

WINTER FARM METROPOLITAN DISTRICT NO. 2

2025 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for the Winter Farm Metropolitan District No. 2 (the “**District**”), the District are required to provide an annual report to the Town of Windsor with regard to the following matters:

For the year ending December 31, 2025, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no boundary changes made to the District's boundaries during the reporting year.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any Intergovernmental Agreements with other governmental entities during the reporting year.

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

Governing documents for the District, including any rules and regulations, may be found on the District's website at: <https://www.winterfarmmd.com>

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

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 District's public improvements as of December 31, 2025.

5. The status of the construction of public improvements by the District.

Construction of all public improvements is complete and has been dedicated to and accepted by the Town, District, or other governmental entity as applicable.

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

No new facilities or improvements have been constructed by the District in the reporting year that require conveyance or dedication by the Town of Windsor.

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

The assessed valuation of the District as of December 31st of the reporting year is \$21,354,270.

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

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

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

The 2025 Audit is in process and will be provided in a supplemental report once completed.

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

The District is not aware of any uncured events of default by the District existing for more than ninety (90) days.

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

The District is not aware of any inability to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Service Plan Requirements

1. A narrative summary of the progress of the District in implementing the Service Plan for the report year.

The District continues to undertake operations and maintenance services within the District, including non-potable water system, drainage, and open space.

2. Boundary changes made or proposed.

There were no changes to the boundaries of the District during the reporting year.

3. Intergovernmental Agreements with other governmental entities entered into or proposed.

The District did not enter into or terminate any Intergovernmental Agreements with other governmental entities during the reporting year.

4. Changes or proposed changes in the District's policies.

There were no changes or proposed changes in the District's policies during the reporting year.

5. Changes or proposed changes in the District's operations.

There were no changes or proposed changes in the District's operations during the reporting year.

6. The audited financial statements of the District for the report year, including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and statement of operations (i.e., revenues and expenditures) for the report year, or the District's application for exemption from Audit.

The current financial status of the District is reflected in the 2026 budget attached hereto as **Exhibit A**.

The 2025 Audit is in process and will be provided in a supplemental report once available.

7. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations incurred in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1st of the report year and the current mill levy of the Districts pledged to debt retirement in the report year.

The amount of outstanding general obligation indebtedness by the District as of December 31, 2025, is \$8,441,111.72.

No new District indebtedness or long-term obligations were issued during the reporting year.

8. Copies of developer Reimbursement Agreements or amendments thereto made in the applicable year.

No new developer reimbursement agreements or amendments were made during the reporting year.

9. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year and the source of funds for the same.

No capital expenditures in the development of Public Improvements were incurred by the District during the reporting year, and none are currently proposed.

10. Status of District's Public Improvement Construction Schedule.

Construction of all public improvements is complete and has been dedicated to and accepted by the Town, District, or other Governmental Agency as applicable.

11. List of all facilities and improvements constructed by the District that have been dedicated to and accepted by the Town of Windsor.

No new facilities or improvements have been constructed by the District in the reporting year that would require conveyance or dedication by the Town of Windsor.

12. A summary of any litigation which involves the District.

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 District's public improvements as of December 31, 2025.

13. Proposed plan for the year immediately following the year summarized in the annual report.

There are no proposed changes to the plan for 2026.

14. Summary of current assessed valuation in the District.

The final assessed valuation of all taxable property within the District for the reporting year, as certified by the Weld County Assessor, is \$21,354,270.

EXHIBIT A
2026 Budget

Winter Farm Metropolitan District No. 2

2026 Budget

General Operating Fund

				12/31/2025 Estimated Actual and Amended	2026 Budget
Accounting Basis: Modified Accrual	2024 Actual	2025 Budget	8/31/2025 Actual		
Beginning Fund Balance	159,375	197,772	166,144	166,144	101,668
Income					
Fines	375	-	75	113	-
Interest Revenue	7,028	-	4,082	6,123	-
Design Review Fees	400	-	650	950	-
Setup and Transfer Fees	12,383	-	10,394	15,591	-
Property Taxes	177,221	170,194	170,191	170,194	170,941
Specific Ownership Taxes	6,155	10,212	4,985	7,478	10,256
Transfer In	-	-	-	30,602	35,631
Tax Related Interest	95	-	43	65	-
Total Income	203,657	180,406	190,420	231,116	216,828
Expense					
<i>General and Administrative</i>					
Management & Accounting Services	32,866	33,660	22,541	33,660	35,350
Design Review Fees	750	-	100	950	-
Setup & Transfer Fees	12,383	-	10,394	15,591	-
Legal	14,813	15,000	7,017	10,526	15,000
Audit/Tax Prep	7,300	9,000	-	9,000	9,000
Election	-	3,000	80	80	-
Insurance	8,379	9,485	7,374	7,374	7,750
Treasurers Fees	2,660	2,553	2,554	2,554	2,564
Bad Debt	200	-	-	-	-
Bank Fees	10	-	20	30	-
ADA Compliance	-	1,500	1,876	2,814	250
Office	441	1,500	260	390	1,500
Dues and Compliance	412	433	422	422	450
Reserve Study	2,550	-	-	-	-
Contingency	-	5,000	-	5,000	5,000
Overhead Allocation to Special Fund	-	(26,881)	-	-	-
Total G&A	82,764	54,250	52,638	88,391	76,864
<i>Landscape</i>					
Landscape Contract	60,890	72,000	53,757	72,000	82,800
Landscape - Repairs	17,989	15,000	2,375	3,563	10,000
Landscape Projects	18,309	10,000	4,733	7,100	10,000
Snow Removal	1,838	6,000	3,521	5,282	6,500
Pest Control	848	3,000	1,833	2,750	3,000
Sprinklers	7,821	8,000	9,076	13,614	12,500
Trees/ Bushes	6,429	7,000	1,868	2,802	10,000
Trash	-	-	60	90	150
Irrigation System Repairs	-	5,000	-	-	5,000
Transfer Out to Capital Project Fund	-	100,000	-	100,000	-
Total Landscape	114,124	226,000	77,223	207,201	139,950
Total Expenses	196,888	280,250	129,861	295,592	216,814
Excess Revenue (Expenses)	6,769	(99,844)	60,559	(64,476)	14

**Winter Farm Metropolitan District No. 2
2026 Budget**

Ending Fund Balance	166,144	97,928	226,703	101,668	101,682
Restricted (TABOR)					6,504

Debt Service Fund

Accounting Basis: Modified Accrual	2024 Actual	2025 Budget	8/31/2025 Actual	12/31/2025 Estimated Actual	2026 Budget
Beginning Fund Balance	81,161	46,500	99,627	99,627	126,114
Income					
Interest Revenue	7,218	-	6,475	9,713	-
Property Tax	503,237	503,748	503,742	503,748	503,705
Specific Ownership Tax	18,219	30,225	14,754	22,131	30,222
Tax Related Interest	282	-	126	189	-
Total Income	528,956	533,973	525,097	535,781	533,927
Expense					
Treasurers Fees	7,552	7,556	7,558	7,556	7,556
Paying Agent Fees	400	400	-	400	400
Principal - Bonds	155,000	160,000	-	160,000	165,000
Interest - Bonds	347,538	341,338	170,669	341,338	334,938
Contingency	-	2,500	-	-	2,500
Total Expenses	510,490	511,794	178,227	509,294	510,394
Excess Revenues (Expenses)	18,466	22,179	346,870	26,487	23,533
Ending Fund Balance	99,627	68,679	446,497	126,114	149,647

Special Fund

Accounting Basis: Modified Accrual	2024 Actual	2025 Budget	8/31/2025 Actual	12/31/2025 Estimated Actual	2026 Budget
Beginning Fund Balance	212,873	239,185	277,938	277,938	319,198
Income					
Irrigation Water Fees Residential	176,443	170,495	171,578	171,578	170,495
Irrigation Water Fees Commercial	-	10,000	6,684	10,026	7,000
Late Fees	1,095	-	-	-	-
Interest Charges	1,096	-	921	1,382	-
Interest Revenue	9,814	-	5,661	8,492	-
Total Income	188,448	180,495	184,844	191,478	177,495
Expense					
<i>General and Administration</i>					
Management	26,460	27,540	18,630	27,540	28,920
Legal	-	-	1,873	2,810	10,000
Bad Debt	67	-	466	699	-
Office Expenses	2,867	2,000	2,017	3,026	2,000

**Winter Farm Metropolitan District No. 2
2026 Budget**

Contingency	-	5,000	-	-	5,000
Total G&A	29,394	34,540	22,986	34,075	45,920
<i>Utilities</i>					
Electric	36,710	38,235	25,719	38,579	40,000
Total Utilities	36,710	38,235	25,719	38,579	40,000
<i>Non-potable Water System</i>					
Irrigation System Repairs	20,137	20,000	2,507	3,761	20,000
Irrigation System Monitoring	-	2,000	4,808	7,212	5,000
Pumphouse	1,024	10,000	358	537	20,000
Meter Equipment	153	-	-	-	-
Utility Locates	965	1,000	301	452	500
Irrigation Well	-	-	-	-	150,000
Transfer Out - Operating	-	26,881	-	30,602	35,631
Transfer Out - Capital Projects	35,000	35,000	-	35,000	-
Total non-potable Water System	57,279	94,881	7,974	77,564	231,131
Total Expenses	123,383	167,656	56,679	150,218	317,051
Excess Revenues (Expenses)	65,065	12,839	128,165	41,260	(139,556)
Ending Fund Balance	277,938	252,024	406,103	319,198	179,642

Capital Fund

	12/31/2025 Estimated 2026 Budget Actual				
Accounting Basis: Modified Accrual	2024 Actual	2025 Budget	8/31/2025 Actual	Actual	
Beginning Fund Balance	257,905	306,962	306,942	306,942	454,166
Income					
Interest Revenue	14,037	-	8,149	12,224	-
Transfer In	35,000	135,000	-	135,000	-
Total Income	49,037	135,000	8,149	147,224	-
Expense					
Contingency	-	5,000	-	-	5,000
Irrigation System Repairs	-	75,475	-	-	80,000
Monument Sign	-	10,000	-	-	10,000
Total Expenses	-	90,475	-	-	95,000
Excess Revenues (Expenses)	49,037	44,525	8,149	147,224	(95,000)
Ending Fund Balance	306,942	351,487	315,091	454,166	359,166

Assessed Valuation

	20,704,820	21,354,270
Operating Levy	8.220	8.005
Debt Levy	24.330	23.588
Total Levy	32.550	31.593