

REUNION CENTER METROPOLITAN DISTRICT NO. 1

ADAMS COUNTY, COLORADO

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

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Reunion Center Metropolitan District No. 1
Adams County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Reunion Center Metropolitan District No. 1 (the "District"), as of and for the year ended December 31, 2023, 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 Reunion Center Metropolitan District No. 1 as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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.

Wipfli LLP

Wipfli LLP
Denver, Colorado

September 24, 2024

BASIC FINANCIAL STATEMENTS

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 1,001
Capital Assets:	
Capital Assets, Not Being Depreciated	4,090,211
Total Assets	4,091,212
LIABILITIES	
Accounts Payable	164,774
Noncurrent Liabilities:	
Due in More Than One Year	4,603,457
Total Liabilities	4,768,231
NET POSITION	
Net Position - Unrestricted	(677,019)
Total Net Position	\$ (677,019)

See accompanying Notes to Basic Financial Statements.

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 62,925	-	-	-	\$ (62,925)
Interest on Long-Term Debt and Related Costs	298,153	-	-	-	(298,153)
Total Governmental Activities	\$ 361,078	-	-	-	\$ (361,078)
					(361,078)
					(315,941)
					\$ (677,019)

CHANGES IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Basic Financial Statements.

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 1,001	\$ -	\$ 1,001
Total Assets	\$ 1,001	\$ -	\$ 1,001
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 8,185	\$ 156,589	\$ 164,774
Total Liabilities	8,185	156,589	164,774
FUND BALANCES			
Unassigned	(7,184)	(156,589)	(163,773)
Total Fund Balances	(7,184)	(156,589)	(163,773)
Total Liabilities and Fund Balances	\$ 1,001	\$ -	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

4,090,211

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest on Developer Advances

(516,645)

Developer Advance Payable

(4,086,812)

Net Position of Governmental Activities

\$ (677,019)

See accompanying Notes to Basic Financial Statements.

REUNION CENTER METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Capital Projects	Total Governmental Funds
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Accounting	17,007	-	17,007
Auditing	12,600	-	12,600
District management	10,178	-	10,178
Dues and membership	525	-	525
Election	3,731	-	3,731
Insurance	7,338	-	7,338
Legal	11,472	-	11,472
Miscellaneous	74	-	74
Capital Projects:			
Reunion Duets Infrastructure	-	725,447	725,447
STEAD School Infrastructure	-	77,357	77,357
Total Expenditures	62,925	802,804	865,729
EXCESS OF REVENUES UNDER EXPENDITURES	(62,925)	(802,804)	(865,729)
OTHER FINANCING SOURCE			
Developer advance	61,195	918,827	980,022
Total Other Financing Source	61,195	918,827	980,022
NET CHANGE IN FUND BALANCES	(1,730)	116,023	114,293
Fund Balances (Deficits) - Beginning of Year	(5,454)	(272,612)	(278,066)
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (7,184)	\$ (156,589)	\$ (163,773)

See accompanying Notes to Basic Financial Statements.

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 114,293

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay 802,804

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Developer Advance (980,022)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability (298,153)

Changes in Net Position of Governmental Activities \$ (361,078)

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Accounting	15,000	17,000	17,007	(7)
Auditing	-	12,600	12,600	-
Contingency	-	3,454	-	3,454
District management	10,000	10,000	10,178	(178)
Dues and membership	2,500	525	525	-
Election	2,000	3,800	3,731	69
Insurance	5,000	7,338	7,338	-
Legal	15,000	15,000	11,472	3,528
Miscellaneous	500	283	74	209
Total Expenditures	<u>50,000</u>	<u>70,000</u>	<u>62,925</u>	<u>7,075</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(70,000)	(62,925)	7,075
OTHER FINANCING SOURCE				
Developer advance	50,000	75,454	61,195	(14,259)
Total Other Financing Source	<u>50,000</u>	<u>75,454</u>	<u>61,195</u>	<u>(14,259)</u>
NET CHANGE IN FUND BALANCE	-	5,454	(1,730)	(7,184)
Fund Balance (Deficit) - Beginning of Year	-	(5,454)	(5,454)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,184)</u>	<u>\$ (7,184)</u>

See accompanying Notes to Basic Financial Statements.

REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

Reunion Center Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Douglas County issued on November 14, 2019 and recorded on December 5, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Operating District related to Reunion Center Metropolitan District Nos. 2, 3, 4, and 5.

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

The District is not financially accountable for any other 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. 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.

REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 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.

The District amended its annual budget for the year ended December 31, 2023.

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 bank 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.

Capital Assets

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

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

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

Upon completion of construction, arterial street construction improvements, traffic signals, and certain storm drainage improvements are dedicated to the city of Commerce City and South Adams County Water and Sanitation District and are shown as a reduction to capital assets.

REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficits

The General and Capital Projects Funds reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2024.

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	<u>\$ 1,001</u>
Total Cash and Investments	<u><u>\$ 1,001</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2023, the District had a carrying and bank balance of \$1,001.

Investments

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

The District generally limits its concentration of investments to those below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

At December 31, 2023, the District had no investments.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 3,287,407	\$ 802,804	\$ -	\$ 4,090,211
Governmental Activities Capital Assets, Net	\$ 3,287,407	\$ 802,804	\$ -	\$ 4,090,211

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Other Debts					
Developer Advance - Operating	\$ 91,995	\$ 61,195	\$ -	\$ 153,190	\$ -
Developer Advance - Capital	3,014,795	918,827	-	3,933,622	-
Accrued Interest on:					
Developer Advance - Operating	7,281	9,000	-	16,281	-
Developer Advance - Capital	211,211	289,153	-	500,364	-
Total Long-Term Obligations	\$ 3,325,282	\$ 1,278,175	\$ -	\$ 4,603,457	\$ -

Developer Advances

The District entered into the Funding, Acquisition, and Reimbursement Agreement (Operations and Maintenance) and the Infrastructure, Acquisition, and Reimbursement Agreement with the Developer (defined below) as amended wherein the District agrees to reimburse the Developer for advances made to the District (see agreements below). During 2023, total Developer advances recorded was \$980,022.

Funding and Reimbursement Agreement O&M

The District entered into a Funding and Reimbursement Agreement with Clayton Properties Group II (the Developer), dated November 18, 2020. Under this agreement, the Developer has agreed to advance funds to the District for certain operation and maintenance expenses. The advances accrue interest at a rate equal to the Municipal Market Data (MMD) BAA 30-year index plus 5%, not to exceed 8%. The Loan Obligation Termination Date is December 31, 2024. As of December 31, 2023, outstanding advances totaled \$153,190 and accrued interest on advances totaled \$16,281.

Infrastructure, Acquisition, and Reimbursement Agreement

The District entered into an Infrastructure, Acquisition, and Reimbursement Agreement with the Developer, dated November 18, 2020. Under this agreement, the Developer will either construct or cause to have constructed by a general contractor the improvements which the District will acquire after they have been completed, or initially fund the construction and installation of improvements by the District. The advances accrue interest at a rate of 6.5%. The Loan Obligation Termination Date is December 31, 2024. As of December 31, 2023, outstanding advances totaled \$3,933,622 and accrued interest on advances totaled \$500,364.

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$4,080,900,000. At December 31, 2023, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 5, 2019	Authorized But Unused
Street Improvements	\$ 170,037,500	\$ 170,037,500
Parks and Recreation	170,037,500	170,037,500
Water	170,037,500	170,037,500
Sanitation	170,037,500	170,037,500
Transportation	170,037,500	170,037,500
Mosquito Control	170,037,500	170,037,500
Safety Protection	170,037,500	170,037,500
Fire Protection	170,037,500	170,037,500
Television Relay and Translation	170,037,500	170,037,500
Security	170,037,500	170,037,500
Operations and Maintenance	170,037,500	170,037,500
Debt Refunding	1,700,375,000	1,700,375,000
District Intergovernmental Agreements	170,037,500	170,037,500
Prive Agreements	170,037,500	170,037,500
Special Assessment	170,037,500	170,037,500
Total	<u>\$ 4,080,900,000</u>	<u>\$ 4,080,900,000</u>

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 NET POSITION

The District has net position consisting of one component, unrestricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had no restricted net position as of December 31, 2023.

The District has a deficit in unrestricted net position.

REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 DISTRICT AGREEMENTS

Coordinating Services Agreement

The District and Reunion Center Metropolitan District No. 2 (District No. 2) entered into a District Services agreement, dated November 18, 2021. The agreement provides that the District will provide administrative, operations, and maintenance services for District No. 2, and that District No. 2 will fund those expenses through the imposition of a mill levy.

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is Clayton Properties Group II, Inc. (the Developer). The members of the Board of Directors are employees, owners, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

The Developer advanced funds to the District pursuant to the Funding and Reimbursement Agreement O&M and Infrastructure, Acquisition and Reimbursement Agreement (see Note 5 Long-Term Obligations for additional information).

NOTE 9 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2023. 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, 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 10 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 that apply to the state of Colorado and all local governments.

REUNION CENTER METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 5, 2019, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Since all funds received by the District are Developer Advances, an Emergency Reserve is not reflected in the District's financials. 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.

SUPPLEMENTARY INFORMATION

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Capital outlay	100,000	-	100,000
Reunion Duets Infrastructure	32,950	725,447	(692,497)
STEAD School Infrastructure	950,000	77,357	872,643
112th Ave	150,000	-	150,000
High Plains Pkwy	120,000	-	120,000
105th/Tower	475,000	-	475,000
Total Expenditures	<u>1,827,950</u>	<u>802,804</u>	<u>1,025,146</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,827,950)	(802,804)	1,025,146
OTHER FINANCING SOURCE			
Developer advance	1,827,950	918,827	(909,123)
Total Other Financing Source	<u>1,827,950</u>	<u>918,827</u>	<u>(909,123)</u>
NET CHANGE IN FUND BALANCE	-	116,023	116,023
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>(272,612)</u>	<u>(272,612)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ (156,589)</u></u>	<u><u>\$ (156,589)</u></u>

**REUNION CENTER METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Mills Levied	Total Property Taxes		Percent Collected to Levied
				Levied	Collected	
2019	\$ -	0.0%	0.000	\$ -	\$ -	- %
2020	-	0.0%	0.000	-	-	-
2021	169,830	0.0%	0.000	-	-	-
2022	10	-100.0%	0.000	-	-	-
2023	380	3700.0%	0.000	-	-	-
Estimated for Year Ending December 31, 2024	\$ 7,500	1873.7%	0.000	-	-	-

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