

**PIONEER METROPOLITAN DISTRICT  
NO. 2  
Weld County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2025**

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YEAR ENDED DECEMBER 31, 2025**

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

## Independent Auditor's Report

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Pioneer Metropolitan District No. 2 (the "District"), as of and for the year ended December 31, 2025, 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 each major fund of Pioneer Metropolitan District No. 2 as of December 31, 2025, 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.

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## 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.

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### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

### 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.

The logo for Wipfli LLP, featuring the company name in a stylized, handwritten-style script.

Wipfli LLP  
Denver, Colorado

June 12, 2026

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## **BASIC FINANCIAL STATEMENTS**

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2025**

|                                      | Governmental<br>Activities |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| Property Taxes Receivable            | \$ 3,944,306               |
| Total Assets                         | <u>3,944,306</u>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                            |
| Property Tax Revenue                 | 3,944,306                  |
| Total Deferred Inflows of Resources  | <u>3,944,306</u>           |
| <b>NET POSITION</b>                  |                            |
| Unrestricted                         | <u>-</u>                   |
| Total Net Position                   | <u><u>\$ -</u></u>         |

*See accompanying Notes to Basic Financial Statements.*

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2025**

| <b>FUNCTIONS/PROGRAMS</b>         | <b>Program Revenues</b> |                                     |                                                   | <b>Net Revenues<br/>(Expenses) and<br/>Change in<br/>Net Position</b> |
|-----------------------------------|-------------------------|-------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------|
|                                   | <b>Expenses</b>         | <b>Charges<br/>for<br/>Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> |                                                                       |
| Governmental Activities:          |                         |                                     |                                                   |                                                                       |
| General Government                | \$ 65,760               |                                     |                                                   | \$ (65,760)                                                           |
| Intergovernmental Transfers       |                         |                                     |                                                   |                                                                       |
| Operations                        | 1,059,422               |                                     |                                                   | (1,059,422)                                                           |
| Debt Service                      | 3,458,384               | \$ -                                | \$ -                                              | (3,458,384)                                                           |
| Total Governmental Activities     | <u>\$ 4,583,566</u>     | <u>\$ -</u>                         | <u>\$ -</u>                                       | <u>(4,583,566)</u>                                                    |
| <b>GENERAL REVENUES</b>           |                         |                                     |                                                   |                                                                       |
| Property Taxes                    |                         |                                     |                                                   | 4,384,014                                                             |
| Specific Ownership Taxes          |                         |                                     |                                                   | 177,603                                                               |
| Other Income                      |                         |                                     |                                                   | 21,949                                                                |
| Total General Revenues            |                         |                                     |                                                   | <u>4,583,566</u>                                                      |
| <b>CHANGE IN NET POSITION</b>     |                         |                                     |                                                   | -                                                                     |
| Net Position - Beginning of Year  |                         |                                     |                                                   | -                                                                     |
| <b>NET POSITION - END OF YEAR</b> |                         |                                     |                                                   | <u>\$ -</u>                                                           |

See accompanying Notes to Basic Financial Statements.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2025**

|                                                            | <u>General<br/>Fund</u>  | <u>Debt Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|------------------------------------------------------------|--------------------------|------------------------------|-----------------------------------------|
| <b>ASSETS</b>                                              |                          |                              |                                         |
| Property Taxes Receivable                                  | <u>\$ 910,197</u>        | <u>\$ 3,034,109</u>          | <u>\$ 3,944,306</u>                     |
| Total Assets                                               | <u><u>\$ 910,197</u></u> | <u><u>\$ 3,034,109</u></u>   | <u><u>\$ 3,944,306</u></u>              |
| <b>DEFERRED INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b> |                          |                              |                                         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                          |                              |                                         |
| Property Tax Revenues                                      | <u>\$ 910,197</u>        | <u>\$ 3,034,109</u>          | <u>\$ 3,944,306</u>                     |
| Total Deferred Inflows of Resources                        | <u>910,197</u>           | <u>3,034,109</u>             | <u>3,944,306</u>                        |
| <b>FUND BALANCES</b>                                       |                          |                              |                                         |
| Unassigned                                                 | <u>-</u>                 | <u>-</u>                     | <u>-</u>                                |
| Total Fund Balances                                        | <u><u>-</u></u>          | <u><u>-</u></u>              | <u><u>-</u></u>                         |
| Total Deferred Inflows of Resources<br>and Fund Balances   | <u><u>\$ 910,197</u></u> | <u><u>\$ 3,034,109</u></u>   | <u><u>\$ 3,944,306</u></u>              |

There are no reconciling differences between the fund balances of governmental funds and the net position of governmental activities.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2025**

|                                        | General<br>Fund    | Debt Service<br>Fund | Total<br>Governmental<br>Funds |
|----------------------------------------|--------------------|----------------------|--------------------------------|
| <b>REVENUES</b>                        |                    |                      |                                |
| Property Taxes                         | \$ 1,011,664       | \$ 3,372,350         | \$ 4,384,014                   |
| Specific Ownership Taxes               | 40,984             | 136,619              | 177,603                        |
| Other Income                           | 21,949             | -                    | 21,949                         |
| Total Revenues                         | <u>1,074,597</u>   | <u>3,508,969</u>     | <u>4,583,566</u>               |
| <b>EXPENDITURES</b>                    |                    |                      |                                |
| County Treasurer's Fees                | 15,175             | 50,585               | 65,760                         |
| Transfers to Community Authority Board | 1,059,422          | 3,458,384            | 4,517,806                      |
| Total Expenditures                     | <u>1,074,597</u>   | <u>3,508,969</u>     | <u>4,583,566</u>               |
| <b>NET CHANGE IN FUND BALANCES</b>     | -                  | -                    | -                              |
| Fund Balances - Beginning of Year      | <u>-</u>           | <u>-</u>             | <u>-</u>                       |
| <b>FUND BALANCES - END OF YEAR</b>     | <u><u>\$ -</u></u> | <u><u>\$ -</u></u>   | <u><u>\$ -</u></u>             |

There are no reconciling differences between the net change in fund balances of governmental funds and the change in net position of governmental activities.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2025**

|                                        | Original<br>and Final<br>Budgets | Actual<br>Amounts  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------|----------------------------------|--------------------|---------------------------------------------------------|
| <b>REVENUES</b>                        |                                  |                    |                                                         |
| Property Taxes                         | \$ 1,011,664                     | \$ 1,011,664       | \$ -                                                    |
| Specific Ownership Taxes               | 40,467                           | 40,984             | 517                                                     |
| Other Income                           | 62,869                           | 21,949             | (40,920)                                                |
| Total Revenues                         | <u>1,115,000</u>                 | <u>1,074,597</u>   | <u>(40,403)</u>                                         |
| <b>EXPENDITURES</b>                    |                                  |                    |                                                         |
| County Treasurer's Fees                | 15,175                           | 15,175             | -                                                       |
| Contingency                            | 62,869                           | -                  | 62,869                                                  |
| Transfers to Community Authority Board | 1,036,956                        | 1,059,422          | (22,466)                                                |
| Total Expenditures                     | <u>1,115,000</u>                 | <u>1,074,597</u>   | <u>40,403</u>                                           |
| <b>NET CHANGE IN FUND BALANCE</b>      | -                                | -                  | -                                                       |
| Fund Balance - Beginning of Year       | <u>-</u>                         | <u>-</u>           | <u>-</u>                                                |
| <b>FUND BALANCE - END OF YEAR</b>      | <u><u>\$ -</u></u>               | <u><u>\$ -</u></u> | <u><u>\$ -</u></u>                                      |

See accompanying Notes to Basic Financial Statements.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

Pioneer Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by court order and recorded with the Weld County Clerk and Recorder on August 29, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Weld County, Colorado. The District was organized to provide financing for the design, acquisition, construction, installation and maintenance of essential public-purpose facilities, such as water, sanitation, storm drainage, streets, safety protection, park and recreation, transportation, television relay and translation, mosquito control, and limited fire protection.

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.

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

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all 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.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and 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 fund:

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

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

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

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

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**Deferred Inflows of Resources**

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

**Equity**

**Net Position**

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

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**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.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards**

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures (Statement 102)*. Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

**NOTE 3 LONG-TERM OBLIGATIONS**

**Capital Pledge Agreement for Series 2020 Bonds**

The District and District No. 5 (together the 2020 Pledge Districts) entered into Capital Pledge Agreements with the Pioneer Community Authority Board (CAB) (collectively, the 2020 Capital Pledge Agreements). Under such 2020 Capital Pledge Agreements, the 2020 Pledge Districts covenant to continue to levy an ad valorem mill levy each year upon all taxable property of each of the 2020 Pledge Districts in the amount of 50 mills as set forth in the 2016 Capital Pledge Agreements. The 2020 Pledge Districts will continue to transfer all ad valorem tax revenue derived from such levy and all Specific Ownership Tax revenue allocable to such levy to District No. 3 for payment on the Series 2016 Bonds until such time that the Series 2016 Bonds are defeased and were paid in full in 2023. After payment on the Series 2016 Bonds (including any Series 2016 Refunding Bonds if applicable), any remaining ad valorem tax revenue derived from such levy and any Specific Ownership Tax revenue allocable to such levy will be transferred to the CAB for payment on the Series 2020 Bonds. The Series 2016 Bonds have been defeased and paid in full, the 2020 Pledge Districts will transfer all ad valorem tax revenue derived from such levy and all Specific Ownership Tax revenue allocable to such levy to the CAB for payment on the Series 2020 Bonds.

**Capital Pledge Agreement for Series 2022 Bonds**

The District and District No. 5 (together the 2022 Pledge Districts) entered into Capital Pledge Agreements with the CAB (collectively, the 2022 Capital Pledge Agreements). Under such 2022 Capital Pledge Agreements, the 2022 Capital Pledge Agreements covenant to transfer to the CAB any Facilities Fees that each of the 2022 Pledge Districts may receive on behalf of the CAB.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 3 LONG TERM OBLIGATIONS (CONTINUED)**

**Capital Pledge Agreement for Series 2023 Bonds**

The District and District No. 5 (together the 2023 Pledge Districts) entered into Capital Pledge Agreements with the CAB (collectively, the 2023 Capital Pledge Agreements). Under such 2023 Capital Pledge Agreements, the 2023 Pledge Districts covenant to continue to levy an ad valorem mill levy each year upon all taxable property of each of the 2023 Pledge Districts in the amount of 50 mills as set forth in the 2016 Capital Pledge Agreements. The 2023 Pledge Districts will continue to transfer all ad valorem tax revenue derived from such levy and all Specific Ownership Tax revenue allocable to such levy to District No. 3 for payment on the Series 2016 Bonds until such time that the Series 2016 Bonds are defeased and paid in full. After payment on the Series 2016 Bonds (including any Series 2016 Refunding Bonds if applicable), any remaining ad valorem tax revenue derived from such levy and any Specific Ownership Tax revenue allocable to such levy will be transferred to the CAB for payment on the Series 2020 Bonds. The Series 2016 Bonds have been defeased and paid in full, the 2023 Pledge Districts will transfer all ad valorem tax revenue derived from such levy and all Specific Ownership Tax revenue allocable to such levy to the CAB for payment on the Series 2020 Bonds. Once the Series 2020 Bonds have been defeased and paid in full, the 2023 Pledge Districts will transfer all ad valorem tax revenue derived from such levy and all Specific Ownership Tax revenue allocable to such levy to the CAB for payment on the Series 2023 Bonds.

**Debt Authorization Limit**

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$330,000,000 (Service Plan Debt Issuance Limit). In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on May 2, 2006 and May 6, 2014 a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$11,370,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2025, the District had authorized but unissued indebtedness of \$262,619,000.

**NOTE 4 RELATED PARTY**

Certain members of the Board of Directors are employees, owners or are otherwise associated with Pioneer Holdco, LLC (the Property Owners) and/or Gateway American Resources, LLC (the Developer). The Property Owners and the Developer may have conflicts of interest in dealing with the District.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 5    AGREEMENTS**

**Pioneer Community Authority Board Establishment Agreement (CABEA)**

On and effective August 26, 2020, the District's Board of Directors voted in favor of the District entering into the CABEA pursuant to which the District, Keenesburg Parkway Metropolitan District No. 1 (formerly known as Pioneer Metropolitan District No. 1 (KPMD1), Keenesburg Parkway Metropolitan District No. 2 (formerly known as Pioneer Metropolitan District No. 3) (KPMD2), District No. 4, District No. 5, and Pioneer Metropolitan District No. 6 and Pioneer Regional Metropolitan District (collectively, the "CAB Districts") established the CAB. The CABEA was amended and restated on September 30, 2020, pursuant to the Amended and Restated Pioneer Community Authority Board Establishment Agreement, as the same may be amended from time to time. Pursuant to the CABEA, the CAB will furnish, operate, and plan for the Public Improvements and each of the CAB Districts shall transfer certain revenues received by it in order to fund the operation and maintenance costs and capital costs of the Public Improvements. Each of the CAB Districts has agreed, and their Service Plans authorize, that the CAB will own, operate, maintain, finance, and construct Public Improvements benefiting the CAB Districts, and that the CAB Districts will contribute to the costs of construction, operation and maintenance of such Public Improvements. It is the intent of the CAB Districts that the CAB may, from time to time, issue debt and use proceeds to finance the Public Improvements and that the CAB will enter into contracts to construct the Public Improvements.

**NOTE 6    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 (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, 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 that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**NOTE 7 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.

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 2, 2006, the electorate approved the removal of limitations imposed by the TABOR Amendment and any other law that purports to limit the District's revenue or expenditures, a \$10,000,000 annual property tax increase for operations, a \$330,000,000 annual property tax increase for intergovernmental agreements, and a \$330,000,000 annual property tax increase for regional improvements.

On May 6, 2025, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S. for 2026 and all future budget years.

## **SUPPLEMENTARY INFORMATION**

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2025**

|                                        | Original<br>and Final<br>Budgets | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------|----------------------------------|-------------------|---------------------------------------------------------|
| <b>REVENUES</b>                        |                                  |                   |                                                         |
| Property Taxes                         | \$ 3,372,350                     | \$ 3,372,350      | \$ -                                                    |
| Specific Ownership Taxes               | 134,894                          | 136,619           | 1,725                                                   |
| Other Income                           | 202,756                          | -                 | (202,756)                                               |
| Total Revenues                         | 3,710,000                        | 3,508,969         | (201,031)                                               |
| <b>EXPENDITURES</b>                    |                                  |                   |                                                         |
| County Treasurer's Fees                | 50,585                           | 50,585            | -                                                       |
| Contingency                            | 202,756                          | -                 | 202,756                                                 |
| Transfers to Community Authority Board | 3,456,659                        | 3,458,384         | (1,725)                                                 |
| Total Expenditures                     | 3,710,000                        | 3,508,969         | 201,031                                                 |
| <b>NET CHANGE IN FUND BALANCE</b>      | -                                | -                 | -                                                       |
| Fund Balance - Beginning of Year       | -                                | -                 | -                                                       |
| <b>FUND BALANCE - END OF YEAR</b>      | <u>\$ -</u>                      | <u>\$ -</u>       | <u>\$ -</u>                                             |

## **OTHER INFORMATION**

**PIONEER METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2025**

| Year Ended<br>December 31,                            | Prior<br>Year Assessed<br>Valuation for<br>Current Year<br>Tax Levy | Mills<br>Levied | Total Property Taxes |           | Percent<br>Collected<br>to Levied |
|-------------------------------------------------------|---------------------------------------------------------------------|-----------------|----------------------|-----------|-----------------------------------|
|                                                       |                                                                     |                 | Levied               | Collected |                                   |
| 2021                                                  | \$ 447,610                                                          | 65.000          | \$ 29,095            | \$ 29,095 | 100.00%                           |
| 2022                                                  | 557,680                                                             | 65.000          | 36,248               | 36,248    | 100.00%                           |
| 2023                                                  | 74,222,890                                                          | 65.003          | 4,824,710            | 4,824,710 | 100.00%                           |
| 2024                                                  | 51,529,470                                                          | 65.040          | 3,351,477            | 3,352,127 | 100.02%                           |
| 2025                                                  | 67,417,330                                                          | 65.028          | 4,384,014            | 4,384,014 | 100.00%                           |
| Estimated for the<br>Year Ending<br>December 31, 2026 | \$ 60,631,260                                                       | 65.054          | \$ 3,944,306         |           |                                   |

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.