COMMERCE CITY, COLORADO



# ANNUAL FINANCIAL STATEMENTS

## December 31, 2025

# Table of Contents


STATEMENT OF NET POSITION ..... 1

STATEMENT OF ACTIVITIES ..... 2

BALANCE SHEET – GOVERNMENTAL FUNDS ..... 3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ..... 4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES ..... 5

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ..... 6

GENERAL FUND – EXPENDITURE DETAILS – BUDGET AND ACTUAL ..... 7

SPECIAL REVENUE FUND SUBDISTRICT NO 1 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ..... 8

NOTES TO FINANCIAL STATEMENTS ..... 9

**SUPPLEMENTARY INFORMATION**

DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ..... 33

DEBT MANAGEMENT & COMPLIANCE EXPENDITURE DETAILS - BUDGET AND ACTUAL ..... 34

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY ..... 35

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED ..... 36

**OTHER SUPPLEMENTARY INFORMATION**

CHANGE IN TOTAL OVERLAPPING MILL LEVY ..... 38

HISTORICAL DEBT RATIOS ..... 39

FLYNN CPA, LLC
Bill@flynn-cpa.com
(303) 970-9698

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

North Range Metropolitan District No. 2

Adams County, Colorado

## Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of North Range 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2025, and the respective changes in financial position and the budgetary comparisons for the general fund and special revenue 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, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America 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 the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is 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 basic financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information 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 we do not express an opinion or provide any assurance thereon.

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.



Castle Pines, Colorado
September 28, 2026

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**STATEMENT OF NET POSITION**
**December 31, 2025**

| | Governmental Activities |
|---|---|
| **ASSETS** | |
| Cash and investments | $ - |
| Cash and investments – restricted | 5,506,580 |
| Specific ownership tax receivable | 17,282 |
| Property taxes receivable | 5,013,700 |
| Prepaid expenses | - |
| **Total Assets** | **10,537,562** |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Unamortized portion of deferred loss on 2017 bond refinancing | 518,618 |
| **LIABILITIES** | |
| Accounts payable and accrued liabilities | 79,618 |
| Accrued interest payable | 211,962 |
| Current portion of bonds | 495,000 |
| General obligation refunding bonds | 33,128,000 |
| **Total Liabilities** | **33,914,580** |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Deferred property tax revenue | 5,013,700 |
| **NET POSITION (DEFICIT)** | |
| Restricted: | |
| Emergency reserves | 45,100 |
| Debt service | 5,222,556 |
| Subdistrict No 1 | 258,160 |
| Non-spendable | - |
| Unassigned: | (33,397,916) |
| **Net Position (Deficit)** | **$ (27,872,100)** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**STATEMENT OF ACTIVITIES**
**For the 12-Month Period Ended**
**December 31, 2025**

| Functions/Programs | Expenses | Program Revenue: Charges For Services | Program Revenue: Operating Grants and Contributions | Program Revenue: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|---|
| **Primary Government:** | | | | | |
| Government Activities: | | | | | |
| General government activities | $ (1,360,774) | $ 56,563 | $ - | $ - | $ (1,304,211) |
| Interest and related costs on long-term debt | (2,176,705) | - | - | - | (2,176,705) |
| | **$ (3,537,479)** | **$ 56,563** | **$ -** | **$ -** | **(3,480,916)** |
| **General Revenues** | | | | | |
| Property taxes | | | | | 4,751,365 |
| Specific ownership taxes | | | | | 237,180 |
| Net investment income | | | | | 256,700 |
| **Total general revenue** | | | | | **5,245,245** |
| Change in net position | | | | | 1,764,329 |
| **Net Position (Deficit) – Beginning of Year** | | | | | **(29,636,429)** |
| **Net Position (Deficit) – End of Year** | | | | | **$ (27,872,100)** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**BALANCE SHEET – GOVERNMENTAL FUNDS**
**December 31, 2025**

| | General Fund | Special Revenue Fund Subdistrict No 1 | Debt Service Fund | Total Government Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and investments | $ - | $ - | $ - | $ - |
| Cash and investments - Restricted | 38,414 | 258,160 | 5,210,006 | 5,506,580 |
| Specific ownership taxes receivable | 4,732 | - | 12,550 | 17,282 |
| Property taxes receivable | 1,313,900 | - | 3,699,800 | 5,013,700 |
| Prepaid expenses | - | - | - | - |
| **TOTAL ASSETS** | **1,357,046** | **258,160** | **8,922,356** | **10,537,562** |
| **LIABILITIES** | | | | |
| Accounts payable and accrued liabilities | 79,618 | - | - | 79,618 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred property tax revenue | 1,313,900 | - | 3,699,800 | 5,013,700 |
| **TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | **1,393,518** | **-** | **3,699,800** | **5,093,318** |
| **FUND BALANCES** | | | | |
| Restricted: | | | | |
| Emergencies (TABOR) | 45,100 | - | - | 45,100 |
| Debt service | - | - | 5,222,556 | 5,222,556 |
| Subdistrict No 1 | - | 258,160 | - | 258,160 |
| Non-spendable | - | - | - | - |
| Unrestricted | (81,572) | - | - | (81,572) |
| **Total Fund Balances** | **(36,472)** | **258,160** | **5,222,556** | **5,444,244** |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | **$ 1,357,046** | **$ 258,160** | **$ 8,922,356** | |
| **Amounts reported for governmental activities in the statement of net position are different because:** | | | | |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds: | | | | |
| Bonds payable | | | | (33,623,000) |
| Accrued interest payable | | | | (211,962) |
| Deferred loss on bond refinancing | | | | 518,618 |
| **Net position of governmental activities** | | | | **$ (27,872,100)** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**GOVERNMENTAL FUNDS**
**12-Month Period Ended**
**December 31, 2025**

| | General Fund | Special Revenue Fund Subdistrict No 1 | Debt Service Fund | Total Government Funds |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Property taxes | $ 1,300,931 | $ - | $ 3,450,434 | $ 4,751,365 |
| Specific ownership taxes | 64,940 | - | 172,240 | 237,180 |
| Covenant enforcement service fees | - | - | - | - |
| Covenant enforcement fines and fees | 26,793 | - | - | 26,793 |
| Collection cost reimbursements | 29,770 | - | - | 29,770 |
| Net investment income | 10,490 | 10,810 | 235,400 | 256,700 |
| Other income | - | - | - | - |
| **Total Revenues** | **1,432,924** | **10,810** | **3,858,074** | **5,301,808** |
| **EXPENDITURES** | | | | |
| General and administration | 141,264 | - | - | 141,264 |
| Covenant enforcement services | 128,873 | - | - | 128,873 |
| Litigation services | 18,005 | - | - | 18,005 |
| Park & open space operations and maintenance cost subsidies paid to Reunion Metropolitan District | 1,072,632 | - | - | 1,072,632 |
| Debt service | | | | |
| Debt management & compliance | - | - | 57,311 | 57,311 |
| Interest payments on bonds | - | - | 2,086,382 | 2,086,382 |
| Principal payments on bonds | - | - | 1,753,000 | 1,753,000 |
| **Total Expenditures** | **1,360,774** | **-** | **3,896,693** | **5,257,467** |
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | 72,150 | 10,810 | (38,619) | 44,341 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Fund Transfers In / (Out) | - | - | - | - |
| **EXCESS OF REVENUES AND OTHER FINANCING SOURCES** | **72,150** | **10,810** | **(38,619)** | **44,341** |
| **FIND BALANCES – BEGINNING** | **(108,622)** | **247,350** | **5,261,175** | **5,399,903** |
| **FUND BALANCES – END OF YEAR** | **$ (36,472)** | **$ 258,160** | **$ 5,222,556** | **$ 5,444,244** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**12-Month Period Ended**
**December 31, 2025**

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances – Total government funds | $ | 44,341 |
| The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | |
| Principal payment on bonds | | 1,753,000 |
| 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. | | |
| Decrease in accrued bond interest payable | | (4,854) |
| Amortization of deferred loss on 2017 bond refinancing | | (28,158) |
| **Changes in net position of governmental activities** | **$** | **1,764,329** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**GENERAL FUND**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
**12-Month Period Ended**
**December 31, 2025**

| | Original and Final Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 1,299,700 | $ 1,300,931 | $ 1,231 |
| Specific ownership taxes | 65,000 | 64,940 | (60) |
| Covenant enforcement service fees | 77,100 | - | (77,100) |
| Covenant enforcement fines and fees | 18,300 | 26,793 | 8,493 |
| Legal cost reimbursements | 33,000 | 29,770 | (3,230) |
| Net investment income | 1,500 | 10,490 | 8,990 |
| Other income | - | - | - |
| **Total Revenues** | **1,494,600** | **1,432,924** | **(61,676)** |
| **EXPENDITURES** | | | |
| General and administration | 204,700 | 141,264 | 63,436 |
| Covenant enforcement services | 131,500 | 128,873 | 2,627 |
| Litigation services | 130,000 | 18,005 | 111,995 |
| Park & open space operations and maintenance cost subsidies paid to Reunion Metropolitan District | 1,024,100 | 1,072,632 | (48,532) |
| **Total Expenditures** | **1,490,300** | **1,360,774** | **129,526** |
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | **4,300** | **72,150** | **67,850** |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in (out) | - | - | - |
| **Total Other Financing Sources (Uses)** | - | - | - |
| **EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER** | **4,300** | **72,150** | **67,850** |
| FUND BALANCE – BEGINNING OF YEAR | 40,800 | (108,622) | (149,422) |
| **FUND BALANCE – END OF YEAR** | **$ 45,100** | **$ (36,472)** | **$ (81,572)** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**GENERAL FUND**
**EXPENDITURE DETAILS - BUDGET AND ACTUAL**
**12-Month Period Ended**
**December 31, 2025**

| | Original and Final Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|---|---|---|
| **GENERAL AND ADMINISTRATION** | | | |
| District management and accounting fees | $ 71,000 | $ 71,000 | $ - |
| Receiver fees | 40,000 | 17,962 | 22,038 |
| Administrative costs | 2,400 | 1,682 | 718 |
| Audit fees | 8,500 | 8,500 | - |
| Collection fees – County Treasurer | 19,500 | 19,535 | (35) |
| Board of Directors' fees | 3,500 | 2,400 | 1,100 |
| Board training and conferences | - | - | - |
| Election services | 18,000 | 117 | 17,883 |
| Newsletter publication and mailing services | - | 6,513 | (6,513) |
| Insurance | 6,800 | 5,995 | 805 |
| Legal fees | 35,000 | 7,560 | 27,440 |
| Contingency | - | - | - |
| **Total General and Administration** | **$ 204,700** | **$ 141,264** | **$ 63,436** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**SPECIAL REVEUE FUND - SUBDISTRICT NO 1**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
**12-Month Period Ended**
**December 31, 2025**

| | Original and Final Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ - | $ - | $ - |
| Specific ownership taxes | - | - | - |
| Maintenance fees | - | - | - |
| Net investment income | 8,800 | 10,810 | 2,010 |
| **Total Revenues** | **8,800** | **10,810** | **2,010** |
| **EXPENDITURES** | | | |
| Collection fees – County Treasurer | - | - | - |
| Park & open space operations and maintenance cost subsidies paid to Reunion Metropolitan District | - | - | - |
| **Total Expenditures** | **-** | **-** | **-** |
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | **8,800** | **10,810** | **2,010** |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in (out) | | | - |
| **Total Other Financing Sources (Uses)** | **-** | **-** | **-** |
| **EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER** | **8,800** | **10,810** | **2,010** |
| FUND BALANCE – BEGINNING OF YEAR | 219,400 | 247,350 | 27,950 |
| **FUND BALANCE – END OF YEAR** | **$ 228,200** | **$ 258,160** | **$ 29,960** |

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

## NOTE 1 – DEFINITION OF REPORTING ENTITY

North Range Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order of the District Court in and for Adams County on December 27, 2000, as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed by an elected Board of Directors.

The District operates under a service plan approved by the City of Commerce City (City) on August 21, 2000 as amended with City approval on August 6, 2001. The District's service area is located in Commerce City, Colorado and is currently comprised of certain commercial and retail property located in the northwest corner of 104$^{th}$ Avenue and Chambers Road and 1,175 single family home Lots within the Reunion Community. The District was established to provide financing for the design, acquisition, construction and installation of various public improvements within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was also created to provide certain essential public-purpose facilities and public services for the use and benefit of all anticipated residents and taxpayers of real property located within the boundaries of the District.

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 organizations 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 organizations 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 significant accounting policies of the District are 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 property taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred inflows and the sum of liabilities and deferred outflows of the District is reported as net position.

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 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 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.

The Special Revenue Fund for Subdistrict No 1 accounts for resources accumulated and payments made to provide public services unique to the 250 carriage homes within the District. Such services includes (1) maintenance of the driveways shared by the carriage homes, including snow removal and concrete repair and replacement, (2) maintenance of perimeter fencing around each home lot, (3) maintenance of landscaping on and around each home lot (excluding the fenced in backyard) and (4) removal of snow from the sidewalks located on and around each home lot (excluding any sidewalks within the fenced in backyard).

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

## Budgets

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

## Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single 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.

Investments are carried at fair value.

## Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are 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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

## Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the County. In 2025, the District's share of Specific ownership taxes was equal to approximately 5.0% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

## Covenant Enforcement and Design Review Service Revenue and Costs

Per the Master CCRs (see Note 7), the District is obligated to provide covenant enforcement and design review services to all property owners within the District. Service fees, enforcement fines and related assessments are reported and recognized as revenue in the District's general fund. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien. Costs related to providing such services are also recorded in the District's general fund.

Per the 2016 Operations Service Agreement (OSA) with Reunion MD, the District has contracted with Reunion MD to perform the District's responsibilities and obligations under the Master CCRs on a cost reimbursement basis. Per the OSA, if Reunion MD experiences funding shortfalls related to providing such services to the District, Reunion MD may (1) suspend or curtail providing such services or (2) impose fees on Users within the District to cover such funding shortfalls. For the year ended December 31, 2025, costs incurred by Reunion MD providing covenant enforcement services on behalf of the District is estimated at $128,873.

Service fees, enforcement fines and other assessments charged by Reunion MD on behalf of the District related to providing covenant enforcement and design review services are retained by Reunion MD. Such District revenue retained by Reunion MD is recorded by the District as additional contributions to Reunion MD under the Mill Levy Equalization Agreement (see Note 7).

See Note 7 regarding the terms of the OSA. See Note 8 – Related Parties regarding the OSA, which was ratified by both the District and Reunion MD when both boards were controlled by the Developer.

### General and Administrative Costs

The District contracts directly with third-party contractors to provide the District with accounting, legal, audit, insurance and other administrative services. Per the OSA, Reunion MD and the District have agreed for Reunion MD to pay the District's administrative services on a cost-reimbursement basis. Costs incurred directly by Reunion MD providing administrative services to the District are also reimbursable to Reunion MD by the District. Per the OSA, if funds received from the District fail to fully reimburse Reunion MD for payments made on behalf of the District, Reunion MD may (1) suspend or curtail providing administrative services to the District and/or suspend paying the District's administrative contractors or (2) impose fees on homeowners within the District to cover shortfalls in cost reimbursements due to Reunion MD. For 2025, Reunion MD did not provide any administrative services to the District.

See Note 7 regarding the terms of the OSA. See Note 8 – Related Parties regarding the OSA, which was ratified by both the District and Reunion MD when both boards were controlled by the Developer.

### Parks and Open Space Maintenance Cost Subsidies – Paid to Reunion MD

Reunion MD owns and maintains all parks and open spaces throughout the Reunion Community, which is comprised of the District, North Range Metropolitan District No 1 and North Range Metropolitan District No 3. Per the OSA, the District has agreed to subsidize costs incurred by Reunion MD to operate and maintain the public parks and open spaces throughout the Reunion Community. Per the OSA, if Reunion MD experiences funding shortfalls related to operating and maintaining the parks and open spaces, Reunion MD may (1) suspend or curtail providing such services or (2) impose fees on Users within the District to cover such funding shortfalls. For the year ended December 31, 2025, subsidies paid by the District (while under control of the Court-appointed receiver) to Reunion MD totaled $1,072,632, which was $48,532 greater than subsidies budgeted for the year.

See Note 7 regarding the terms of the OSA. See Note 8 – Related Parties regarding the OSA, which was ratified by both the District and Reunion MD when both boards were controlled by the Developer.

### Amortization of Loss from 2017 Bond Refunding

In the government-wide financial statements, the deferred loss from the refunding of the 2007 bonds with the 2017A Senior Bonds is being amortized using the interest method over the life of the 2017A Senior Bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

### Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate.

The District has one item that qualifies for reporting as a deferred outflow of resources – loss on refunding of debt in 2017 – which is deferred and recognized as an outflow of resources in the period that the amount is incurred.

Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2025 are comprised of property taxes due from Adams County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

## 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: non-spendable, 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:

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

- ***Restricted fund balance*** – The portion of a 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 a 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 a 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 a fund balance that does not meet any of the criteria described above.

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

### 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 of these financial statements.

The District adopted the requirements of this guidance effective January 01, 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 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

| | |
|---|---|
| Statement of net position: | |
| Cash and investments – unrestricted | $ -- |
| Cash and investments – restricted | 5,506,580** |
| **Total cash and investments** | **$ 5,506,580** |

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

| | |
|---|---|
| Deposits with financial institutions | $ 191,356 |
| Investments | 5,315,224 |
| **Total cash and investments** | **$ 5,506,580** |

** - Cash is controlled by a court-appointed receiver. See Note 11 (Litigation).

### 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, 2025, the District's cash held at financial institutions had a bank and carrying balance of $191,356.

### 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 listed 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 disclosure requirements or subject to 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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 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 purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the District's investments were comprised of the following:

| Investment | Maturity | Amortized Cost |
|---|---|---|
| ColoTrust Plus+ (Colotrust) | Weighted Average Under 60 Days | $ 4,926,068 |
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted average under 60 days | 389,156 |
| | **Total** | **$ 5,315,224** |

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus finds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement.

The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAm by Standard & Poor's.

### CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAmmf by Fitch Group.

## NOTE 4 – PUBLIC FACILITIES

The District does not own any public facilities or capital assets.

There are 171 land tracts totaling approximately 135 acres within the Reunion Community – comprised of all territory within the District, North Range Metro District No 1 and North Range Metro District No 3 – designated for parks, open spaces and recreational facilities. Recreational facilities situated on these land tracts include (1) the Reunion Recreation Center and outdoor community pool, (2) Southlawn community pool, (3) Southlawn amphitheater, (4) seven playgrounds, (5) two parking lots, (6) two small lakes, (7) concession building, (8) perimeter fencing and (9) several miles of trails through the open spaces. All of these facilities, parks and open space land tracts are owned by Reunion MD.

## NOTE 5 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2025:

| | Balance at Dec. 31, 2024 | Additions | Retirements | Balance at Dec. 31, 2025 | Due within one year |
|---|---|---|---|---|---|
| Series 2017A G.O. Bonds | $ 30,335,000 | $ - | ($ 425,000) | $ 29,910,000 | $ 495,000 |
| Accrued Interest – Series 2017A G.O. Bonds | 144,294 | 1,729,539 | ( 1,731,531) | 142,302 | - |
| Series 2017B G.O. Bonds | 5,041,000 | - | ( 1,328,000) | 3,713,000 | - |
| Accrued Interest – Series 2017B G.O. Bonds | 31,407 | 393,104 | ( 354,851) | 69,660 | - |
| **Total** | **$ 35,551,701** | **$2,122,643** | **($3,839,382)** | **$ 33,834,962** | **$ 495,000** |

Details regarding the District's long-term obligations are as follows:

### Series 2017A General Obligation and Special Revenue Refunding and Improvement Bonds (Senior Bonds)

On May 19, 2017, the District issued General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2017A in the amount of $30,965,000. The Senior Bonds are comprised of two issues. The first issue is

$10,815,000 with a stated interest rate of 5.625% and a maturity date of December 1, 2037. The second issue is $20,150,000 with a stated interest rate of 5.750% and a maturity date of December 1, 2047. The Senior Bonds are payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2017.

The proceeds from the sale of the Senior Bonds were used as follows:

| | | |
|---|---|---|
| Bond proceeds | $ | 30,965,000 |
| District available funds | | 2,014,562 |
| Less: | | |
| Refund Series 2007 Bonds | ( | 25,818,476) |
| Funds restricted for the Senior Reserve Fund | ( | 1,800,000) |
| Funds restricted for the Senior Surplus Fund | ( | 800,000) |
| Underwriter's discount | ( | 619,300) |
| Legal, accounting and other costs of issuance | ( | 352,776) |
| **Net bond proceeds available for funding costs of public improvements within and without the District** | **$** | **3,589,010** |

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
c) all contributions due from the Reunion Metro District under the Capital Pledge Agreement; and
d) any other legally available amounts that the District may designate towards payment of the Senior Bonds.

The 2017 Indenture of Trust Agreement for the 2017A Senior Bonds establishes a Maximum Debt Mill levy the District is permitted to impose on taxable property within the District to fund the repayment of the Senior Bonds. The Maximum Debt Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since August 21, 2000 – at which time, the ratios for residential and commercial property were 9.74% and 29%, respectively. The ratio for residential and commercial property for the 2025 collection year was 6.70% and 27.9%, respectively, which caused the District's Maximum Debt Mill Levy for debt service for 2025 to be 71.349 mills. The District levied 40.278 mills to fund its debt repayment obligation on the Series 2017A Bonds in 2025.

Amounts on deposit in the Senior Reserve Fund and the Senior Surplus Fund also secure payment of the Senior Bonds. After payment of any amounts due on the Senior Bonds, any remaining Senior Pledged Revenue, if any, is to be used to (1) fund the Reserve Fund up to the Reserve Requirement of $1,800,000 and then (2) fund the Senior Surplus Fund in accordance with the Senior Indenture up to the Maximum Surplus Amount of $3,096,500. Any Senior Pledged Revenue remaining after fully funding the Reserve Fund and the Surplus Fund ("Excess Senior Pledged Revenue") is to be applied towards the repayment of the Subordinate Bonds. As of December 31, 2025, the cash balance held in the Reserve Fund and the Senior Surplus Fund was $1,808,074 and $3,102,031, respectively.

The Senior Bonds may be redeemed at any time prior to maturity without redemption premium. Outstanding bond principal and interest on the Senior Bonds mature as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 495,000 | $ 1,707,625 | $ 2,202,625 |
| 2027 | 520,000 | 1,679,781 | 2,199,781 |
| 2028 | 595,000 | 1,650,531 | 2,245,531 |
| 2029 | 625,000 | 1,617,063 | 2,242,063 |
| 2030 | 705,000 | 1,581,906 | 2,286,906 |
| 2031-2035 | 4,475,000 | 7,248,594 | 11,723,594 |
| 2036-2040 | 6,585,000 | 5,760,800 | 12,345,800 |
| 2041-2045 | 9,365,000 | 3,571,901 | 12,936,901 |
| 2046-2047 | 6,545,000 | 620,138 | 7,165,138 |
| **Total** | **$ 29,910,000** | **$ 25,438,339** | **$ 55,348,339** |

The District's detail debt service schedule for its Senior Bonds is provided on page 35.

**Series2017B Subordinate Limited Tax General Obligation and Special Revenue Bonds (Subordinate Bonds)**

On May 19, 2017, the District issued Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2017B in the amount of $6,666,000. The stated interest rate on the Subordinate Bonds is 7.750% per annum, and the Bonds are payable annually on December 15, beginning December 15, 2017, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2047. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amounts due and owing on the Subordinate Bonds remain outstanding on December 15, 2056, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Subordinate Bonds were used as follows:

| | |
|---|---|
| Bond proceeds | $ 6,666,000 |
| Less: | |
| Underwriter's discount | ( 199,980) |
| **Net bond proceeds available for funding costs of public improvements within and without the District** | **$ 6,466,020** |

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

a) all Subordinate Property Taxes (generated by the imposition of the Required Subordinate Mill Levy);
b) all Subordinate Specific Ownership Taxes (attributable to the Required Subordinate Mill Levy);
c) any Excess Senior Pledged Revenue;
d) any other legally available amounts that the District may designate towards payment of the Subordinate Bonds.

Pursuant to the Subordinate Indenture, the District covenanted to levy an ad valorem mill levy upon all taxable property of the District each year in the amount of 50 mills (subject to adjustment for changes to the method of calculating assessed valuation after August 21, 2000 – at which time, the ratios for residential and commercial property were 9.74% and 29%, respectively) less the Senior Require Mill Levy. The ratio for residential and commercial property for the 2025 collection year was 6.70% and 27.9%, respectively, which caused the District's Required Subordinate Mill Levy

for debt service for 2025 to be 31.071 (71.349 mills less the Senior Required Mill Levy of 40.278). The District levied 31.071 mills to fund its debt repayment obligation on the Series 2017B Bonds in 2025.

The Subordinate Bonds may be redeemed at any time prior to maturity without redemption premium.

Per the 2017 Financial Forecast included with the Subordinate Bond Offering document, repayments on the Subordinate Bonds are projected to total approximately $28.8 million through 2056, which equates to an annual net effective interest rate of 10.9%.

### Series 2017A and B Events of Default

The following events are considered events of default under the bond indenture of trust: (1) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee, Bond Insurer or Bond Owners or (3) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default if the District has levied the Required Mill Levy, complied with all covenants and conditions of the Indenture of Trust and remitted all Pledged Revenues to the Trustee. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

### Debt Authorization – TABOR

On November 05, 2024, the District's electors voted in an election to forever eliminate all but $20 million of the remaining, unused borrowing power granted by the District's eligible electors to the District in all past elections. Per C.R.S 32-1-1101(2), the remaining, unused debt issuance authorization obtained from the District's electors will expire in November 2034 - 20 years after the original debt authorization election.

### Debt Authorization – Service Plan

The District's Service Plan authorizes the District to issue up to $280 million in debt and establishes a Maximum Mill Levy, subject to certain conditions and restrictions, the District is permitted to impose on taxable property within the District for the payment of debt. The Maximum Debt Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since August 21, 2000 – at which time, the ratios for residential and commercial property were 9.74% and 29%, respectively. The ratio for residential and commercial property for the 2025 collection year was 6.70% and 27.9%, respectively, which caused the District's Maximum Debt Mill Levy for debt service for 2025 to be 75.291 mills.

As of December 31, 2025, total remaining debt issuance authorization under the District's Amended and Restated Service Plan is as follows:

| | |
|---|---|
| Authorized maximum debt issuance per Service Plan | $ 280,000,000 |
| Less: | |
| 2007 General Obligation Bonds | ( 26,375,000) |
| 2017A Senior Bonds | ( 30,965,000) |
| 2017B Subordinate Bonds | ( 6,666,000) |
| **Unused, authorized debt issuance** | **$ 215,994,000** |

## NOTE 6 – NET POSITION (DEFICIT)

**Restricted Net Position**

The District's restricted net position as of December 31, 2025 in the general fund, special revenue fund for Subdistrict No 1 and debt service fund totaled $45,100, $258,160 and $5,222,556, respectively. The lack of a restricted net position within the general fund – which is a violation of TABOR – is due to financial mismanagement of the District by the Court-appointed trustee and by Reunion MD. See Note 10 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2017 Bonds.

**Non-Spendable Net Position**

The District's non-spendable net position as of December 31, 2025 in the general fund, special revenue fund and debt service fund totaled $0, $0 and $0, respectively.

**Unassigned Net Position**

The District's unassigned net position as of December 31, 2025 totaled ($33,397,916). This deficit amount was a result of the District being responsible for the repayment of bonds issued to subsidize the construction of public improvements conveyed to the City of Commerce City and other entities.

## NOTE 7 – CONTRACTUAL AGREEMENTS

### Facilities Acquisition Agreement

On December 19, 2017, the District and Shea Homes entered into Facilities Acquisition Agreement (FAA) whereby Shea Homes agreed to design and construct Public Infrastructure subject to the terms and conditions set forth in the FAA. The District agreed to subsidize construction costs claimed to have been incurred by Shea Homes – subject to annual appropriation by the District – if (1) Shea Homes submits documentation requested by the District to support such cost claims and (2) the District's engineer and accountant conclude that such cost reimbursements requested by Shea Homes is reasonable.

Per the FAA, the District is not obligated to fund public infrastructure costs claimed by the Developer until after the Developer conveys such public infrastructure to other entities (including Commerce City, South Adams County Water and Sanitation District and Reunion MD) and such entities accept the dedication of such public infrastructure. Once the District becomes obligated – subject to annual appropriation by the District – to fund public infrastructure costs claimed by the Developer, such contingent claims accrue simple interest at a rate equal to the Municipal Market Data BAA 30-year index plus five percent, not to exceed a maximum interest rate of 8%. Because the interest rate for the Municipal Market Data BAA 30-year index exceeded 3% for the 12-month period ended December 31, 2025, the interest rate applicable to outstanding accrued claims by the Developer under the FAA was capped at 8% for 2025.

For the 12-month period ended December 31, 2025, District payments made, advances received and interest accrued under the FAA is as follows:

| | Cash advances net of repayments | Accrued interest net of repayments | Total |
|---|---|---|---|
| Beginning Balance (Jan. 01, 2025) | $ 1,211,910 | $ 645,633 | $ 1,857,643 |
| Additional advances | - | - | - |
| Accrued interest | | 96,953 | 96,953 |
| Payments to the Developer | - | - | - |
| **Ending Balance (Dec. 31, 2025)** | **$ 1,211,910** | **$ 742,586** | **$ 1,954,596** |

When the District executed the FAA with the Developer in 2017, all directors serving on the District's board were also employees of Shea Homes. (See Note 8 – Related Parties.)

### Mill Levy Equalization Agreement (MLEPA)

Reunion MD is a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Court Order and Decree of the Adams County District Court on December 27, 2000, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The boundaries of Reunion MD encompass the following two land tracts – (1) a tax exempt 5.2-acre public land parcel that holds the public recreational facilities serving the Reunion Community and (2) an undeveloped 0.23 acre of land located on the east side of E-470 and owned by CPG2 (defined in Note 8). CPG2 purchased the 0.23-acre land tract from Shea Homes LP in August 2017.

On June 3, 2016, North Range Metropolitan District No. 1, No. 2, No. 3 and No. 4 ("NRMD1", the District, "NRMD3" and "NRMD4" and collectively, the "North Range Districts") and Reunion MD (collectively, the MLEPA Districts) entered into a Mill Levy Equalization and Pledge Agreement (MLEPA). At the time the MLEPA was ratified by the MLEPA Districts, all directors serving on Reunion MD and North Range Metro Districts No. 2, No. 3 and No. 4 and three of the five directors serving on North Range Metro District No 1 were officers/employees of Shea Homes LP and all such directors reported conflicts of interest regarding their service as directors on the MLEPA Districts.

Per the MELPA, the North Range Districts:

1) Agreed to levy on an annual basis an "Equalization Mill Levy" – comprised of an operations mill levy and a debt mill levy as determined exclusively by Reunion MD – that would not exceed 99 mills, as adjusted (MLEPA Cap);

2) Pledged all Surplus Debt Mill Levy Revenue (defined below) to Reunion MD for the repayment of any debt issued by Reunion MD up to a maximum principal amount of $280 million (per each North Range District); and

3) Agreed to transfer to Reunion MD within ten days after receipt of monthly tax collections received from the County Treasurer all Surplus Debt Mill Levy Revenue and all operations mill levy revenue. (Note: Reunion MD claims it has sole control over how such public funds received from the North Raneg Districts are spent.)

The MLEPA Cap is subject to adjustment due to the 50-mill debt limit placed on each North Range District in each District's respective service plan that is subject to adjustment by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since August 2000/2001 – at which time, the ratios for residential and commercial property were 9.15% and 29%, respectively. The ratio for residential and commercial property for the 2025 collection year was 6.70% and 27.9%, respectively, which caused the District's Maximum Debt Mill Levy for debt service for 2025 to be 71.349 mills. Thus, the adjusted MLEPA Cap for 2025 was 120.349 mills.

Surplus Debt Mill Levy Revenues is defined as that portion of property tax revenue plus related specific ownership tax revenue collected by each North Range District under its annual debt mill levy that remains, if any, after remitting any and all such funds pledged towards the repayment of any debt issued by the respective North Range Districts. Per the MLEPA, all Surplus Debt Mill Levy Revenues from each North Range District is pledged to Reunion MD to fund the repayment of up to $280 million plus accrued interest (per each North Range District) in bonds and other obligations issued by Reunion MD.

Per the MLEPA, all bonds directly issued by the North Range Districts are senior in priority of repayment to any obligations entered into by Reunion MD. If any of the North Range Districts issue additional debt in the future, all North Range Districts agree to remit the proceeds from such debt to the Reunion MD within 10 days of issuing such debt.

On May 1, 2017, the MLEPA Districts amended the MLEPA to require the District and NRMD1 to levy the maximum allowed debt mill levy each year and remit Surplus Debt Mill Levy Revenue to Reunion MD until the Series 2017 bonds issued by Reunion MD to Shea Homes LP (the 2017 Reunion MD Bonds) is paid in full. The original par amount of the 2017 Reunion MD bonds was $16.6 million with a final par amount of $21.6 million. Interest accrues on this debt at a simple rate of 4% per annum. The 2017 Reunion MD Bonds are secured and payable from the following revenue sources: (1) Surplus Debt Mill Levy Revenue remitted only by the District and NRMD1 (NRMD3 and NRMD4 are not obligated to repay the 2017 Reunion MD Bonds), (2) system development fees not otherwise pledged to the District and NRMD1, (3) City Credit Fee revenues and (4) any sales and use tax revenues received from the City through revenue-sharing agreements that are not otherwise pledged to the District and NRMD1. As of December 31, 2025, the outstanding balance due on the 2017 Reunion MD Bonds was approximately $10.3 million plus accrued, unpaid interest totaling approximately $23,000.

On December 19, 2017, Reunion MD (which board was controlled by CPG2 at that time) entered into a “Funding and Reimbursement Agreement” (“FRA”) with CPG2. CPG2 agreed to remit funds to Reunion MD for the purpose of funding the installation of public infrastructure on CPG2 land and, in exchange, Reunion MD agreed to repay such amounts to CPG2. Outstanding amounts owed by Reunion MD to CPG2 accrue simple interest at the rate of 6.5% per annum. In 2025, Reunion MD paid $5.7 million to CPG2 under the FRA. Per the MLEPA, Surplus Debt Mill Levy Revenues will be used to fund this related-party Reunion MD obligation after the 2017 Reunion MD Bonds are paid in full.

The amended MLEPA prohibits the North Range Districts from (1) issuing any additional debt without the consent of the Reunion MD and (2) levying an operating mill levy to generate property tax revenue in any subdistricts within the North Range Districts.

If any of the North Range Districts fail to appropriate the revenues generated from the Reunion MD-directed operations mill levy to Reunion MD, the North Range Districts agree to allow Reunion MD to levy fees and charges outside of Reunion MD’s boundaries on the property owners of land within the North Range Districts to fund Reunion MD’s operating costs. Per section 2.09 of the MLEPA, appropriations of the operations portion of the Equalization Mill Levy shall occur on an annual basis at the discretion of each of the Board of Directors of the North Range Districts and therefore such annual appropriations are not intended to constitute a multiple fiscal year indebtedness or financial obligations subject to the requirements of Article X, Section 20 of the State Constitution ("TABOR"). However, the MLEPA also recognizes shortfalls incurred by Reunion MD with funding its operations are considered “Operations Debt”, which is identified by the MLEPA as a multiple year fiscal obligation to be funded from Surplus Debt Mill Levy Revenues of the North Range Districts.

None of the directors serving on the Reunion MD board are elected by nor subject to recall by the eligible electors of the North Range Districts.

The MLEPA cannot be amended or terminated without the consent of Reunion MD.

Series 2017 Senior and Subordinate Bonds: Per the "best estimate" financial forecast attached to the District's 2017 bond offering documents, the District is projected to generate no Surplus Debt Mill Levy Revenue until 2043 at the earliest. By such date, it is estimated that NRMD1 will have remitted sufficient Surplus Debt Mill Levy Revenues to repay in full both the 2017 Reunion MD Bonds and the current outstanding amounts owed by Reunion MD to CPG2 under the FRA.

## Operations Service Agreement with Reunion Metro District

On June 3, 2016 the North Range Districts entered into an Operations Service Agreement (OSA) with Reunion MD whereby Reunion MD would (1) own, operate and maintain all parks and recreational facilities located within the North Range Districts [see **Note 4**], (2) perform the North Range Districts' covenant enforcement and design review responsibilities provided under the Master CCRs [defined below] and (3) provide administrative services to the District not otherwise contracted out by the District to third-party contractors. Such administrative services to be provided by Reunion MD included paying the District contractors using funds received from the District under the MLEPA.

Since inception of the OSA, the District has elected each year to hire third party accountants, managers, attorneys, insurance providers and auditors to perform most or all of the District's administrative services.

Per the OSA, the North Range Districts agreed to remit their Operations and Maintenance Mill Levy revenues to Reunion MD to (1) subsidize expenses incurred by Reunion MD to operate and maintain the public parks and open spaces within the North Range Districts, (2) reimburse Reunion MD for costs it incurs providing covenant enforcement and design review services to North Range District homeowners on behalf of the North Range Districts and (3) reimburse Reunion MD for (i) direct costs incurred by Reunion MD providing administrative services to the District and (ii) paying District contractors' invoices.

In the event the North Range Districts' Operations and Maintenance Mill Levy revenue remitted to Reunion MD under the MLEPA are insufficient to reimburse Reunion MD in full for costs it incurred in providing these services, Reunion MD may (1) suspend or curtail services provided to the North Range Districts and/or (2) impose user fees on District property owners to recover all costs incurred by Reunion MD (which is a violation of constitutional prohibitions on transfer of the District's legislative powers). Also, per the MLEPA, shortfalls incurred by Reunion MD with funding Reunion MD operations are considered "Operations Debt", which is identified by the MLEPA as a multiple year fiscal obligation to be funded from Surplus Debt Mill Levy Revenues of the North Range Districts. Thus, the OSA allows Reunion MD to incur debt on behalf of the District and, in violation of Colorado Budget Law and constitutional prohibitions on transfer of the District's legislative powers, spend funds in excess of amounts appropriated by the District for transfer to Reunion MD.

The OSA allows any of the North Range Districts to terminate subsidizing Reunion MD's costs to operate and maintain the public parks and open spaces within the North Range Districts if a written termination plan is submitted and written approval is provided by all North Range Districts. (North Range Metro District No 3 and No 4 were controlled by directors who also serve as directors on Reunion MD). The written termination plan must include, but not limited to, the following: (1) a description of how the North Range Districts will repay all debts and obligations incurred by Reunion MD and (2) an indemnification clause where the North Range Districts will indemnify Reunion MD against all injuries, losses and other events of damage associated with any outstanding agreements to which Reunion MD is a party.

After providing 90 days written notice, each of the North Range Districts are authorized under the OSA to terminate receiving administrative services from the Reunion MD. On February 01, 2022, the District's Board unanimously voted to terminate any and all administrative services provided by Reunion MD effective February 01, 2022. Although the District continues to rely solely on third-party accountants, attorneys, insurance providers, auditors and other contractors to perform all administrative functions of the District, the District is dependent on Reunion MD to fund such contractor services because, under the MLEPA, all of the District's operations revenue must be remitted to

Reunion MD. As of December 31, 2025, Reunion MD has refused to use operations funds received from the District to pay for any invoices submitted in 2023 by the District's accountant/manager and the District legal/litigation counsel.

At the time the OSA was ratified by the North Range Districts and Reunion MD, all directors serving on Reunion MD and North Range Metro Districts No. 2, No. 3 and No. 4 and three of the five directors serving on North Range Metro District No 1 were officers/employees of Shea Homes LP and all such directors reported conflicts of interest regarding their service as directors on the MLEPA Districts.

None of the directors serving on the Reunion MD board are elected by nor subject to recall by the eligible electors of the North Range Districts.

The OSA cannot be amended without the consent of Reunion MD. Termination of the OSA as it pertains to O&M Services can only be accomplished if the District obtains the consent of NRMD1, NRMD3 and NRMD4 (which board is comprised entirely of individuals who are employees of Shea Homes and qualified to serve on such board based on land purchase option contracts with Shea Homes). In the event the four districts cannot reach an agreement to terminate the OSA, the OSA requires the four districts to submit such issues to mediation and make a good faith effort to reach an agreement.

## Declaration of Covenants Conditions and Restrictions (Master CCRs)

On December 16, 2014 Shea Homes, LP (Shea Homes) filed with the Adams County Clerk & Recorder's Office a Declaration of Covenants, Conditions and Restrictions for North Range Metropolitan District No. 2 Area within Reunion ("Master CCRs"). The purpose of the Master CCRs is to (1) protect and enhance the quality, value, desirability and attractiveness of all property within the District; (2) empower the District to provide covenant enforcement and design review services for the benefit of property owners within the District, (3) define the duties, powers and rights of the District granted by the Master CCRs and (4) define certain duties, power and rights of property owners whose land is subject to the Master CCRs.

Between December 14, 2014 and December 31, 2020, all 1,175 home lots were annexed into the Master CCRs.

Per the OSA between Reunion MD and the District, Reunion MD is contracted to perform the covenant enforcement and design review responsibilities provided under the Master CCRs on behalf of the District.

The following covenants conditions and restrictions were created and filed with Adams County as a supplement to the Master CCRs:

**Supplemental CCRs – Carriage Homes**: On November 30, 2018, CPG2 (defined below) filed with the Adams County Clerk & Recorder's Office a Supplemental Declaration of Covenants Conditions and Restrictions for Reunion Carriage House Filing No 20, First Amendment, and on April 16, 2020, the Developer filed with the Adams County Clerk & Recorder's Office a Supplemental Declaration of Covenants, Conditions and Restrictions for Reunion Carriage House Filing No 34, Amendment No 1 and Supplemental Declaration of Covenants, Conditions and Restrictions for Reunion Carriage House Filing No 34, Amendment No 2 (collectively, the three documents are referred to as the "Carriage Home CCRs"). The 251 carriage home lots subject to the Carriage Home CCRs are all located within Subdistrict No 1. Per the Carriage Home CCRs, the carriage home lots are subject to certain covenants, conditions and restrictions – in addition to the Master CCRs – regarding the use and maintenance of such lots. In addition, the Carriage Home CCRs require the Subdistrict No 1 to provide the following services to the carriage home lots: (1) maintain, repair and replace Perimeter Fencing, (2) maintain, repair and replace Front Yard Landscaping on each lot, (3) irrigation water to maintain all landscaping on each lot, (4) snow removal from the Auto Courts (i.e. shared automobile courtyard/driveway) and sidewalks and (5) maintenance and repair of the Auto Courts.

On April 16, 2020, Subdistrict No 1 assigned to Reunion MD and Reunion MD accepted all rights and obligations under the Carriage Home CCRs.

**Supplemental CCRs – Reunion Duets**: On April 16, 2020, CPG2 filed with the Adams County Clerk & Recorder's Office a Supplemental Declaration of Covenants, Conditions and Restrictions for Reunion Duets Filing No 36 ("Reunion Duets CCRs"). Per the Reunion Duet CCRs, the 146 duet lots are subject to certain covenants, conditions and restrictions – in addition to the Master CCRs – regarding the use and maintenance of such lots. In addition, the Reunion Duet CCRs require the District to provide the following services to the duet lots: (1) maintain, repair and replace Front Yard Landscaping on each lot, (2) irrigation water to maintain all landscaping on each lot, (3) snow removal from the non-City owned streets and sidewalks and (4) maintenance and repair of the non-City owned streets and sidewalks.

On April 16, 2020, the District assigned to Reunion MD and Reunion MD accepted all rights and obligations under the Reunion Duets CCRs.

**Supplemental CCRs – Horizon Single Family Homes**: On August 19, 2020, CPG2 filed with the Adams County Clerk & Recorder's Office a Supplemental Declaration of Covenants, Conditions and Restrictions for Reunion Horizon and Meridian Filing No 35 ("Horizon CCRs"). Per the Horizon CCRs, the 86 single family home lots are subject to certain covenants, conditions and restrictions – in addition to the Master CCRs – regarding the use and maintenance of such lots. In addition, the Horizon CCRs require the District to maintain, repair and replace Perimeter Fencing.

On August 20, 2020, the District assigned to Reunion MD and Reunion MD accepted all rights and obligations under the Horizon CCRs.

## NOTE 8 – RELATED PARTIES

**Identification of Land Developer Within Reunion Community**: Clayton Properties Group II, Inc. (CPG2) – a subsidiary of Berkshire Hathaway Inc (BRK.A: NYSE) – owns Oakwood Homes, which owns and is developing a significant number of residential home lots and land tracts within the District and within NRMD1 and NRMD3.

In 2017, Shea Homes sold the majority of land within the District, NRMD1 and NRMD3 to CPG2.

In August 2023, CPG2 noted in a letter to Commerce City that CPG2 believes due process is violated when public officials serving on City Council vote on matters with which such officials have a conflict of interest and demanded that a certain council member, who CPG2 alleged to be conflicted regarding a certain CPG2 land use application, be recused from voting on such matter. CPG, however, has not expressed any opposition to or claims any violations of due process by any public officials conducting business when such conflicted public officials are/were (1) controlled by CPG2 or Shea Homes through land purchase option contracts and (2) voting on matters that directly or indirectly impact CPG2 and/or Shea Homes.

**Reunion MD Board Composition**: Of the four directors serving on the Reunion MD board in 2025 (one vacancy existed on such board), three directors were officers/employees of CPG2 and one director was an officer/employee of Shea Homes. To qualify themselves to serve as directors on Reunion MD's board, the directors relied on land purchase option contracts they entered into with CPG2. Per these land purchase option contracts, CPG2 has unilateral authority to cancel these purchase option contracts at any time to disqualify such directors from continuing to serve on the Reunion MD Board.

Further, the entire electoral base of Reunion MD has always been and continues to be comprised of individuals who are qualified to vote based on land purchase contracts they entered into with CPG2. CPG2 has unilateral authority to cancel any of these purchase option contracts at any time to disqualify any individual comprising the electoral base of

Reunion MD. Thus, all directors that have ever served on the Reunion MD board have been "elected" by a voter base entirely controlled by CPG2 (or Shea Homes in 2017 and prior years).

**District Board Composition**: Subsequent to May 2022, all five directors serving on the District's Board owned homes and lived within the District, were elected by eligible electors who were not controlled by CPG2 and had no contractual relationships with CPG2 or Shea Homes.

Between August 2000 and May 2018, all directors serving on the District's board were officers and/or employees of Shea Homes or had other business relationships with Shea Homes. To qualify themselves to serve as directors on the District's board, the directors relied on land purchase contracts they entered into with Shea Homes. Also, the entire electoral base of the District during this time period was comprised of individuals who were qualified to vote based on land purchase contracts they entered into with Shea Homes. Shea Homes had unilateral authority to cancel any of those purchase option contracts at any time to disqualify any individuals comprising the electoral base of and/or the board of the District. Thus, all Shea Homes-controlled directors that served on the District's board during this time period were "elected" by a voter base that was also entirely controlled by Shea Homes.

Between May 2018 and May 2020, all directors serving on the District's board were officers and/or employees of CPG2 or employed by companies that had significant contractual business relationships with CPG2. To qualify themselves to serve as directors on the District's board, the directors relied on land purchase contracts they entered into with CPG2. Also, the entire electoral base of the District in 2018 was comprised of individuals who were qualified to vote based on land purchase contracts they entered into with CPG2. CPG2 had unilateral authority to cancel any of those purchase option contracts at any time to disqualify any individuals comprising the electoral base of and/or the board of the District. Thus, all CPG2-controlled directors that served on the District's board during this time period were "elected" by a voter base that was also entirely controlled by CPG2.

Beginning May 2020, three of five directors serving on the District's Board owned homes and lived within the District, were elected by eligible electors who were not controlled by CPG2 and had no contractual relationships with CPG2 or Shea Homes.

**District 1 Board Composition**: Subsequent to May 2020, all five directors serving on the District's Board owned homes and lived within the District, were elected by eligible electors who were not controlled by CPG2 and had no contractual relationships with CPG2 or Shea Homes.

**District 3 Board Composition**: Beginning May 2023, three of five directors serving on NRMD3's Board owned homes and lived within NRMD3, were elected by eligible electors who were not controlled by CPG2 and had no contractual relationships with CPG2 or Shea Homes. Beginning in May 2025, all five directors serving on NRMD3's Board owned homes and lived within NRMMD3, were elected by eligible electors who were not controlled by CPG2 and had no contractual relationships with CPG2 or Shea Homes.

**District 4 Board Composition**: All directors serving on the NRMD4 board in 2025 were officers and/or employees of Shea Homes or had other business relationships with Shea Homes. To qualify themselves to serve as directors on NRMD4's board, the directors relied on land purchase contracts they entered into with Shea Homes. Also, the entire electoral base of NRMD4 has always been and continues to be comprised of individuals who are qualified to vote based on land purchase contracts they entered into with Shea Homes. Shea Homes has unilateral authority to cancel any of these purchase option contracts at any time to disqualify any individuals comprising the electoral base of and/or the board of NRMD4. Thus, all Shea Homes-controlled directors that have ever served on the NRMD4 board have been "elected" by a voter base that is also entirely controlled by Shea Homes.

**Parties Ratifying the MLEPA and OSA**: At the time the MLEPA and OSA were ratified by the MLEPA Districts, all directors serving on Reunion MD, the District, NRMD3 and NRMD4, and three of the five directors serving on NRMD1, were

officers/employees of Shea Homes and all such directors reported conflicts of interest regarding their service as directors on the MLEPA Districts. All such directors relied on land purchase contracts they entered into with Shea Homes to qualify themselves to serve as directors on Reunion MD's board. Also, the entire electoral base of Reunion MD, NRMD3 and NRMD4 was comprised of individuals who were qualified to vote based on land purchase contracts they entered into with Shea Homes. Shea Homes had unilateral authority to cancel any of these purchase option contracts at any time to disqualify any individuals comprising the electoral base of Reunion MD, NRMD3 and NRMD4 and/or the board of these three districts. Thus, all Shea Homes-controlled directors that served on Reunion MD, NRMD3 and NRMD4 boards at the time the MLEPA and OSA were ratified were "elected" by a voter base that was entirely controlled by Shea Homes.

**Parties Ratifying the 2017 FAA**: When the District executed the FAA with Shea Homes in 2017, all directors serving on the District's board were also employees of Shea Homes. At the time the 2017 FAA was ratified, all such directors relied on land purchase contracts they entered into with Shea Homes to qualify themselves to serve as directors on the District's board. Also, the entire electoral base of the District was comprised of individuals who were qualified to vote based on land purchase contracts they entered into with Shea Homes. Shea Homes had unilateral authority to cancel any of these purchase option contracts at any time to disqualify any individuals comprising the electoral base of the District and/or the board of the District. Thus, all Shea Homes-controlled directors that served on the District's board at the time the 2017 FAA was ratified were "elected" by a voter base that was entirely controlled by Shea Homes.

**Owners of Reunion MD Debt Subject to MLEPA**: Reunion MD Series 2017 Bonds (totaling outstanding – including accrued unpaid interest – as of December 31, 2025 is $10.3 million) is owned by Shea Homes and CPG2.

## NOTE 9 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, 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—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.

On November 5, 2024, the District's electors voted to authorize the District to levy up to $9 million in property taxes annually (exclusive of property taxes levied for debt service) for the purpose of funding the maintenance of parks and open spaces, general operations of the district and any or all public services provided by the district. Such annual tax limit shall be adjusted annually for inflation per the Colorado Consumer Price Index as tracked by the United States Bureau of Labor Statistics. The District may levy an ad valorem mill without limitation of rate or with such limitations as may be determined by the board

Additionally, the District's electors voted unanimously to approve a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR Violations Caused By Court-Appointed Receiver and Reunion MD: TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls. The required reserve for the General Fund for 2025 was $35,300 based on budgeted spending for 2025. However, since the District has been placed under control of the Court-appointed Receiver in May 2023, the Receiver has failed to manage the District's General Fund cash balance in a manner that complies with the TABOR-mandated minimum fund balance. Additionally, under current court-imposed injunctions upholding the enforceability of the MLEPA and Reunion MD's ability to control the spending of the District's general funds, Reunion MD has caused the District to transfer its General Funds to Reunion MD in excess of budgeted amounts causing the fund balance in the District's General Fund to materially drop below the TABOR-mandated minimum fund balance.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

**NOTE 11 – LITIGATION WITH REUNION MD**

On December 08, 2022, Reunion MD filed a lawsuit in Adams County District Court against the District and NRMD1 for breaching the MLEPA and the OSA after the District and NRMD1 adopted 2023 budgets reflecting (1) no funds to be remitted to Reunion MD and (2) mill levies that were different from the mill levies Reunion MD directed the districts to levy. Reunion MD is demanding the District and NRMD1 comply with the terms of the MLEPA and OSA and all property taxes the District and NRMD1 collect from the property owners within their respective boundaries be remitted to and under the sole control of Reunion MD. Reunion MD argues that, per the terms of the MLEPA, the MLEPA cannot be amended or terminated without the consent of the Reunion MD board – all of whom are employees of CPG2 and Shea Homes. (See Note 8 – Related Parties – regarding ratification of the MLEPA and OSA)

On January 23, 2023, the District and NRMD1 filed a response and counter claims against Reunion MD. The District and NRMD1 claim the MLEPA is void as an illegal contract on the grounds that the MLEPA violates various Colorado statutes, violates the Taxpayer Bill of Rights within the Colorado Constitution, is an unfair and unconscionable contract and is contrary to public policy. The District and NRMMD1 also claim Reunion MD breached the contractual terms of the MLEPA, if the court deems the MLEPA to be a valid contract.

On May 09, 2023, District Court granted Reunion MD's request that the District and NRMD1 be placed into receivership. Through the receivership order, all tax and related revenue collected under each district's general mill levy is to be remitted by the court-appointed receiver (Receiver) to Reunion MD. In addition, Surplus Debt Mill Levy Revenues generated under the districts' debt mill levies (i.e. debt mill levy revenues net of principal and interest payments due on the district-issued bond debt) is also to be remitted by the Receiver to Reunion MD in accordance with the terms of the MLEPA.

Under the District Court's current receivership order, the District and NRMD1 have effectively been denied retaining any funds to defend themselves against Reunion MD's lawsuit and to pay their contractors – including attorneys,

accountants and consultants required to operate the District. In 2023, Reunion MD refused to use any of the District's funds to pay the District's legal and accounting contractors claiming its 2023 budget did not contemplate paying the District's accountants and attorneys. However, Reunion MD paid all other operational costs of the District in 2023 and has amended Reunion MD's budget to increase payments to Reunion MD's accountants and attorneys. As of December 31, 2025, the District's accounts payable balance is comprised of unpaid invoices submitted by the District's accountants (for 2023 services) and attorneys to Reunion MD, which Reunion MD continues to refuse to pay with the funds RMD receives from the District.

On July 3, 2023 – one month after three homeowners with no relationships to CPG2 or Shea Homes were elected to NRMD3's 5-member board – Reunion MD amended its complaint to include NRMD3 as a defendant along with NRMD1 and NRMD2. On November 29, 2023, District Court granted Reunion MD's request and added NRMD3 as a defendant in the Reunion MD lawsuit. However, no court order has been issued placing NRMD3 into receivership.

The 2023 budgets originally adopted by the District and NRMD1 boards (which had to be scrapped due to a temporary court order imposed on the District and NRMD1 resulting from Reunion MD's December 2022 lawsuit) reflected professional fees to operate the Reunion Community totaling $418,000, **which was 60% or $277,812 less than the $695,812 in professional fees budgeted per Reunion MD's 2023 budget**. ***Actual*** **professional fee expenditures incurred by Reunion MD in 2023 totaled $800,780 – which was 92% higher than the 2023 professional fee expense budget adopted by the District and NRMD2 but rejected by Reunion MD.**

Actual professional fees incurred by Reunion MD for the past three years plus professional fees budgeted by Reunion MD for 2026 are as follows:

| **Reunion MD – Professional Fees** | **2023 [Actual]** | **2024 [Actual]** | **2025 [Actual]** | **2026 [Budgeted]** |
|---|---|---|---|---|
| General Fund – Legal services | $ 147,367 | $ 181,441 | $ 149,654 | $ 200,000 |
| General Fund – Accounting services | 98,254 | 88,392 | 78,167 | 82,400 |
| General Fund – Management services | 77,137 | 93,255 | 85,784 | 99,750 |
| General Fund – IT Management services | 6,487 | 8,775 | 4,538 | 7,500 |
| Recreation Fund – Accounting services | 35,443 | 56,140 | 72,076 | 76,000 |
| Recreation Fund – Management services | 77,136 | 93,255 | 85,181 | 98,365 |
| Recreation Fund – Website management | 5,414 | 5,243 | 5,228 | 7,500 |
| HOA Fund – Legal services | 74,512 | 95,617 | 101,520 | 90,000 |
| HOA Fund – Accounting services | 25,337 | 16,044 | 16,040 | 16,909 |
| HOA Fund – Management services | 16,689 | 20,723 | 17,676 | 21,844 |
| HOA Fund – HOA Management services | 161,895 | 172,419 | 170,997 | 190,000 |
| HOA Fund – Collection services | 49,985 | 34,618 | 42,274 | 36,000 |
| HOA Fund – Website management | 720 | 720 | 720 | 1,500 |
| Capital Project Fund – Legal services | 10,877 | 5,572 | 21,636 | 10,000 |
| Capital Project Fund – Accounting services | 9,691 | - | 1,305 | 5,000 |
| Capital Project Fund – Management services | 3,836 | - | - | 5,000 |
| **Total Professional Fees** | **$ 800,780** | **$ 872,214** | **$ 852,796** | **$ 947,768** |
| **Budgeted professional fees per 2023 budgets adopted by the District and NRMD1** ***but rejected by Reunion MD*** | | **$ 418,000** | | |
| **$ Difference** | | **$ 382,780** | | |

| | |
|---|---|
| **% Difference (Reunion MD's actual spending above District/NRMD1 budgeted professional fees)** | **92%** |

Litigation fees incurred by all parties subject to Reunion MD's 2022 lawsuit are as follows:

| | 2022 to 2024 [Actual] | 2025 [Actual] | 2026 [Budgeted] | Total | |
|---|---|---|---|---|---|
| Reunion MD litigation costs*** | $ 1,086,091 | $ 419,110 | $ 500,000 | $ 2,005,201 | 72% |
| Receivership fees | 181,846 | 48,325 | 48,000 | 278,171 | 10% |
| NRMD1 litigation costs | 44,240 | 18,005 | 130,000 | 192,245 | |
| NRMD2 litigation costs | 26,518 | 18,005 | 130,000 | 174,523 | 18% |
| NRMD3 litigation costs | 8,013 | - | 130,000 | 138,013 | |
| **Total Litigation Costs** | **$ 1,346,708** | **$ 503,445** | **$ 938,000** | **$ 2,788,153** | **100%** |

*** - Note: District Court currently allows Reunion MD (i.e. the Plaintiff) to fund 100% of its litigation costs using the Defendants (i.e. the District, NRMD1 and NRMD3) funds rather than requiring Plaintiff to fund its litigation costs from fees/taxes levied by Plaintiff on its sole property owner, CPG2.

On January 04, 2026, District Court denied RMD's demand to dismiss three of four counterclaims filed by the District and NRMD1 against RMD. The Court also denied NRMD3's demand to dismiss breach of contract claims filed by RMD against NRMD3.

On January 20, 2026, RMD bondholders (CMH Capital and Shea Homes) filed motion to intervene and become plaintiffs with RMD against the District and NRMD1 and NRMD3. On May 29, 2026, the Court granted CMH Capital and Shea Homes request to become plaintiffs with RMD against the District, NRMD1 and NRMD3.

On June 18, 2026, RMD and Bondholders appealed to Colorado Supreme Court regarding District Court's denial of their motion to dismiss certain counter claims filed by the District, NRMD1 and NRMD3 against RMD. On June 30, 2026, the Colorado Supreme Court agreed to consider RMD's appeal. On September 10, 2026, the Colorado Supreme Court rescinded its decision to consider RMD's appeal and remanded the case back to District Court for further proceedings.

In response to District Court's order to try and resolve differences through mediation, all parties to the lawsuit participated in mediation on June 30, 2026. At RMD's request, the scheduling of a second day of mediation was postponed and the North Range Districts provided a written offer of settlement through the mediator as part of the mediation process. On September 10, 2026 (the same date that Colorado Supreme Court rescinded its decision to consider RMD's appeal), RMD published and distributed a letter to the residents of NRMD1, NRMD2 and NRMD3 which contained certain false information detrimental to NRMD1, NRMD2 and NRMD3 and confidential mediation communications that should not have been disclosed. Such confidential mediation information distributed by RMD was in violation of the mediation agreement and in violation of the Colorado Dispute Resolution Act, C.R.S. 13-22-301, et seq. On September 16, 2026, the Adams County District Court issued a Temporary Restraining Order (1) enjoining RMD from any further dissemination of confidential mediation information in violation of the Mediation Submission Agreement and C.R.S. § 13-22-307 and (2) mandating RMD to retract the communication sent to NRMD1, NRMD2 and NRMD3 residents. A date to hear this matter before the Court has not yet been set.

RMD's lawsuit against NRMD1, NRMD2 and NRMD3 is currently scheduled for a 2-week jury trial in Adams County District Court beginning in March 2027.

Under Adams County District court's current receivership order, it is possible the District (which serves over 5,100 residents and taxpayers) and its publicly elected board will not be able to defend itself, and Reunion MD (which serves a single 0.23-acre land tract owned by CPG2 and is not accountable to any District taxpayers) will control the taxation powers and finances of the District through the MLEPA and OSA. Because the litigation process is subject to many uncertainties, and the outcome is not predictable with assurance, the District cannot predict the ultimate outcome of this lawsuit or the impact it may have on the District's financial condition.

### Violation of the 2017B Subordinate Bond Indenture of Trust

On December 15, 2023, Reunion Metro District directed the District to levy 70.682 mills for debt service, which caused the District to violate the covenant to levy a debt mill that was less than the Required Subordinate Mill Levy per the Series 2017B Subordinate Indenture of Trust. Per a May 09, 2023 order issued by Adams County District Court, the District is under control of a Court-appointed receiver and has been ordered to "perform all obligations under the MLEPA" including the levying of property taxes as directed by Reunion MD. On December 21, 2023, the Court issued a mandamus order against NRMD1 directing NRMD1 to hold a public budget hearing and to adopt the mill levies as directed by Reunion MD under the terms of the MLEPA. While the order was directed against NRMD1 only, NRMD2 recognized such order would have been directed against NRMD2 as well had NRMD2 followed NRMD1 in adopting mill levies not approved by Reunion MD. Thus, NRMD2 board adopted under protest the 2025 mill levies as directed by Reunion MD, which threatened to exercise all legal remedies available to Reunion MD under the allegedly enforceable MLEPA against NRMD2 if NRMD2 failed to comply with Reunion MD's directives.

Because Reunion Metro exercised its powers under the MLEPA (as temporarily allowed by court order) to direct the District to levy a total mill levy of 98.250 mills for the 2025 collection year, with 71.349 mills of such total to be used for funding District debt repayment – the underpayment of debt funds to the District's bondholders was diverted to Reunion Metro in the form of higher property tax revenues levied under the District's general mill levy. Neither the Court-appointed receiver over the District nor the trustee for the 2017 Subordinate Bonds (UMB Bank) undertook any action to prevent the diversion of Subordinate Pledged Revenue to Reunion MD in 2025.

Between 2017 through 2025, Reunion MD-imposed debt mill levies on the District under the MLEPA caused the District's annual debt mill levies to be higher or lower than the maximum allowed debt mill levy per the 2017 Senior and Subordinate indentures of trust causing. The cumulative net impact of these annual debt levy differences is an overpayment to the bondholders (and an over assessment of property taxes on taxpayers) by $315,500. (See table below for further details.)

| Collection Year | Adopted Debt Mill Levy | PropTax Revenue Levied | Required Debt Mill Levy | Tax Revenue from Required Debt Mill Levy | Difference | |
|---|---|---|---|---|---|---|
| | | | | | Debt Mill Levy | Taxes Assessed (Over) /Under Required Debt Mill Levy |
| 2025 | 71.349 | $ 3,447,200 | 75.301 | $ 3,638,100 | 3.952 | $ 190,900 |
| 2024 | 70.682 | 3,395,000 | 74.916 | 3,598,400 | 4.234 | 203,400 |
| 2023 | 65.827 | 2,730,200 | 64.580 | 2,678,400 | (1.247) | ( 51,800) |
| 2022 | 63.986 | 2,492,100 | 62.041 | 2,416,400 | (1.945) | ( 75,700) |
| 2021 | 63.986 | 2,074,100 | 59.845 | 1,939,900 | (4.141) | ( 134,200) |
| 2020 | 63.985 | 1,579,400 | 59.014 | 1,456,700 | (4.971) | ( 122,700) |
| 2019 | 63.541 | 1,038,700 | 55.619 | 909,200 | (7.922) | ( 129,500) |
| 2018 | 63.541 | 794,900 | 52.727 | 659,500 | (10.824) | ( 135,400) |
| 2017 | 57.470 | 474,500 | 50.145 | 414,000 | (7.325) | ( 60,500) |
| **Net Property Taxes Assessed in Excess of Required Debt Mill Levy Per the 2017 Indenture of Trust** | | | | | | **($ 315,500)** |

**SUPPLEMENTARY INFORMATION**

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**DEBT SERVICE FUND**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
**12 -Month Period Ended**
**December 31, 2025**

| | Original and Final Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|---|---|---|
| **REVENUES** | | | |
| Property taxes | $ 3,447,200 | $ 3,450,434 | $ 3,234 |
| Specific ownership taxes | 172,400 | 172,240 | (160) |
| Net investment income | 302,000 | 235,400 | (66,600) |
| **Total Revenues** | **3,921,600** | **3,858,074** | **(63,526)** |
| **EXPENDITURES** | | | |
| Debt management & compliance | 57,200 | 57,311 | (111) |
| Cash payments on debt | | | |
| Interest payments on bonds | 2,100,800 | 2,086,382 | 14,418 |
| Principal payments on bonds | 1,763,600 | 1,753,000 | 10,600 |
| **Total Expenditures** | **3,921,600** | **3,896,693** | **24,907** |
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | **-** | **(38,619)** | **(38,619)** |
| **OTHER FINANCING SOURCES (USES)** | | | |
| **Transfers in (out)** | - | - | - |
| **Total Other Financing Sources (Uses)** | - | - | - |
| **EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES** | **-** | **(38,619)** | **(38,619)** |
| FUND BALANCE – BEGINNING | 4,896,500 | 5,261,175 | 364,675 |
| **FUND BALANCE – END OF YEAR** | **$ 4,896,500** | **$ 5,222,556** | **$ 326,056** |

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**
**DEBT SERVICE FUND**
**DEBT MANAGEMENT & COMPLIANCE EXPENDITURE DETAILS - BUDGET AND ACTUAL**
**12 -Month Period Ended**
**December 31, 2025**

| | Original and Final Budget | Actual Amounts | Positive / (Negative) Variance with Original Budget |
|---|---|---|---|
| **DEBT MANAGEMENT & COMPLIANCE** | | | |
| Collection fees – County Treasurer | $ 51,700 | $ 51,811 | $ (111) |
| Bond paying agent fees | 5,500 | 5,500 | - |
| Miscellaneous costs | - | - | - |
| **Total Debt Management & Compliance Expenses** | **$ 57,200** | **$ 57,311** | **$ (111)** |

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

NORTH RANGE METROPOLITAN DISTRICT NO. 2

# SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2025

The District's repayment schedule for its Series 2017A general obligation bonds is as follows:

| Year Ended December 31, | Principal | Interest | Interest Rate | Total |
|---|---|---|---|---|
| **2026** | $ 495,000 | $ 1,707,625 | 5.625% - 5.75% | $ 2,202,625 |
| **2027** | 520,000 | 1,679,781 | 5.625% - 5.75% | 2,199,781 |
| **2028** | 595,000 | 1,650,531 | 5.625% - 5.75% | 2,245,531 |
| **2029** | 625,000 | 1,617,063 | 5.625% - 5.75% | 2,242,063 |
| **2030** | 705,000 | 1,581,906 | 5.625% - 5.75% | 2,286,906 |
| **2031** | 745,000 | 1,542,250 | 5.625% - 5.75% | 2,287,250 |
| **2032** | 835,000 | 1,500,344 | 5.625% - 5.75% | 2,335,344 |
| **2033** | 880,000 | 1,453,375 | 5.625% - 5.75% | 2,333,375 |
| **2034** | 980,000 | 1,403,875 | 5.625% - 5.75% | 2,383,875 |
| **2035** | 1,035,000 | 1,348,750 | 5.625% - 5.75% | 2,383,750 |
| **2036** | 1,140,000 | 1,290,531 | 5.625% - 5.75% | 2,430,531 |
| **2037** | 1,205,000 | 1,226,406 | 5.625% - 5.75% | 2,431,406 |
| **2038** | 1,320,000 | 1,158,625 | 5.75% | 2,478,625 |
| **2039** | 1,395,000 | 1,082,725 | 5.75% | 2,477,725 |
| **2040** | 1,525,000 | 1,002,513 | 5.75% | 2,527,513 |
| **2041** | 1,610,000 | 914,825 | 5.75% | 2,524,825 |
| **2042** | 1,755,000 | 822,250 | 5.75% | 2,577,250 |
| **2043** | 1,855,000 | 721,338 | 5.75% | 2,576,338 |
| **2044** | 2,015,000 | 614,675 | 5.75% | 2,629,675 |
| **2045** | 2,130,000 | 498,813 | 5.75% | 2,628,813 |
| **2046** | 2,305,000 | 376,338 | 5.75% | 2,681,338 |
| **2047** | 4,240,000 | 243,800 | 5.75% | 4,483,800 |
| | **$ 29,910,000** | **$ 25,438,339** | | **$ 55,348,339** |

NORTH RANGE METROPOLITAN DISTRICT NO. 2

# SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2025

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year tax Levy | Mills Levied | | Total Property Taxes | | Percent Collected to Levied |
|---|---|---|---|---|---|---|
| | | Operations | Debt | Levied | Collected (Note A) | |
| 2018 | $ 12,509,370 | 24.764 | 63.541 | $1,104,638 | $1,100,441 | 99.6% |
| 2019 | 16,346,370 | 24.764 | 63.541 | 1,443,467 | 1,443,464 | 100.0% |
| 2020 | 24,684,490 | 24.320 | 63.985 | 2,177,189 | 2,177,189 | 100.0% |
| 2021 | 32,415,050 | 24.320 | 63.986 | 2,862,451 | 2,848,284 | 99.5% |
| 2022 | 38,947,930 | 24.320 | 63.986 | 3,439,336 | 3,450,753 | 100.3% |
| 2023 | 41,474,880 | 32.592 | 65.827 | 4,081,900 | 4,001,304 | 98.0% |
| 2024 | 48,032,070 | 27.568 | 70.682 | 4,719,100 | 4,799,403 | 101.7% |
| 2025 | 48,314,460 | 26.901 | 71.349 | 4,746,900 | 4,751,364 | 100.1% |
| 2026 | 51,278,650 | 25.622 | 72.152 | 5,013,700 | [TBD] | [TBD] |

| SUBDISTRICT 1 | | | | | | |
|---|---|---|---|---|---|---|
| Year Ended December 31, | Prior Year Assessed Valuation for Current Year tax Levy | Mills Levied | | Total Property Taxes | | Percent Collected to Levied |
| | | Operations | Debt | Levied | Collected (Note A) | |
| 2017 | $ - | 0.000 | 0.000 | $ - | $ - | N/A |
| 2018 | - | 0.000 | 0.000 | - | - | N/A |
| 2019 | 206,400 | 0.000 | 0.000 | - | - | N/A |
| 2020 | 1,492,920 | 0.000 | 0.000 | - | - | N/A |
| 2021 | 2,200,450 | 0.000 | 0.000 | - | - | N/A |
| 2022 | 2,389,500 | 0.000 | 0.000 | - | - | N/A |
| 2023 | 6,590,980 | 29.586 | 0.000 | 195,000 | 195,001 | 100.0% |
| 2024 | 7,414,400 | 0.000 | 0.000 | - | - | N/A |
| 2025 | 7,452,220 | 0.000 | 0.000 | - | - | N/A |
| 2026 | 7,465,810 | 0.000 | 0.000 | - | - | N/A |

**NOTE A**: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

# OTHER SUPPLEMENTARY INFORMATION

NORTH RANGE METROPOLITAN DISTRICT NO. 2

# CHANGE IN TOTAL OVERLAPPING MILL LEVY

December 31, 2025

| | 2024 Mill Levy * | 2025 Mill Levy ** | Change |
|---|---|---|---|
| North Range Metropolitan District No. 2 | 98.250 | 97.774 | (0.476) |
| Brighton School District No. 27J | 56.644 | 56.290 | (0.354) |
| Commerce City North Infrastructure General Improvement District | 8.000 | 8.000 | 0.000 |
| Adams County | 26.944 | 27.479 | 0.535 |
| South Adams Fire District No. 4 | 14.750 | 14.750 | 0.000 |
| Rangeview Library District | 3.667 | 3.715 | 0.048 |
| City of Commerce City | 2.700 | 2.613 | (0.087) |
| South Adams County Water and Sanitation District | 2.013 | 2.265 | 0.252 |
| Urban Drainage and Flood Control | 0.900 | 0.900 | 0.000 |
| Urban Drainage and Flood Control – South Platte | 0.100 | 0.100 | 0.000 |
| **Total Mill Levy (Tax Area 459)** | **213.968** | **213.886** | **(0.082)** |

* -- For property tax collections in 2025

** -- For property tax collections in 2026

NORTH RANGE METROPOLITAN DISTRICT NO. 2

# HISTORICAL DEBT RATIOS

December 31, 2025

| | 12/31/21 | 12/31/22 | 12/31/23 | 12/31/24 | 12/31/25 |
|---|---|---|---|---|---|
| General Obligation Bonds | $ 37,631,000 | $ 37,603,000 | $36,929,000 | $ 35,376,000 | $ 33,623,000 |
| Accrued, unpaid interest - Bonds | 571,484 | 171,213 | 171,213 | 207,108 | 241,063 |
| Restricted Cash in Bond Funds | ( 5,108,364) | ( 4,960,076) | ( 5,138,982) | ( 5,236,636) | ( 5,198,231) |
| Combined assessed property values within the District | 38,947,930 | 41,474,880 | 48,032,070 | 48,314,460 | 51,278,650 |
| Ratio of debt to assessed property values | 85.0% | 79.1% | 66.5% | 62.8% | 55.9% |