BLUE LAKE METROPOLITAN DISTRICT NO. 2

SPECIAL MEETING AGENDA & NOTICE

BOARD OF DIRECTORS	OFFICE	TERM EXPIRES
Mark Bush	President	May 2027
Charles Foster	Secretary/Treasurer	May 2027
John Fair	Assistant Secretary	May 2027
Russell Watterson, Sr.	Assistant Secretary	May 2029
Vacant	Assistant Secretary	May 2029

PLEASE NOTE DATE AND TIME

DATE: **Thursday, July 30, 2026**
TIME: **1:00 PM**

Join Zoom Meeting
https://us06web.zoom.us/j/89946403649?pwd=3A4UMaAsS1Irx0wu64ZyaA1ymhzHGH.1

Meeting ID: 899 4640 3649
Passcode: 372342

One tap mobile
+17207072699,,89946403649# US (Denver)
+17193594580,,89946403649# US

CONSENT AGENDA:

a. Call to Order and Declaration of Quorum
b. Present Disclosures of Potential Conflicts of Interest
c. Approve Agenda
d. Review and Approve Minutes of November 5, 2025, District Meeting and Public Meeting (enclosures)

PUBLIC COMMENT: **(For non-agenda items, 3-minutes time limit per speaker)**

FINANCIAL ITEMS:

a. Review and Consider Approval of the 2025 Audit (enclosure)
b. Review, Ratify and/or Approve the payment of Claims (enclosure)

LEGAL ITEMS:

a. Review and Consider Approval of Resolution Designating Location to Post Notice (enclosure)

OTHER BUSINESS:

ADJOURNMENT:

RECORD OF PROCEEDING

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF:

BLUE LAKE METROPOLITAN DISTRICT NO. 2

HELD WEDNESDAY, NOVEMBER 5, 2025, AT 12:00 PM

ADMINISTRATIVE ITEMS

The special meeting of the Board of Directors of the Blue Lake Metropolitan District No. 2, Weld County, Colorado was called to order on the day shown above by Mark Bush in accordance with the laws of the State of Colorado. The following Directors were acting:

Mark Bush, President
Charles Foster, Secretary/Treasurer
John Fair, Assistant Secretary
Russell Watterson, Sr., Assistant Secretary

Also present was:
Joel Meggers, Kim Alex and Rhond Bilek, Community Resource Services of Colorado, LLC
Matt Ruhland, Cockrel Ela Glense Greher & Ruhland P.C.

CALL TO ORDER

A quorum of the Board was present, and the meeting was called to order at 12:04 p.m.

CONFLICTS OF INTEREST

Mr. Ruhland advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. Ms. Phillips reported that written disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State prior to the meeting. The Board reviewed the agenda for the meeting, following which each director confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required by Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act.

APPROVE AGENDA

Director Watterson moved to approve the agenda as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

MINUTES

Director Watterson moved to approve the minutes of the meeting held on June 24, 2025, as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

ANNUAL ADMINSTRATIVE RESOLUTION

Mr. Ruhland reviewed the 2026 annual resolution. Director Watterson moved to approve the resolution as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

PUBLIC COMMENT

There was none.

FINANCIAL MATTERS

a. **Review Financial Statements:** Ms. Alex reviewed the unaudited financials. Director Watterson moved to accept the unaudited financial statements as presented, upon second by Director Bush, a vote was taken, and the motion carried unanimously.

b. **Review and Approve/Ratify Payment of Claims:** Ms. Alex presented claims to be ratified. Director Watterson moved to ratify the claims as presented. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

Public Hearing: Mr. Meggers reported that the proper publication had been made to allow the Board to conduct the public hearing. Director Bush opened the public hearing, there being no public in attendance, nor public comments received by Community Resource Services of Colorado or by legal counsel, the public hearing was closed.

c. **The 2025 Amendment Budget was not necessary**.

d. **Consider Approval of the Proposed 2026 Budget and Consider Adoption of the Budget Resolution**. Mr. Meggers and Ms. Alex presented the proposed 2026 budget. The Board reviewed and requested that $35,000 be transferred to the capital project fund. After further discussion Director Watterson moved to approve the 2026 proposed budget subject to the requested change and final AV. To certify the general mill levy as 15.656 and the Debt Service mill levy as 40.000 for a total mill levy of 55.656 and to appropriate 2026 expenditures. Upon second by Director Bush, a vote was taken, and the motion carried unanimously.

OTHER BUSINESS

a. There was no additional business.

ADJOURNMENT

Director Watterson moved to adjourn the meeting, upon a second by Director Bush, a vote was taken, and the motion carried unanimously.

Respectfully submitted,

____

Secretary for the Meeting

BLUE LAKE METROPOLITAN DISTRICT NO. 2
Weld County, Colorado

FINANCIAL STATEMENTS

with Independent Auditors' Report

December 31, 2025

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BASIC FINANCIAL STATEMENTS

BLUE LAKE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION (DEFICIT)
December 31, 2025

	Governmental Activities
ASSETS	
Cash and investments - unrestricted	$ 74,645
Cash and investments - restricted	280,818
Property taxes receivable	280,795
Prepaid expenses	2,972
Capital assets, not being depreciated	6,984
Capital assets, being depreciated	171,934
Total assets	818,148
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on bond refunding, net of amortization	218,551
Total deferred outflows of resources	218,551
LIABILITIES	
Accounts payable	1,109
Accrued interest on long-term obligations	10,560
Noncurrent liabilities:	
Due in one year	76,000
Due in more than one year	3,549,000
Total liabilities	3,636,669
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	280,795
Total deferred inflows of resources	280,795
NET POSITION (DEFICIT)	
Restricted for:	
Emergency reserves	1,600
Unrestricted	(2,882,365)
Total net position (deficit)	$ (2,880,765)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary government:					
Governmental activities:					
General government	$ 62,750	$ -	$ -	$ -	$ (62,750)
Interest and expenses on long-term debt	139,883	-	-	-	(139,883)
	$ 202,633	$ -	$ -	$ -	(202,633)
	General revenues:				
	Property taxes				274,046
	Specific ownership taxes				11,102
	Conservation trust fund				3,867
	Interest				17,512
	Total general revenues				306,527
	Change in net position				103,894
	Net position (deficit) - beginning				(2,984,659)
	Net position (deficit) - ending				$ (2,880,765)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments - unrestricted	$ 74,645	$ -	$ -	$ 74,645
Cash and investments - restricted	-	107,729	173,089	280,818
Property taxes receivable	78,987	201,808	-	280,795
Prepaid expenditures	2,972	-	-	2,972
Total assets	$ 156,604	$ 309,537	$ 173,089	$ 639,230
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,109	$ -	$ -	$ 1,109
Total liabilities	1,109	-	-	1,109
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	78,987	201,808	-	280,795
Total deferred inflows of resources	78,987	201,808	-	280,795
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	2,972	-	-	2,972
Restricted:				
Emergency reserves	1,600	-	-	1,600
Debt service	-	107,729	-	107,729
Capital projects	-	-	173,089	173,089
Unassigned	71,936	-	-	71,936
Total fund balances	76,508	107,729	173,089	357,326
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 156,604	$ 309,537	$ 173,089	$ 639,230

Governmental fund balance	$ 357,326
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	178,918
Deferred outflows of resources are not reported in the funds	
Bond refunding loss, net of amortization	218,551
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds	
Long-term obligations	(3,625,000)
Accrued interest on long-term obligations	(10,560)
Net position (deficit) of governmental activities	$ (2,880,765)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Total
REVENUES				
Property taxes	$ 77,089	$ 196,957	$ -	$ 274,046
Specific ownership taxes	3,123	7,979	-	11,102
Conservation trust fund	-	-	3,867	3,867
Interest	6,210	4,524	6,778	17,512
Total revenues	86,422	209,460	10,645	306,527
EXPENDITURES				
General				
ADA Compliance	1,344			1,344
Audit	8,000	-	-	8,000
County treasurer fees	1,156	2,955	-	4,111
District management and accounting	21,091	-	-	21,091
Dues and subscriptions	1,505	-	-	1,505
Insurance and bonds	3,111	-	-	3,111
Legal	6,705	-	-	6,705
Maintenance	6,600	-	-	6,600
Miscellaneous	1,234	-	-	1,234
Debt service				
2021 Loans - principal	-	69,000	-	69,000
2021 Loans - interest	-	129,138	-	129,138
Paying agent fees	-	2,175	-	2,175
Capital				
Capital outlay	-	-	6,984	6,984
Total expenditures	50,746	203,268	6,984	260,998
NET CHANGES IN FUND BALANCES	35,676	6,192	3,661	45,529
FUND BALANCES - BEGINNING OF THE YEAR	40,832	101,537	169,428	311,797
FUND BALANCES - END OF YEAR	$ 76,508	$ 107,729	$ 173,089	$ 357,326

BLUE LAKE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - Total governmental funds	$	45,529
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:		
Principal payments on bonds and notes		69,000
Governmental funds report capital outlays as expenditures. In the Statement of Activities capital outlay is not reported as an expenditure. This amount represents net capital outlay for the current period:		
Capital outlay		6,984
Depreciation		(9,049)
Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:		
Debt refunding deferred loss amortization		(8,771)
Net change in accrued interest on long-term liabilities		201
Change in net position of governmental activities	$	103,894

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 77,089	$ 77,089	$ -
Specific ownership taxes	4,630	3,123	(1,507)
Interest	1,500	6,210	4,710
Total revenues	83,219	86,422	3,203
EXPENDITURES			
General			
ADA compliance	1,000	1,344	(344)
Audit	12,000	8,000	4,000
Consulting	15,000	-	15,000
County treasurer fees	1,156	1,156	-
District management and accounting	19,000	21,091	(2,091)
Dues and subscriptions	700	1,505	(805)
Maintenance	15,000	6,600	8,400
Insurance and bonds	3,000	3,111	(111)
Legal	5,000	6,705	(1,705)
Miscellaneous	300	1,234	(934)
Emergency reserve	2,200	-	2,200
Total expenditures	74,356	50,746	23,610
EXCESS OF EXPENDITURES OVER REVENUES	8,863	35,676	(26,813)
FUND BALANCE - BEGINNING OF YEAR	38,412	40,832	(2,420)
FUND BALANCE - END OF YEAR	$ 47,275	$ 76,508	$ (29,233)

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 - DEFINITION OF REPORTING ENTITY

Blue Lake Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on May 17, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Weld County, Colorado, entirely within the Town of Lochbuie (Town).

The District was formed in conjunction with two other metropolitan districts, Blue Lake Metropolitan District No. 1 (District 1) and Blue Lake Metropolitan District No. 3 (District 3). The purpose of the District is to finance, construct and install public improvements, including streets and traffic signals, and water, sewer, storm drainage and park, open space and recreation facilities for the Blue Lake Development. Public improvements and facilities constructed or acquired by the District may be owned and maintained by one or more of the Districts, or may be dedicated for ownership and maintenance to the Town of Lochbuie, Colorado, or to other non-profit or governmental entities for the use and benefit of the Blue Lake Development residents and taxpayers.

The District has no employees and all operations and administrative functions 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 District organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, 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 assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

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 government 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. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 other funds.

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest and related expenses on long-term general obligation debt.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Budgets

In accordance with the State Budget Law, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash. Investments are carried at fair value.

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 due in 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 inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Loss on Refunding

In the government-wide financial statements, deferred loss on refunding is being amortized over the term of the 2021 loans using the straight-line method. At December 31, 2025, the accumulated amortization of the deferred loss on refunding was $40,201.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred loss on bond refunding is deferred and recognized as an outflow of resources in the period that the amount becomes available.

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

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

<u>Nonspendable fund balance</u> – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

<u>Restricted fund balance</u> – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

<u>Committed fund balance</u> – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint.

<u>Assigned fund balance</u> – amounts the District intends to use for a specific purpose. Intent can be expressed by the District's board of directors or by an official or body to which the District board of directors delegates the authority.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned fund balance – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's board of directors has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying statement of net position as follows:

Cash and investments – unrestricted	$	74,645
Cash and investments - restricted		280,818
Total cash and investments	$	355,463

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

Deposits with financial institutions	$	212,029
Investments		143,434
Total cash and investments	$	355,463

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 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, 2025, the District's cash deposits had a bank balance of $213,356 and carrying balance of $212,029.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

The local government investment pool, which includes Colorado Local Government Liquid Asset Trust (Colotrust) is rated AAAm by S&P Global Ratings.

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.

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Carrying Value
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted average under 60 days	$ 143,434

Colotrust

During 2025, the District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. The District invested in COLOTRUST PLUS+ (PLUS+), one of the three portfolios offered by Colotrust. PLUS+ operates similarly to a money market fund and each share is equal in value to $1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. PLUS+ may invest in U.S. Treasury

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

securities, federal instrumentality and agency securities, repurchase agreements and tri-party repurchase agreements, collateralized bank deposits, government money market funds, corporate bonds and highest rated commercial paper. A designated custodial bank serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. As of December 31, 2025, the District had $143,434 invested in PLUS+ in the name of the District.

Cash and investments of $107,729 are restricted in the Debt Service Fund for servicing the District's bond debt (Note 5). Cash and investments of $173,089, are restricted by the bondholder, in the Capital Projects Fund for capital improvements.

Investment Valuation

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in Colotrust at year end for which the investment valuations were determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of Colotrust to maintain a NAV of $1.00 per share for investments in PLUS+, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from $1.00 per share.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the District's investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates.

The District manages its exposure to interest rate risk primarily through compliance with Colorado state statutes, which generally limit investment maturities to five years or less unless formally approved by the District's Board of Directors.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

At December 31, 2025, the District's investments consist exclusively of funds held in the Colotrado Local Government Liquid Asset Trust (COLOTRUST PLUS+), which is structured to maintain a stable net asset value and invests in short-term, highly liquid instruments with a weighted average maturity of less than one year. Accordingly, the District's exposure to interest rate risk is considered minimal.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2025, the District's investments are held entirely in the Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+). As this investment is in a pooled investment vehicle administered for Colorado local governments, it is not subject to concentration of credit risk in the same manner as direct investments in a single issuer. Accordingly, the District's exposure to concentration of credit risk is considered minimal.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Capital assets, not being depreciated				
Construction in progress	$ 180,983	$ -	$ (180,983)	$ -
Construction in progress - Park Upgrades	-	6,984		6,984
Total capital assets, not being depreciated	180,983	6,984	(180,983)	6,984
Capital assets, being depreciated:				
Pocket Park	-	180,983	-	180,983
Total capital assets being depreciated	-	180,983	-	180,983
Less accumulated depreciation for:				
Pocket Park	-	(9,049)	-	(9,049)
Total accumulated depreciation	-	(9,049)	-	(9,049)
Total capital assets being depreciated, net	$ 180,983	$ 178,918	$ (180,983)	$ 178,918

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Retirements/ Refunding	Balance at December 31, 2025	Due Within One Year
Bonds and loans payable:					
Limited Tax Refunding Loan, Series 2021A	$ 2,581,000	$ -	$ 48,000	$ 2,533,000	$ 53,000
Limited Tax Refunding and Improvement Loan, Series 2021B	1,113,000	-	21,000	1,092,000	23,000
	$ 3,694,000	$ -	$ 69,000	$ 3,625,000	$ 76,000

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Direct Borrowing Debt:

Limited Tax (Convertible to Unlimited Tax) Refunding Loan, Series 2021A and Limited Tax (Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2021B

On May 12, 2021, the District issued a $2,793,000 Limited Tax (Convertible to Unlimited Tax) Refunding Loan**,** Series 2021A (2021A Loan) and Limited Tax (Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2021B (2021B Loan) (collectively the 2021 Loans). Interest on the 2021A Loan is payable semiannually on June 1 and December 1, commencing December 1, 2021 at an annual interest rate of 4.310% until the tax conversion date of September 17, 2021, then 3.448% thereafter. Interest on the 2021B Loan is payable semiannually on June 1 and December 1, commencing December 1, 2021 at a rate of 3.448% per annum. The interest rate for the 2021 Loans is subject to reset on December 1, 2041 and each five year anniversary of such date until the 2021 Loans are paid in full. Principal payments for the 2021 Loans are due annually on December 1.

The 2021 Loans mature on December 1, 2050 and are secured by and payable from pledged revenue applied on a parity basis which consists of the moneys derived by the District from the following sources: (i) property tax revenues; (ii) specific ownership tax revenues, and (iii) any other legally available monies which the board determines to apply as pledged revenue. The required mill levy which may be pledged to the payment of the 2021 Loans is defined, generally, as an ad valorem mill levy imposed on all taxable property of the District each year in an amount, when combined with monies then held in the loan payment funds, is sufficient to pay the annual debt requirements, but not in excess of 50 mills (as adjusted by any allowable change in calculation). The required mill levy is to be reduced if the tax revenue in any year is in excess of the maximum tax increase permitted by the District's electoral authorization. Proceeds of the 2021A Loan were used to: (i) refund the Series 2016A Bonds and Series 2016B Bonds; and (ii) pay the costs of issuing the 2021A Loan. Proceeds of the 2021B Loan were used to: (i) refund the Series 2016C Note, (ii) reimburse a portion of developer advances and accrued interest, (iii) provide funds for additional projects and (iv) pay the costs of issuance of the 2021B Loan.

Events of default under the 2021 Loans include: (i) failure to pay principal and interest when due, (ii) failure to impose the required mill levy or apply the pledged revenue as required; (iii) default in the performance of any covenants, agreements, or conditions; or (iv) filing a petition under the federal bankruptcy laws or commence any action seeking to adjust the debt obligation represented by the 2021 Loans. Immediately upon the occurrence and continuance of an event of default, rights or remedies include (i) apply a default interest rate equal to the lessor of: (i) the Wall Street Journal prime rate in effect as of the date of any event of default, plus 4.0%; or (ii) 18.0%, (ii) the right to file a suit for judgment, action or special proceedings as advised by counsel and (iii) take any other allowable action or remedy.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations mature as follows:

	Limited Tax (Convertible to Unlimited Tax) Refunding and Improvement Loans Series 2021A and 2021B		
	Principal	Interest	Total
2026	$ 76,000	$ 126,726	$ 202,726
2027	78,000	124,069	202,069
2028	85,000	121,675	206,675
2029	87,000	118,371	205,371
2030	95,000	115,329	210,329
2031-2035	554,000	523,597	1,077,597
2036-2040	717,000	416,046	1,133,046
2041-2045	841,000	281,207	1,122,207
2046-2050	1,092,000	118,717	1,210,717
	$ 3,625,000	$ 1,945,737	$ 5,570,737

Developer Advances

Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3.

The District and District 1 and 3 entered into an Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3 (Debt Allocation IGA), dated April 2, 2015 for the purpose of setting forth the debt allocations of the District and District 1 and 3. The Debt Allocation IGA allocates $3,700,000 of the debt limitation to District 3 and the remaining $20,300,000 to the District and District 1. The Debt Allocation IGA further provides that the District and District 1 may further allocate the $20,300,000 allocation between and amongst themselves in any manner that the respective boards of the Districts may agree upon, all in conformance with applicable law.

First Amendment to Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3.

The District and District 1 and 3 entered into an amendment to Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3 (Debt Allocation IGA), dated February 23, 2018 for the purpose of reallocating the debt allocations of the District and District 1 and 3. The Amendment to Debt Allocation IGA changes the allocation of $3,700,000 to $7,100,000 of the debt limitation to District 3 and the remaining $20,300,000 decreases to $16,900,000 for the District and District 1. The Debt Allocation IGA further provides that the District and District 1 may further allocate the $16,900,000 allocation between and amongst themselves in any manner that the respective boards of the Districts may agree upon, all in conformance with applicable law.

Advance and Reimbursement Agreements by and Between Blue Lake Metropolitan Districts No. 1, 2 and 3 and Lochbuie Land I, L.L.C.

The District, District 1 and District 3 each entered into Advance and Reimbursement Agreements with Lochbuie Land I, L.L.C. (Lochbuie Land I) on June 29, 2004 (Advance and Reimbursement

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Agreements) to establish the terms and conditions pursuant to which Lochbuie Land I would make advances to the Districts and the Districts would reimburse Lochbuie Land I for the advances. Under the Advance and Reimbursement Agreements, the Districts are required to reimburse Lochbuie Land I for advances with interest at a rate of seven percent (7%) per annum. Payments made by the Districts are subject to annual appropriation and budget approval and are not to be made from funds otherwise required for operations, capital improvements and debt service costs and expenses of the Districts. Amounts payable under the Advance and Reimbursement Agreements are subordinate to any bonded indebtedness of the Districts.

Authorized Debt

The following table depicts the borrowing authority authorized by the District's voters at the 2004 District Election, the 2015 Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3, and the amount remaining as of December 31, 2023, after application of debt issued by the District. The remaining balance is shared with District 1 and may be re-allocated in the future as noted above.

	Total Authorized	Remaining at December 31, 2025
Streets and improvements	$ 7,680,000	$ 6,541,107
Water system	6,240,000	5,480,800
Sanitary sewer system	5,760,000	4,650,400
Parks and recreation	4,320,000	4,320,000
Refunding	24,000,000	20,608,665
	$ 48,000,000	$ 41,600,972

NOTE 6 - FUND EQUITY

At December 31, 2025, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of $2,972 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of $1,600 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado.

The restricted fund balance in the amount of $173,089 is to be used exclusively for capital projects.

The restricted fund balance in the amount of $107,729 is to be used exclusively for debt service.

NOTE 7 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

NOTE 7 - NET POSITION (CONTINUED)

The net investment in capital assets is zero as a portion of the related financing was used for capital assets that were subsequently conveyed to other governmental entities and are therefore not reported by the District. As a result, the remaining debt attributable to capital assets held by the District offsets the carrying value of those assets.

The restricted portion of the net position includes amounts 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's restricted net position at December 31, 2025 is as follows:

	Governmental Activities
Restricted net position:	
TABOR emergency reserve (Note 11)	$ 1,600
	$ 1,600

Unrestricted net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

NOTE 8 - RELATED PARTIES

All of the members of the board of directors of the District are employees, owners or otherwise associated with Lochbuie Land I and may have conflicts of interest in dealing with the District. The District entered into an Advance and Reimbursement Agreement dated June 29, 2004 with Lochbuie Land I (see Note 5). Specific details of transactions with Lochbuie Land I regarding organization, advances and debt are described elsewhere in these notes.

NOTE 9 – EASEMENT AND MAINTENANCE AGREEMENT

On April 27, 2016, the District entered into an Easement and Maintenance Agreement (the Maintenance Agreement) with Lochbuie Land I for the benefit of Bella Vista Master Association, Colorado nonprofit corporation (the HOA). Pursuant to the Maintenance Agreement, the District and Lochbuie Land I granted the HOA a permanent easement in order to operate, maintain, repair, construct, patrol, inspect, improve and replace public improvements located within the District, including parks and a retention pond. The HOA is responsible for all ongoing costs associated with its uses of the public improvements.

NOTE 10- RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be 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 (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.

NOTE 10 - RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS

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

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.

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.

On May 4, 2004, a majority of the District's electors authorized the District to collect, retain and spend any and all amounts annually from any revenue sources whatsoever, other than ad valorem taxes, as a voter-approved revenue change without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution and without limiting in any year the amount of other revenues that may be collected and spent by the District.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through [Report Date], and no material events were identified requiring disclosure.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

BLUE LAKE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2025

	Budget Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE			
Property taxes	$ 196,956	$ 196,957	$ 1
Specific ownership taxes	11,817	7,979	(3,838)
Interest	500	4,524	4,024
Total revenues	209,273	209,460	187
EXPENDITURES			
General			
County treasurer fees	2,954	2,955	(1)
Debt service			-
Loan principal - Series 2021A	48,000	48,000	-
Loan interest - Series 2021A	90,229	90,229	-
Loan principal - Series 2021B	21,000	21,000	-
Loan interest - Series 2021B	38,909	38,909	-
Paying agent fees	2,500	2,175	325
Total expenditures	203,592	203,268	324
EXCESS OF REVENUES OVER EXPENDITURES	5,681	6,192	511
NET CHANGE IN FUND BALANCE	5,681	6,192	511
FUND BALANCE - BEGINNING OF YEAR	172,482	101,537	(70,945)
FUND BALANCE - END OF YEAR	$ 178,163	$ 107,729	$ (70,434)

These financial statements should be read only in connection with the accompanying notes to financial statements.

BLUE LAKE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2025

	Budget Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest	$ 5,000	$ 6,778	$ 1,778
Conservation trust fund	3,600	3,867	267
Total revenues	8,600	10,645	2,045
EXPENDITURES			
Capital outlay	149,298	6,984	142,314
Total expenditures	149,298	6,984	142,314
EXCESS OF EXPENDITURES OVER REVENUES	(140,698)	3,661	144,359
OTHER FINANCING SOURCES			
Transfer from debt service fund	-	-	-
Total other financing sources	-	-	-
NET CHANGE IN FUND BALANCE	(140,698)	3,661	144,359
FUND BALANCE - BEGINNING OF YEAR	155,698	169,428	13,730
FUND BALANCE - END OF YEAR	$ 15,000	$ 173,089	$ 158,089

These financial statements should be read only in connection with the accompanying notes to financial statements.

OTHER INFORMATION

BLUE LAKE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

	$2,793,000 Series 2021A Limited Tax (Convertible to Unlimited Tax) Refunding Loan Dated May 12, 2021 Interest Rate of 4.310% Payable on June 1 and December 1, Principal Due December 1			$1,207,000 Series 2021B Limited Tax (Convertible to Unlimited Tax) Refunding and Improvement Loan Dated May 12, 2021 Interest Rate of 4.310% (1) Payable on June 1 and December 1, Principal Due December 1		
	Principal	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2026	$ 53,000	$ 88,551	$ 141,551	$ 23,000	$ 38,175	$ 61,175
2027	55,000	86,698	141,698	23,000	37,371	60,371
2028	59,000	85,008	144,008	26,000	36,667	62,667
2029	61,000	82,713	143,713	26,000	35,658	61,658
2030	66,000	80,580	146,580	29,000	34,749	63,749
2031	69,000	78,273	147,273	30,000	33,735	63,735
2032	74,000	76,069	150,069	32,000	32,776	64,776
2033	77,000	73,274	150,274	33,000	31,568	64,568
2034	82,000	70,582	152,582	35,000	30,414	65,414
2035	85,000	67,715	152,715	37,000	29,191	66,191
2036	91,000	64,921	155,921	39,000	27,974	66,974
2037	94,000	61,563	155,563	41,000	26,534	67,534
2038	101,000	58,276	159,276	43,000	25,101	68,101
2039	104,000	54,746	158,746	45,000	23,597	68,597
2040	111,000	51,250	162,250	48,000	22,084	70,084
2041	115,000	47,229	162,229	49,000	20,346	69,346
2042	109,000	43,209	152,209	47,000	18,633	65,633
2043	114,000	39,399	153,399	49,000	16,990	65,990
2044	122,000	35,510	157,510	53,000	15,319	68,319
2045	128,000	31,148	159,148	55,000	13,424	68,424
2046	137,000	26,674	163,674	59,000	11,502	70,502
2047	143,000	21,884	164,884	62,000	9,439	71,439
2048	153,000	16,931	169,931	66,000	7,291	73,291
2049	160,000	11,537	171,537	69,000	4,964	73,964
2050	170,000	5,943	175,943	73,000	2,552	75,552
	$ 2,533,000	$ 1,359,683	$ 3,892,683	$ 1,092,000	$ 586,054	$ 1,678,054

BLUE LAKE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2005	$ 10	15.000	$ -	$ -	100.00%
2006	$ 10	45.000	$ -	$ -	100.00%
2007	$ 682,710	45.000	$ 30,722	$ 30,722	100.00%
2008	$ 1,528,300	45.000	$ 68,774	$ 68,774	100.00%
2009	$ 1,472,710	45.000	$ 66,271	$ 65,691	99.12%
2010	$ 1,252,030	45.000	$ 56,341	$ 56,342	100.00%
2011	$ 1,262,750	45.000	$ 56,824	$ 56,824	100.00%
2012	$ 928,380	50.000	$ 46,419	$ 46,419	100.00%
2013	$ 932,960	50.000	$ 46,648	$ 46,648	100.00%
2014	$ 761,030	50.000	$ 38,052	$ 38,107	100.14%
2015	$ 817,470	50.000	$ 40,874	$ 40,876	100.00%
2016	$ 1,284,560	50.000	$ 64,228	$ 64,229	100.00%
2017	$ 2,654,120	50.000	$ 132,706	$ 132,706	100.00%
2018	$ 3,440,440	50.277	$ 190,155	$ 190,155	100.00%
2019	$ 3,502,190	55.277	$ 193,591	$ 193,591	100.00%
2020	$ 4,276,470	55.656	$ 238,011	$ 238,011	100.00%
2021	$ 4,302,290	55.656	$ 239,448	$ 239,241	100.00%
2022	$ 4,506,120	55.702	$ 251,000	$ 251,000	100.00%
2023	$ 4,332,330	55.656	$ 241,120	$ 241,121	100.00%
2024	$ 4,924,890	55.656	$ 274,100	$ 276,778	101.00%
2025	$ 4,923,900	55.656	$ 274,045	$ 274,046	100.00%
Estimated for the year ending December 31, 2026	$ 5,045,190	55.656	$ 280,795		

NOTE:
Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

Blue Lake Metropolitan District No.2

Claims Listing

October 30, 2025-July 23, 2026

Account name	Transaction date	Transaction type	Num	Amount
CEGR Law				
Checking MedWest One	10/31/2025	Check	1190	-382.00
Checking MedWest One	11/25/2025	Check	1195	-1,553.50
Checking MedWest One	12/29/2025	Check	1197	-513.00
Checking MedWest One	01/30/2026	Check	1200	-57.00
Checking MedWest One	02/27/2026	Check	1205	-118.00
Checking MedWest One	03/27/2026	Check	1207	-306.50
Checking MedWest One	04/29/2026	Bill Payment (Check)	1211	-354.00
Total for CEGR Law				**-$3,284.00**
Colorado Community Media				
Checking MedWest One	01/30/2026	Check	1201	-20.92
Total for Colorado Community Media				**-$20.92**
Colorado Special District Property & Liability Pool				
Checking MedWest One	10/31/2025	Check	1191	-2,079.00
Total for Colorado Special District Property & Liability Pool				**-$2,079.00**
Community Resource Services of Colorado				
Checking MedWest One	10/31/2025	Check	1192	-1,568.70
Checking MedWest One	11/25/2025	Check	1196	-4,958.54
Checking MedWest One	12/29/2025	Check	1198	-716.50
Checking MedWest One	01/30/2026	Check	1202	-1,031.50
Checking MedWest One	02/27/2026	Check	1206	-1,390.65
Checking MedWest One	03/27/2026	Check	1208	-2,479.22
Checking MedWest One	04/29/2026	Bill Payment (Check)	1212	-643.50
Checking MedWest One	05/27/2026	Bill Payment (Check)	1213	-551.50
Checking MedWest One	06/26/2026	Bill Payment (Check)	1216	-116.50
Total for Community Resource Services of Colorado				**-$13,456.61**
Haynie & Company				
Checking MedWest One	05/27/2026	Bill Payment (Check)	1214	-4,150.00

Blue Lake Metropolitan District No.2

Claims Listing

October 30, 2025-July 23, 2026

Account name	Transaction date	Transaction type	Num	Amount
Checking MedWest One	06/26/2026	Bill Payment (Check)	1217	-2,075.00
Total for Haynie & Company				**-$6,225.00**
Highstreet				
Checking MedWest One	10/31/2025	Check	1193	-695.00
Total for Highstreet				**-$695.00**
Special District Association				
Checking MedWest One	01/30/2026	Check	1203	-558.58
Total for Special District Association				**-$558.58**
Streamline				
Checking MedWest One	12/29/2025	Check	1199	-99.00
Checking MedWest One	01/30/2026	Check	1204	-99.00
Checking MedWest One	03/27/2026	Check	1209	-198.00
Checking MedWest One	04/29/2026	Bill Payment (Check)	1213	-99.00
Checking MedWest One	05/27/2026	Bill Payment (Check)	1215	-80.00
Total for Streamline				**-$575.00**
TOTAL				**-$26,894.11**

BLUE LAKE METROPOLITAN DISTRICT NO. 2
CASH POSITION STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2026
UNAUDITED

Account Activity Item Description	MidWest One Checking	Colotrust 3.7509%	Colotrust CTF 3.7509%	Colotrust Bonds 3.7401%	ZIONS Bank 2021 Project Fund 0998670B	Zions Bank Loan Payment 0998670A	Zions Bank Pledged Revenue 0998670	TOTAL ALL ACCOUNTS
BEGINNING BALANCE PER BANK	$5,445	$79,350	$7,790	$56,296	$163,316	$224	$44,371	$356,792
YTD Credits - Total deposits, wires and transfers	15,000	153,255	1,290	110,740	2,645	63,221	63,805	409,956
YTD Debits - Total vouchers, wires and transfers	(9,316)	(124,967)	-	(63,189)	(18,755)	(63,189)	(65,364)	-344,780
YTD bank balance	11,129	107,638	9,080	103,847	147,206	256	42,812	421,968
Less outstanding checks	(6,342)	-	-	-	-	-	-	-6,342
Transfers	-	-	-	-	-	-	-	0
Add deposit in transit	-	-	-	-	-	-	-	0
YTD book balance	4,787	107,638	9,080	103,847	147,206	256	42,812	415,626
CURRENT PERIOD ACTIVITY								
Transfers	-	-	-	-	-	-	-	0
Property taxes	-	90,361	-	-	-	-	-	90,361
Payables	-	-	-	-	-	-	-	0
Loan Payment	-	-	-	-	-	-	-	0
Adjusted balance	**4,787**	**197,999**	**9,080**	**103,847**	**147,206**	**256**	**42,812**	**505,987**
Less restricted cash - debt	(2,699)	900		(103,847)	-	(256)	(42,812)	-148,714
Less restricted cash - capital	-	(2,848)	(9,080)	-	(147,206)	-	-	-159,134
Unrestricted cash balance	**$2,088**	**$196,051**	**$0**	**$0**	**$0**	**$0**	**$0**	**$198,139**

Budget vs. Actuals: 2026

January-June, 2026

	General			
	Actual	Budget	Over budget by	Percent of budget
Income				
Conservation trust funds				
Interest Income	1,999.58	5,000.00	-3,000.42	39.99%
Property Tax	42,962.41	78,987.00	-36,024.59	54.39%
Specific Ownership Tax	1,761.30	4,740.00	-2,978.70	37.16%
Total for Income	**46,723.29**	**88,727.00**	**-42,003.71**	**52.66%**
Cost of Goods Sold				
Gross Profit	**46,723.29**	**88,727.00**	**-42,003.71**	**52.66%**
Expenses				
Audit	6,225.00	12,000.00	-5,775.00	51.88%
District management and accounting	6,212.87	21,000.00	-14,787.13	29.59%
Dues and subscriptions	558.58	1,000.00	-441.42	55.86%
Insurance and bonds	2,972.36	3,200.00	-227.64	92.89%
Legal	856.42	5,100.00	-4,243.58	16.79%
Postage copies and website	476.00		476.00	
Treasurer fees	639.65	1,185.00	-545.35	53.98%
ADA Compliance		1,400.00	-1,400.00	0.00%
Consulting fees		5,000.00	-5,000.00	0.00%
Emergency Reserve		1,900.00	-1,900.00	0.00%
Maintenance		12,000.00	-12,000.00	0.00%
Miscellaneous		1,200.00	-1,200.00	0.00%
Total for Expenses	**17,940.88**	**64,985.00**	**-47,044.12**	**27.61%**
Net Operating Income	**28,782.41**	**23,742.00**	**5,040.41**	**121.23%**
Other Expenses				
Transfer to capital fund		35,000.00	-35,000.00	**0.00%**
Total for Other Expenses	**$0.00**	**35,000.00**	**-35,000.00**	**0.00%**
Net Other Income	**$0.00**	**-35,000.00**	**35,000.00**	**0.00%**
Net Income	**28,782.41**	**-11,258.00**	**40,040.41**	**-255.66%**

Cash Basis Wednesday, July 22, 2026 10:40 AM GMT-06:00

Budget vs. Actuals: 2026

January-June, 2026

	Debt Service			
	Actual	Budget	Over budget by	Percent of budget
Income				
Conservation trust funds				
Interest Income	2,665.25	6,000.00	-3,334.75	44.42%
Property Tax	103,708.08	201,808.00	-98,099.92	51.39%
Specific Ownership Tax	3,035.24	12,108.00	-9,072.76	25.07%
Total for Income	**109,408.57**	**219,916.00**	**-110,507.43**	**49.75%**
Cost of Goods Sold				
Gross Profit	**109,408.57**	**219,916.00**	**-110,507.43**	**49.75%**
Expenses				
Bond interest 2021A	44,154.13	88,551.00	-44,396.87	49.86%
Bond interest 2021B	19,035.26	38,175.00	-19,139.74	49.86%
Paying agent fees	2,175.00	2,500.00	-325.00	87.00%
Treasurer fees	1,555.66	3,027.00	-1,471.34	51.39%
Bond principal 2021A		53,000.00	-53,000.00	0.00%
Bond principal 2021B		23,000.00	-23,000.00	0.00%
Total for Expenses	**66,920.05**	**208,253.00**	**-141,332.95**	**32.13%**
Net Income	**42,488.52**	**11,663.00**	**30,825.52**	**364.30%**

Cash Basis Wednesday, July 22, 2026 10:40 AM GMT-06:00

BLUE LAKE METROPOLITAN DISTRICT NO. 2

RESOLUTION DESIGNATING LOCATION TO POST NOTICE

WHEREAS, pursuant to §§24-6-402(2)(c) and 32-1-903(2) C.R.S., notice and, where possible, the agenda of the Blue Lake Metropolitan District No. 2 (the "**District**") Board of Directors (the "**Board**") meetings at which the adoption of any formal action is to occur or at which a majority or quorum of the body is in attendance, or is expected to be in attendance, shall be posted within the boundaries of the District at least 24 hours prior to each meeting at a location designated at the first regular meeting of each year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Blue Lake Metropolitan District No. 2 as follows:

Notices of meetings (regular, special and work/study session) of the Board required pursuant to §24-6-401, *et seq.*, C.R.S., shall be posted at least 24 hours prior to each meeting at:

https://www.bluelakemd2.com/

In the event of an exigent or emergency circumstance such as a power outage or an interruption in internet service, the District will post notice of public meetings at least 24 hours prior to a meeting at the following physical location within the District: the corner of Park Boulevard and Taos Street.

ADOPTED this 30th day of July, 2026.

BLUE LAKE METROPOLITAN DISTRICT NO. 2

By ______________________________
Mark Bush, Chair

ATTEST:

____
Charles Foster, Secretary

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