A	◉ Yes	○ No
4-12	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		○ Yes	◉ No
4-13	If no, MUST explain below.			
	No eligible deposits.			

Please use the space below to provide any additional information (optional).

Part 5: Capital and Right-to-Use Assets

5-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 5.)	○ Yes	◉ No
5-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	○ Yes	○ No
5-3	If no, MUST explain below.		

Capital and Right-to-Use Assets Table

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
5-4	Land				$ 0
5-5	Buildings				$ 0
5-6	Machinery and Equipment				$ 0
5-7	Furniture and Fixtures				$ 0
5-8	Infrastructure				$ 0
5-9	Construction In Progress (CIP)				$ 0
5-10	Leased & SBITA Right-to-Use Assets				$ 0
	Other (explain in line 5-11)				
5-11					$ 0
5-12	Accumulated Depreciation/ Amortization (Enter a negative or credit balance)				$ 0
5-13	**TOTAL** (Add lines 5-4 through 5-12)	$ 0	$ 0	$ 0	$ 0

*Must agree to prior year-end balance
**Generally capital asset additions should be reported as capital outlay on line 2-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 6: Pension Information

6-1	Does the entity have an “old hire” firefighters’ pension plan?	○ Yes	◉ No
6-2	Does the entity have a volunteer firefighters’ pension plan?	○ Yes	◉ No
6-3	If yes, who administers the plan?		
	Indicate the contributions from the following in lines 6-4 through 6-6.		
6-4	Tax (property, specific ownership, sales, etc.)		
6-5	State contribution amount		
6-6	Other (gifts, donations, etc.)		
6-7	**TOTAL** (Add lines 6-4 through 6-6)	$ 0	
6-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

Part 7: Budget Information

7-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?	○ N/A	◉ Yes	○ No
7-2	If no, MUST explain below.			
7-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	○ N/A	◉ Yes	○ No
7-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund Table

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported.
Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	$ 10,322
7-6		
7-7		
7-8		
7-9		

Please use the space below to provide any additional information (optional).

Part 8: Taxpayer's Bill of Rights (TABOR)

8-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	◉ Yes	○ No
8-2	If no, MUST explain below.		

Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Please use the space below to provide any additional information (optional).

Part 9: General Information

9-1	Is this application for a newly formed governmental entity?		○ Yes	◉ No
9-2	If yes, what was the date of formation			
9-3	Has the entity changed its name in the past or current year?		○ Yes	◉ No
9-4	If yes, please list the NEW name below.			
9-5	If yes, please list the PRIOR name below.			
9-6	Is the entity a metropolitan district?		◉ Yes	○ No
9-7	Please indicate what services the entity provides below.			
	See notes section.			
9-8	Does the entity have an agreement with another government to provide services?		◉ Yes	○ No
9-9	If yes, list the name of the other governmental entity and the services provided below.			
	See notes section.			
9-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)		○ Yes	◉ No
9-11	If yes, what was the date filed			
9-12	Does the entity have a certified mill levy?		◉ Yes	○ No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report $ amounts.)			
9-13	Bond redemption mills		0.000	
9-14	General/other mills		51.971	
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)		51.971	
9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	○ N/A	◉ Yes	○ No
9-17	If no, please explain below.			

Please use the space below to provide any additional information (optional).

9-7-: Water, streets, parks and recreation, sanitary and storm water, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.
9-9: Summerfield Metropolitan District Nos. 1 and 2. The Districts will collectively finance the public improvements of the Summerfield development. District covenants with the Town of Erie.

Part 10: Governing Body Approval

10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	◉ Yes	○ No

Office of the State Auditor — Local Government Division
Exemption Form Electronic Signature Policy and Procedure

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as Docusign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards must note their approval and submit the application using one of the following two methods:

1) Submit the application in hard copy via U.S. Mail, including original signatures.
2) Submit the application electronically via email and either:
    a. include a copy of an adopted resolution that documents formal approval by the board; or
    b. include electronic signatures obtained through a software program such as Docusign or Echosign, in accordance with the requirements noted above.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Jessica Brothers	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/2026
Board Member 2		
Board member's name	Jon R. Lee	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/2026
Board Member 3		
Board member's name	Crosby Lee	
My term expires on	May 2027	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
		3/12/2026
Board Member 4		
Board member's name	Amber Morrison	
My term expires on	May 2029	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

03/10/2026

Board of Directors
Summerfield Metropolitan District No. 3
Weld County, Colorado

The accompanying Application for Exemption from Audit ("Application") was prepared by CliftonLarsonAllen, LLP in a format prescribed by the Colorado Office of the State Auditor which may differ from accounting principles generally accepted in the United States of America. The application is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

docusign

Certificate Of Completion

Envelope Id: 2FCD4825-9333-4566-B7DB-11854C799BFB

Status: Completed

Subject: Summerfield MD 3 Docusign: 00 D1 SFMD3 2025 Audit Exemption.pdf

Client Name: Summerfield MD 3

Client Number: A361379

Source Envelope:

Document Pages: 17	Signatures: 3	Envelope Originator:
Certificate Pages: 5	Initials: 0	Kathy Suazo
AutoNav: Enabled		220 S 6th St Ste 300
EnvelopeId Stamping: Enabled		Minneapolis, MN 55402-1418
Time Zone: (UTC-06:00) Central Time (US & Canada)		Kathy.Suazo@claconnect.com
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Status: Original 3/11/2026 6:45:37 PM	Holder: Kathy Suazo Kathy.Suazo@claconnect.com	Location: DocuSign

Signer Events

Signer Events	Signature	Timestamp
Crosby Lee crosbylee02@gmail.com Owner Security Level: Email, Account Authentication (None)	Signed by: 405FCBFCBD72423... Signature Adoption: Drawn on Device Using IP Address: 75.71.94.17 Signed using mobile	Sent: 3/11/2026 6:51:25 PM Viewed: 3/12/2026 7:25:49 PM Signed: 3/12/2026 7:26:02 PM

Electronic Record and Signature Disclosure:
Accepted: 3/12/2026 7:25:49 PM
ID: b45610d2-b139-490e-b4b2-603c18a736f0

Signer Events	Signature	Timestamp
Jessica Brothers jessica@cdgcolorado.com Security Level: Email, Account Authentication (None)	DocuSigned by: EE646C3BB1ED474... Signature Adoption: Uploaded Signature Image Using IP Address: 149.248.74.196	Sent: 3/11/2026 6:51:26 PM Viewed: 3/12/2026 9:55:11 AM Signed: 3/12/2026 9:56:04 AM

Electronic Record and Signature Disclosure:
Accepted: 3/12/2026 9:55:11 AM
ID: cac40f1e-3cb2-40b2-9276-2d126c747058

Signer Events	Signature	Timestamp
Jon Lee jonrlee@cdgcolorado.com Authorized representative Security Level: Email, Account Authentication (None)	Signed by: Jon Lee 0D56E84E07B04E7... Signature Adoption: Pre-selected Style Using IP Address: 65.155.157.50	Sent: 3/11/2026 6:51:27 PM Viewed: 3/12/2026 12:34:07 PM Signed: 3/12/2026 12:34:35 PM

Electronic Record and Signature Disclosure:
Accepted: 3/12/2026 12:34:07 PM
ID: c12de5ac-7922-4a43-9cbb-70f7a0be1d95

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/11/2026 6:51:28 PM
Envelope Updated	Security Checked	3/13/2026 12:24:09 PM
Certified Delivered	Security Checked	3/12/2026 12:34:07 PM
Signing Complete	Security Checked	3/12/2026 12:34:35 PM
Completed	Security Checked	3/13/2026 12:24:09 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

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