

CONSOLIDATED ANNUAL REPORT FOR THE CALENDAR YEAR 2025
EAST FOSSIL CREEK RANCH METROPOLITAN DISTRICT NO. 1 AND
EAST FOSSIL CREEK RANCH METROPOLITAN DISTRICT NO. 2

Town Clerk of Town of Windsor
via Email

Larimer County Clerk and Recorder,
via Email

Office of the State Auditor,
via E-Filing Portal

Division of Local Government,
via E-Filing Portal

Pursuant to Section VII of the Service Plan for the East Fossil Creek Ranch Metropolitan District No. 1 (“**District No. 1**”) and East Fossil Creek Ranch Metropolitan District No. 2 (“**District No. 2**,” and along with District No. 1, the “**Districts**”), the Districts are required to submit an annual report (“**Report**”) for the preceding calendar year no later than September 1 of each year to the Town of Windsor, Colorado (the “**Town**”). Pursuant to Section 32-1-207(3)(c)(I), C.R.S., the Districts are also required to submit this Report to the Division of Local Government, Office of the State Auditor, and the Larimer County Clerk and Recorder; the Report must also be posted on the Districts’ public website. Because District No. 1 was dissolved in 2025 (as discussed below), this report is submitted by District No. 2.

1. Boundary changes made or proposed:

There were no boundary changes made or proposed during the Report year.

On August 26, 2024, the Districts adopted a Joint Resolution calling for the dissolution of East Fossil Creek Ranch Metropolitan District No. 1, A copy of which was filed with the District’s 2024 Report. Subsequently, on October 28, 2024, the Town adopted a resolution consenting to the dissolution, attached hereto also filed with the 2024 Report. The dissolution was completed during the Report year. Attached as Exhibit A is the Order Dissolving District No. 1, which was effective as of February 5, 2025.

2. Intergovernmental agreements either entered into, proposed or terminated:

There were no intergovernmental agreements entered into, proposed or terminated during the Report year.

3. Access information to obtain a copy of the Rules and Regulations:

A copy of the Districts’ Rules and Regulations can be found on its public website:
<https://ccgcolorado.com/eastfossilcreekbranch/>

4. A summary of any litigation involving public improvements by the Districts:

The Districts are not aware of any litigation involving public improvements.

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

Construction of public improvements by the Districts is complete.

6. A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the Town:

None.

7. Final Assessed Value of Taxable Property within the Districts' boundaries as of December 31, 2025:

The dissolution of District No. 1 was completed during the Report year; the 2025 total assessed value of taxable property is not available.

The 2025 total assessed value of taxable property within the boundaries of District No. 2 is \$6,978,683

8. Current annual budget of the Districts:

The dissolution of District No. 1 was completed during the Report year, they were not required to adopt a Budget for the current fiscal year 2026.

Attached as Exhibit B is the Budget for current fiscal year 2026 for District No. 2.

9. A narrative summary of the progress of the Districts in implementing its service plan for the report year.

In 2021, District No. 2 issued its General Obligation Limited Tax Bonds, Series 2021A(3) in the aggregate principal amount of \$4,750,000 ("**Series 2021A(3) Bonds**").

The Districts entered into a Joint Resolution Accepting Public Improvements and Costs for District No. 1 Cost Certification Report #1 - Revised dated November 30, 2021, which was included in the Districts' 2021 Annual Report.

All public improvements have been constructed and conveyed to either the Town, District No. 2 or another appropriate governmental entity. District No. 1 was dissolved as of February 5, 2025 to reduce the operational expenses of the Districts.

10. The audited financial statements of the Districts, for the year ending December 31, 2025 prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable:

The District No. 2's 2025 audited financial statements will be provided to the Town when they become available.

The dissolution of District No. 1 was completed during the Report year, they were not required to prepare and file audited financials for the current fiscal year 2025.

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

The Districts did not have any capital expenditures during the reporting year.

12. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations incurred in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 15 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year.

District No. 1 did not have any financial obligations during the reporting year. Detailed information on District No. 2's indebtedness included without limitation the Series 2021A(3) Bonds is included in District No. 2's audited financial statements for 2025.

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

There were no Reimbursement Agreements or amendments made in 2025.

14. Notice of any uncured defaults:

The Districts are not in default of any debt.

15. The Districts' inability to pay any financial obligations as they come due under any obligation which continues beyond a ninety-day period:

The Districts are able to pay their obligations.

16. Copies of documentation establishing compliance with Section V.A.14 of the Districts' Service Plan (Restrictions on Developer Reimbursements).

The Districts entered into a Joint Resolution Accepting Public Improvements and Costs for District No. 1 Cost Certification Report #1 - Revised dated November 30, 2021, which was included in the Districts' 2021 Annual Report.

Respectfully submitted this 20th day of July, 2026.

EAST FOSSIL CREEK RANCH
METROPOLITAN DISTRICT NO. 2

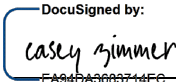
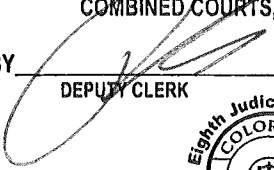
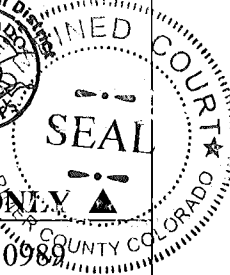
By:  EA94BA3688714EC
Board Member of the District

EXHIBIT A
ORDER DISSOLVING DISTRICT NO. 1

DISTRICT COURT, LARIMER COUNTY, STATE OF COLORADO Court Address: Larimer County Justice Center 201 LaPorte Avenue, Suite 100 Fort Collins, Colorado 80521 Phone Number: 970-498-6100	DATE FILED January 8, 2025 2:07 PM CERTIFIED TO BE A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL IN CUSTODY OF LARIMER COUNTY COMBINED COURTS, COLORADO BY  DATE 1/24/25 DEPUTY CLERK
In Re East Fossil Creek Ranch Metropolitan District No. 1	 
	▲ COURT USE ONLY ▲ Case No.: 2015CV030987 Div.: 3B Ctrm.:
FINDINGS, ORDER AND DECREE DISSOLVING THE EAST FOSSIL CREEK RANCH METROPOLITAN DISTRICT NO. 1	

THIS MATTER coming before the Court on a Petition for Dissolution without an Election (the “**Petition**”) filed on behalf of the Board of Directors (the “**Board**”) of the East Fossil Creek Ranch Metropolitan District No. 1 (“**District No. 1**”) in the Town of Windsor, County of Larimer, Colorado (the “**Town**”) pursuant to the provisions set forth in Part 7, Article 1, Title 32, C.R.S., seeking the dissolution of District No. 1, and now being fully advised in the premises,

The Court hereby FINDS the following:

1. This Court has jurisdiction in all matters pertaining to this action as provided by law.
2. Pursuant to § 32-1-701(1), C.R.S., the Boards of Directors for District No. 1 and East Fossil Creek Ranch Metropolitan District No. 2 (“**District No. 2**,” and together with District No. 1, the “**Districts**”), at a joint special meeting held on August 26, 2024, adopted a joint resolution deeming it to be in the best interest of the District that it be dissolved.
3. The Petition was filed with this Court on November 26, 2024, in accordance with all requirements of § 32-1-702(1), C.R.S.

4. This Court scheduled and held a hearing on the Petition in accordance with § 32-1-703(2), C.R.S., on January 8, 2025, (the “**Hearing**”), and notice for the Hearing was properly provided in accordance with § 32-1-703, C.R.S.

5. District No. 1 lies entirely within the boundaries of the Town and a map and legal description of District No. 1’s boundaries is attached hereto as **Exhibit A** and incorporated herein by this reference.

6. Pursuant to § 32-1-704(3)(b), C.R.S., District No. 1 has no financial obligations or outstanding bonds.

7. Pursuant to § 32-1-704(3)(b), C.R.S., the Board has provided its consent to the dissolution of the District No. 1.

8. Pursuant to § 32-1-704(3)(b), C.R.S., the Town has provided consent to the dissolution of District No. 1.

This Court being fully advised in this matter, therefore ORDERS, ADJUDGES, AND DECREES that:

1. This Court has jurisdiction in all matters pertaining to this action as provided by law.

2. District No. 1 has no financial obligations or outstanding bonds.

3. After the effective date of dissolution, pursuant to § 32-1-702(1), C.R.S., and § 32-1-702(4)(b)(I), C.R.S., all services currently provided by District No. 1 within its boundaries and serving the Districts will be continued by District No. 2 pursuant to the terms of the Conveyance Agreement entered into by and between the Districts.

4. After the effective date of the dissolution of District No. 1, and payment of all costs associated with the dissolution and final administration of District No. 1, District No. 1 shall transfer any remaining funds to District No. 2.

5. After the effective date of the dissolution of District No. 1, none of the members of the Board of Directors of District No. 1 shall continue in office as a Director of the Board.

6. That, in accordance with § 32-1-704(3)(b), C.R.S., District No. 1 shall be and is hereby dissolved for all purposes without necessitating an election.

IT IS THEREFORE FURTHER ORDERED that, pursuant to § 32-1-707(5), C.R.S., legal counsel for District No. 1 shall cause a certified copy of this Order to be filed with the Clerk and Recorder for the County of Larimer and with the Colorado Division of Local

Government. Pursuant to § 32-1-105, C.R.S., this Order shall be considered effective upon recordation with the Clerk and Recorder for the County of Larimer.

DATED this ____ day of _____ 2025.

BY THE COURT:

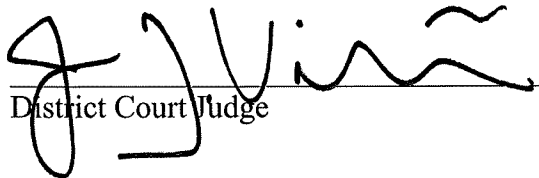
By _____
District Court Judge

EXHIBIT A

Map and Legal Description of District No. 1's Boundaries

LEGAL DESCRIPTION: DISTRICT NO. 1

A tract of land located in the South Half of the Southeast Quarter of Section 10 and the East Half of Section 15, Township 6 North, Range 68 West of the 6th P.M., Town of Windsor, County of Larimer, State of Colorado, and being more particularly described as follows:

Considering the East line of the Northeast Quarter of Section 15 as bearing North 00°19'33" East and with all bearings contained herein relative thereto:

COMMENCING at the East Quarter corner of Section 15; thence along the South line of said Northeast Quarter, North 86°59'44" West, 60.06 feet to the West right-of-way line of County Road 5; thence along said West line, North 00°19'33" East, 2195.03 feet to the **POINT OF BEGINNING**; thence, North 89°40'27" West, 149.24 feet; thence, North 65°24'25" West, 60.37 feet; thence, North 52°40'21" West, 60.37 feet; thence, North 46°45'45" West, 300.00 feet; thence, North 43°53'18" West, 20.03 feet; thence, North 38°56'22" West, 60.56 feet; thence, North 31°14'59" West, 60.13 feet; thence, North 62°34'53" East, 30.00 feet; thence, North 17°20'01" West, 126.71 feet; thence, North 89°33'25" West, 30.00 feet thence, North 00°26'35" East, 240.00 feet; thence, North 04°36'12" East, 60.28 feet; thence, North 09°31'56" East, 30.00 feet thence, North 14°29'00" East, 59.83 feet; thence, North 21°04'21" East, 59.70; thence, North 27°38'51" East, 59.58 feet; thence, North 34°12'35" East, 59.47 feet; thence, North 40°45'34" East, 59.35 feet; thence, North 47°17'58" East, 59.25 feet; thence, North 56°27'01" East, 59.09 feet thence, North 58°31'44" East, 385.42 feet; thence, North 20°10'08" East, 27.58 feet; thence South 89°36'55" East, 24.98 feet thence, South 00°23'05" West, 942.52 feet; thence, South 00°19'33" West, 463.55 feet to the **POINT OF BEGINNING**.

The above described tract of land contains 626,986 square feet or 14.394 acres, more or less and is subject to all easements and rights-of-way now on record or existing.

ALONG WITH

Lot 38, Block 1, Fossil Creek Ranch Subdivision, County of Larimer, State of Colorado.

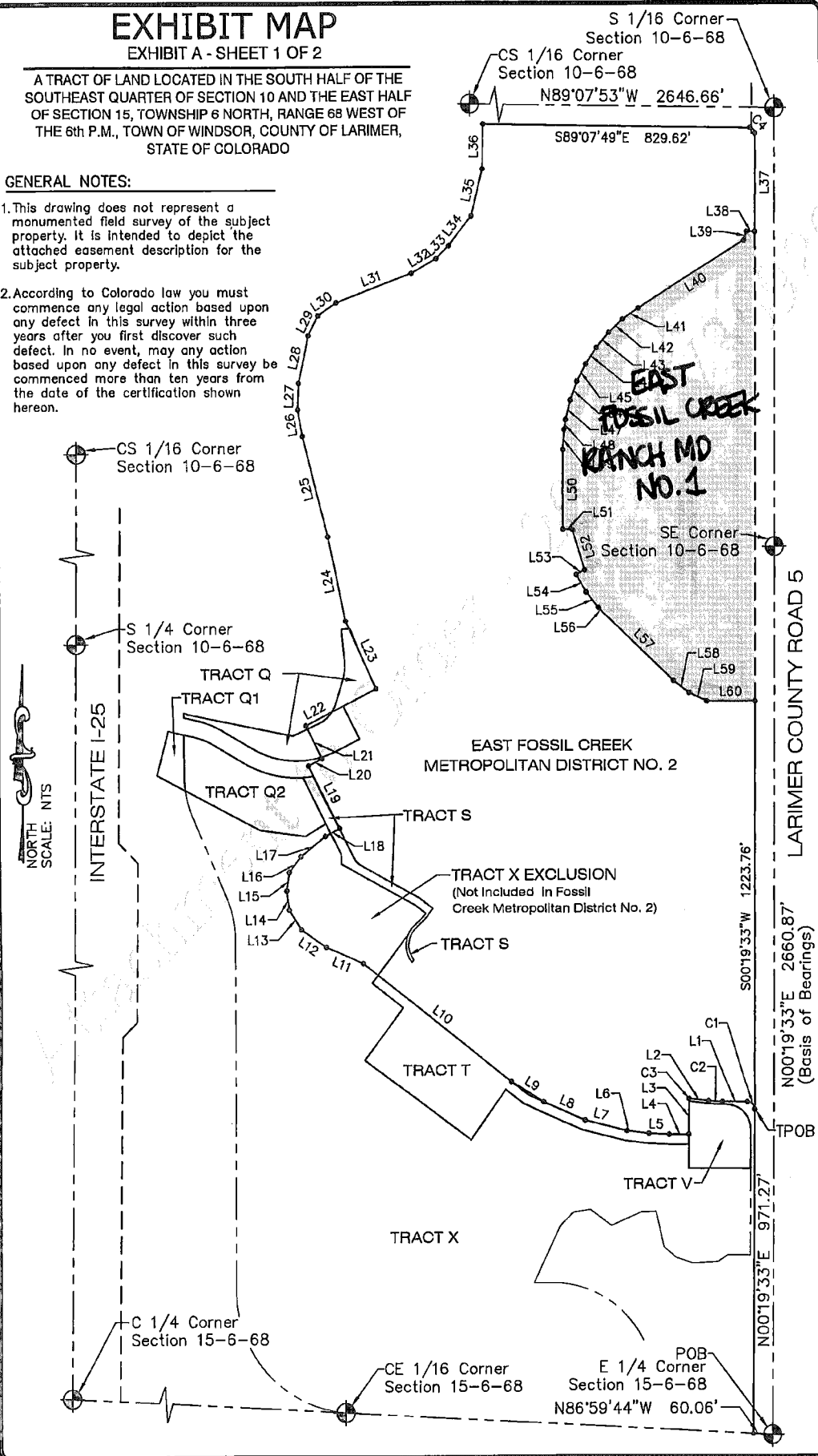
EXHIBIT MAP

EXHIBIT A - SHEET 1 OF 2

A TRACT OF LAND LOCATED IN THE SOUTH HALF OF THE
 SOUTHEAST QUARTER OF SECTION 10 AND THE EAST HALF
 OF SECTION 15, TOWNSHIP 6 NORTH, RANGE 68 WEST OF
 THE 6th P.M., TOWN OF WINDSOR, COUNTY OF LARIMER,
 STATE OF COLORADO

GENERAL NOTES:

1. This drawing does not represent a
 monumented field survey of the subject
 property. It is intended to depict the
 attached easement description for the
 subject property.
2. According to Colorado law you must
 commence any legal action based upon
 any defect in this survey within three
 years after you first discover such
 defect. In no event, may any action
 based upon any defect in this survey be
 commenced more than ten years from
 the date of the certification shown
 hereon.



LEGAL DESCRIPTION AND MAP: DISTRICT NO. 1
(SECOND PAGE OF MAP)

Lot 38, Block 1, Fossil Creek Ranch Subdivision, County of Larimer, State of Colorado

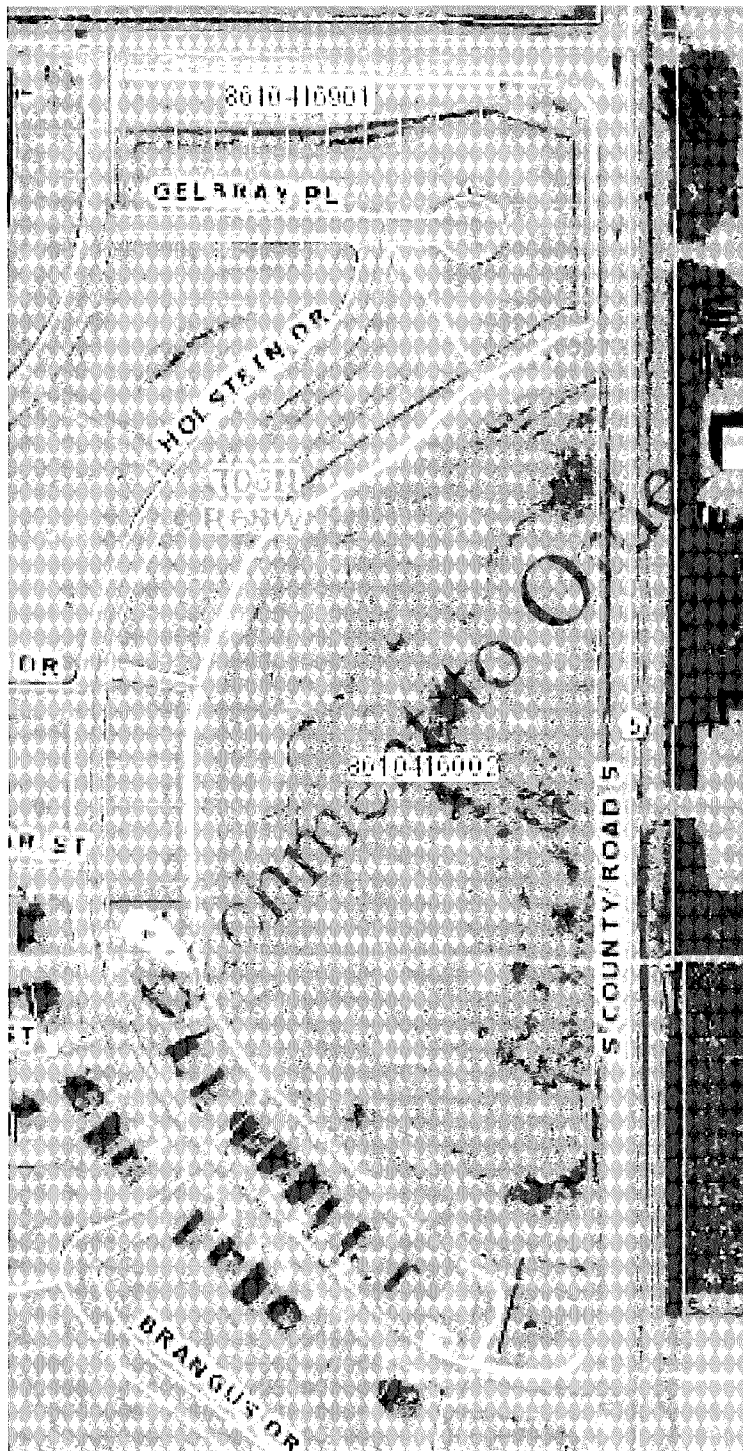


EXHIBIT B
2026 BUDGET, DISTRICT NO. 2

EAST FOSSIL CREEK METROPOLITAN DISTRICT NO. 2

2026 Budget Message

Introduction

The budget reflects the projected spending plan for the 2026 fiscal year based on available revenues. This budget provides for the general operation of the East Fossil Creek Ranch Metropolitan District No. 2 (The District).

The District was organized during 2016 and returned to active status during the 2019 fiscal year. Operations during 2026 will be funded by District Operation Fees as well as tax revenue from District No. 2's operating tax levy.

Budgetary Basis of Accounting

The District uses fund accounting principles to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds comprise the total District budget. All the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is paid.

Fund Summaries

The General Fund is used to account for revenue sources traditionally associated with government, such as property tax, specific ownership tax and, in the initial stages, advances from the Developer. Expenditures include District administration, legal services, and other expenses related to statutory operations of a local government.

The District had an assessed value totaling \$6,978,683 with a 5.872 mill levy producing \$40,979 of revenue for operations.

The Debt Service Fund is used to account for revenue sources traditionally associated with paying the District's debt. The District issued its series 2023A(3) cash flow bonds in the amount of \$4,750,000 on April 20, 2023. *Due to the cash flow nature of these bonds, a payment schedule is **not** included.*

Refer to the budget summary included.

Docusign Envelope ID: 7DF64EF6-90CF-8FD2-803E-36C544E975C5

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

East Fossil Creek No. 2

2026 Budget

Modified Accrual Basis

General Fund

			2025 Estimated	2026 Budget
	2024 Actual	2025 Budget	Actual	Budget
Beginning Fund Balance	1,154	2,824	2,824	48,160
Income				
Water Fees	-	25,200	42,485	47,600
District Operations Fee	72	28,800	43,839	54,395
Developer Advance	-	33,000	30,000	-
Transfer from D2	-	8,307	1,332	-
Design Review Fees	250	2,000	3,350	2,000
Interest Revenue/Charges	42	-	242	-
Fines	-	-	2,165	-
Property Taxes	44,850	44,675	44,675	40,979
Tax Related Interest	2	-	(5)	-
Specific Ownership Taxes	2,744	2,681	2,837	2,459
Total Budgeted Operating Income	47,960	144,663	170,920	147,433
Expense				
Management & Accounting Services	-	42,000	42,000	44,100
Design Review Fees	-	2,000	3,700	2,000
Audit	-	3,000	3,470	3,644
Legal	-	15,000	20,924	17,500
Election	-	3,000	-	-
Engineers	-	2,500	1,274	1,673
Insurance	-	10,000	15,055	9,000
Office	-	500	1,589	1,050
ADA Compliance	-	-	1,554	500
SDA Dues	-	750	379	398
Utilities - Electric	-	13,000	13,255	13,672
Landscape	-	26,690	-	55,000
Snow Removal	-	8,000	4,852	6,368
Pest Control	-	-	4,320	5,040
Sprinkler Repair	-	-	5,054	-
Monument Lights	-	1,000	-	-
Water Assessments	-	1,200	1,400	1,470
Meter Reading Software	-	-	2,960	3,106
Irrigation System Monitoring	-	-	200	-
Pet Stations / Trash	-	4,000	3,453	3,022
Bank Fees	-	-	5	-
Bad Debt	-	-	175	-
Contingency	-	1,000	(1,100)	1,000
Treasurers Fees	897	894	1,065	820
Transfer Out	45,393	-	-	8,722
Total Budgeted Operating Expense	46,290	134,534	125,584	178,085
Excess Income (Expenses)	1,670	10,129	45,336	(30,652)
Ending Fund Balance	2,824	12,953	48,160	17,508
Restricted (TABOR)		4,036		5,343

East Fossil Creek No. 2

2026 Budget

Modified Accrual Basis

Debt Service

	2025		2026
	Amended		Budget
	Budget &		Estimated
	2024 Actual	2025 Budget	Actual
Beginning Fund Balance	25,881	39,073	39,073
			48,698
Income			
Other Financing Sources	-	-	-
Capital Improvement Fee	220,000	-	26,000
Property Taxes	297,047	303,790	303,790
Specific Ownership Tax	18,658	18,227	19,290
Tax Related Interest	15	-	(33)
Interest Revenue	11,799	-	12,362
Total Income	547,519	322,017	361,409
			295,356
Expense			
Costs of Issuance	-	-	-
Audit	-	8,000	8,000
Bank Fees	519	-	570
Treasurers Fees	5,942	6,076	7,242
Trustee Fees	4,000	4,000	4,000
Bond Interest	523,866	303,941	331,972
Transfer Out	-	-	-
Total Expenses	534,327	322,017	351,784
			295,356
Net Income			
	13,192	-	9,625
			-
Ending Fund Balance			
	39,073	39,073	48,698
			48,698

East Fossil Creek No. 2

2026 Budget

Modified Accrual Basis

Capital Projects

	2024		2025		2026
	Actual	Budget	Estimated	Actual	Budget
Beginning Fund Balance	-	-	-	-	25,278
Income					
Developer Advance	-	-	-	-	-
Tap Fees	-	-	8,000	-	-
Transfer In	-	62,842	62,597	8,722	8,722
Total Income	-	62,842	70,597	8,722	8,722
Expense					
Meter Equipment	-	10,000	34,080	20,000	20,000
Meter Installation	-	30,500	-	-	-
Irrigation System Repairs	-	10,000	11,239	14,000	14,000
Capital Projects	-	-	-	-	-
Engineers	-	-	-	-	-
Total Expense	-	50,500	45,319	34,000	34,000
Net Income	-	12,342	25,278	(25,278)	(25,278)
Ending Fund Balance	-	12,342	25,278	-	-
Assessed Valuation		8,248,655		6,978,683	
Operating Levy		5.416		5.872	
Debt Levy		36.829		39.927	
Total Levy		42.245		45.799	