RM MEAD METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

CONTENTS

	Page
Independent Auditor's Report	I
Basic Financial Statements	
Balance Sheet/Statement of Net Position – Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities – Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
Supplemental Information	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	20
Summary of District's Assessed Valuation, Mill Levies and Property Taxes	21
Continuing Disclosure Annual Financial Information – Unaudited	
2025 Assessed and Actual Valuation of Classes of Property in the District	22
2025 Taxpayers in the District	22
General Obligation Debt Ratios	22

HIRATSUKA & ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
RM Mead Metropolitan District
Weld County, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the RM Mead Metropolitan District (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 the District, as of December 31, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinion.

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 opinion. 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.

Required Supplementary Information

Management has not presented Management's Discussion and Analysis. Such missing information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Information as listed in the table of contents is presented for the purpose of additional analysis and was not a required part of the financial statements.

The Supplemental Information is the responsibility of management and is derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Unaudited Information

The Continuing Disclosure Annual Financial Information – Unaudited as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on this.

Hiratsuka & Associates, LLP

October 26, 2026
Wheat Ridge, Colorado

RM MEAD METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	$ 62,850	$ -	$ 62,850	$ -	$ 62,850
Cash and investments - restricted	3,024	741,931	744,955	-	744,955
Property taxes receivable	95,091	441,415	536,506	-	536,506
A/R - Other	7,993	-	7,993	-	7,993
Prepaid expenses	250	-	250	-	250
Capital assets not being depreciated	-	-	-	7,302,484	7,302,484
Total Assets	$ 169,208	$ 1,183,346	$ 1,352,554	7,302,484	8,655,038
LIABILITIES					
Accounts payable	$ 26,452	$ -	$ 26,452	-	26,452
Payable - Town	1,364	-	1,364	-	1,364
Prepaid Operations Fee	10,234	-	10,234	-	10,234
Accrued interest on Bonds	-	-	-	19,119	19,119
Long-term liabilities:					
Due in more than one year	-	-	-	18,384,591	18,384,591
Total Liabilities	38,050	-	38,050	18,403,710	18,441,760
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	95,091	441,415	536,506	-	536,506
Total Deferred Inflows of Resources	95,091	441,415	536,506	-	536,506
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepaids	250	-	250	(250)	-
Restricted:					
Emergencies	3,024	-	3,024	(3,024)	-
Debt service	-	741,931	741,931	(741,931)	-
Unassigned	32,793	-	32,793	(32,793)	-
Total Fund Balances	36,067	741,931	777,998	(777,998)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 169,208	$ 1,183,346	$ 1,352,554		
Net Position:					
Net investment in capital assets					
Restricted for:					
Emergencies				3,024	3,024
Debt service				722,812	722,812
Unrestricted				(11,049,064)	(11,049,064)
Total Net Position				$ (10,323,228)	$ (10,323,228)

The notes to the financial statements are an integral part of these statements.

RM MEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES					
Accounting and audit	$ 19,930	$ -	$ 19,930	$ -	$ 19,930
Insurance	12,603	-	12,603	-	12,603
Legal	19,495	-	19,495	-	19,495
Management fees	36,677	-	36,677	-	36,677
Miscellaneous expenses	132	-	132	-	132
Treasurer's fees	820	4,271	5,091	-	5,091
Treasurer's fees - Town	249	-	249	-	249
Utilities	46,664	-	46,664	-	46,664
Website	800	-	800	-	800
Landscape Maintenance	69,170	-	69,170	-	69,170
Snow removal	17,394	-	17,394	-	17,394
Contractual - Town	16,611	-	16,611	-	16,611
Trustee fee	-	7,000	7,000	-	7,000
Bond interest expense	-	232,359	232,359	64,804	297,163
Developer advances - interest	-	-	-	567,898	567,898
Total Expenditures	240,545	243,630	484,175	632,702	1,116,877
PROGRAM REVENUES					
Operations Fee	116,007	-	116,007	-	116,007
Total Program Revenues	116,007	-	116,007	-	116,007
Net Program Income (Expenses)	(124,538)	(243,630)	(368,168)	(632,702)	(1,000,870)
GENERAL REVENUES					
Property taxes	54,663	286,709	341,372	-	341,372
Specific ownership taxes	2,214	9,476	11,690	-	11,690
Property taxes - Town	16,611	-	16,611	-	16,611
Specific ownership taxes - Town	673	-	673	-	673
Interest income	1,704	31,922	33,626	-	33,626
Total General Revenues	75,865	328,107	403,972	-	403,972
NET CHANGES IN FUND BALANCES	(48,673)	84,477	35,804	(35,804)	
CHANGE IN NET POSITION				(596,898)	(596,898)
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR - RESTATED	84,740	657,454	742,194	(10,468,524)	(9,726,330)
END OF YEAR	$ 36,067	$ 741,931	$ 777,998	$ (11,101,226)	$ (10,323,228)

The notes to the financial statements are an integral part of these statements.

RM MEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2025

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 54,663	$ 54,663	$ -
Specific ownership taxes	3,280	2,214	(1,066)
Property taxes - Town	16,611	16,611	-
Specific ownership taxes - Town	997	673	(324)
Interest income	1,000	1,704	704
Operations Fee	97,560	116,007	18,447
Miscellaneous income	2,500	-	(2,500)
Total Revenues	176,611	191,872	15,261
EXPENDITURES			
Accounting and audit	28,700	19,930	8,770
Election expense	5,000	-	5,000
Insurance	13,000	12,603	397
Legal	18,000	19,495	(1,495)
Management fees	37,000	36,677	323
Miscellaneous expenses	1,000	132	868
Treasurer's fees	820	820	-
Treasurer's fees - Town	249	249	-
Contractual - Town	17,359	16,611	748
Website	1,500	800	700
Utilities	38,500	46,664	(8,164)
Landscape Maintenance	63,000	69,170	(6,170)
Park equipment inspections	500	-	500
Holiday lighting	2,200	-	2,200
Winter Watering	10,000	-	10,000
Snow removal	10,000	17,394	(7,394)
Contingency	8,504	-	8,504
Emergency reserve	2,267	-	2,267
Total Expenditures	257,599	240,545	17,054
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(80,988)	(48,673)	32,315
OTHER FINANCING SOURCES (USES)			
Developer advances	80,000	-	(80,000)
Total Other Financing Sources (Uses)	80,000	-	(80,000)
NET CHANGE IN FUND BALANCE	(988)	(48,673)	(47,685)
FUND BALANCE:			
BEGINNING OF YEAR - RESTATED	988	84,740	83,752
END OF YEAR	$ -	$ 36,067	$ 36,067

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the RM Mead Metropolitan District, located in the Town of Mead, Weld County, Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on November 20, 2019, as a quasi-municipal corporation and political subdivision of the State of Colorado established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the property owners and taxpayers of the District. The District's primary revenues are property taxes, and operation fees. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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.*

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 the related cash flows. Property taxes are recognized as revenues in the year in which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgetary Accounting

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

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2025, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition.

The District follows the practice of pooling cash of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact. Nonspendable fund balance represents prepaid insurance.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $3,024 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $741,931 is restricted for the payment of the debt service costs associated with the Series 2020A and Series 2020B Bonds (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund all funds can report negative amounts.

Restated Fund Balance

Beginning Fund Balance in the General Fund was restated as a result of a change in the estimated developer advances receivable as of December 31, 2024. The effect of this change was a decrease in beginning fund balance in the amount of $19,557.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets. The District has no amounts to report in this category at December 31, 2025.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

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

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position 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. The District adopted the standard on January 1, 2025. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

Note 2: Cash and Investments

As of December 31, 2025, cash is classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 62,850
Cash and Investments – Restricted	744,955
Total	$ 807,805

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

Deposits with financial institutions	$ 42,173
Investments – COLOTRUST	765,632
	$ 807,805

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District does not have a formal policy for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method ("NAV") per share.

Credit Risk

The District has not adopted a formal investment policy; however the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of $1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2025, the District had $765,632 invested in COLOTRUST PLUS+.

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025
Capital assets not being depreciated:				
Construction in progress	$ 7,302,484	$ -	$ -	$ 7,302,484
Total capital assets not being depreciated	7,302,484	-	-	7,302,484
Government type assets, net	$ 7,302,484	$ -	$ -	$ 7,302,484

Upon completion and acceptance, a majority of the capital assets will be conveyed by the District to other local governments. The District will not be responsible for maintenance of capital assets conveyed to other local governments.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2025, is as follows:

Series 2020A General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds
The District issued $4,370,000 of General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A (the "Series 2020A Bonds") dated September 29, 2020. The Series 2020A Bonds were issued for the purposes of funding and reimbursing a portion of the costs of acquiring, constructing and installing certain public improvements, paying capitalized interest for payment of a portion of the interest of the Series 2020A Bonds, funding an initial deposit to the Series 2020A Surplus Fund and paying the costs of issuance of the Series 2020A Bonds. The Series 2020A Bonds bear interest at the rate of 5.25%, payable semiannually on each June 1 and December 1, commencing on December 1, 2020 and mature on December 1, 2050. The Series 2020A Bonds are secured by Senior Pledged Revenues including the Senior Required Mill Levy (as defined in the Indenture of Trust for the Series 2020A Bonds or the "Series 2020A Indenture"), specific ownership taxes which are collected as a result of the imposition of the Senior Required Mill Levy and any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Senior Indenture Trustee for application as Senior Pledged Revenue. The Series 2020A Bonds are also secured by a maximum Surplus Fund Requirement of $874,000. As long as the amount on deposit in the Surplus Fund is less than the Surplus Fund Requirement, the Required Mill levy shall equal 50.000 mills.

The Series 2020A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2027. The Series 2020A Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity and in whole or partial maturities, on September 1, 2025, and on any date thereafter, upon payment of the principal so redeemed and accrued interest thereon to the date of redemption, plus a redemption premium as follows:

3% of the amount redeemed from September 1, 2025 to August 31, 2026
2% of the amount redeemed from September 1, 2026 to August 31, 2027
1% of the amount redeemed from September 1, 2027 to August 31, 2028
Redemptions on and after September 1, 2028 are at par

Events of default under the Senior Indenture include the following 1) before the Unlimited Tax Receipt Date, the District fails or refuses to impose the Senior Required Mill Levy or to remit such funds to the Trustee as required by the indenture, 2) on or after the Unlimited Tax Receipt Date, the District fails or refused to pay the principal of, or interest on the Series 2020A Bonds when due or to remit such funds to the Trustee as required by the indenture, 3) the District defaults in the performance or observance of any of the covenants, agreements, or conditions required by the Senior Indenture or Bond Resolution and fails to remedy the same after notice thereof pursuant to the indenture, or 4) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2020A Bonds. Prior to the Unlimited Tax Receipt date, the failure to pay the principal of or interest on the Series 2020A Bonds when due does not, of itself, constitute an event of default. Remedies in an event of default include 1) receivership, 2) suit for judgment, or 3) mandamus or other suit. Acceleration of the Series 2020A Bonds is not an available remedy for an event of default.

Series 2020B Subordinate General Obligation Limited Tax Bonds

On September 29, 2020, the District issued $610,000 of Subordinate General Obligation Limited Tax Bonds (the "Series 2020B Bonds"). The Series 2020B Bonds were issued for the purposes of funding and reimbursing a portion of the costs of acquiring, constructing and installing certain public improvements and paying the costs of issuance of the Series 2020B Bonds. The Series 2020B Bonds bear interest at the rate of 8.00%, payable annually on December 15, commencing on December 15, 2020, to the extent that Subordinate Pledged Revenue is available.

The Series 2020B Bonds are secured by Pledged Revenues including the Subordinate Required Mill Levy (as defined in the Indenture of Trust for the Series 2020B Bonds or the "Series 2020B Indenture"), specific ownership taxes which are collected as a result of the imposition of the Subordinate Required Mill Levy, any amounts remaining in the Series 2020A Surplus Fund which are in excess of the Initial Surplus Amount at the time of the Conversion Date (as defined in the Series 2020A Indenture), and are released from the Series 2020A Surplus Fund under the Series 2020A Indenture and any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Subordinate Indenture Trustee for application as Subordinate Pledged Revenue.

The Series 2020B Bonds are "cash flow" bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Subordinate Pledged Revenue for payment. In the event any amounts due and owing on the Series 2020B Bonds remain outstanding on December 16, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Events of default under the Subordinate Indenture include the following 1) the District fails or refuses to impose the Subordinate Required Mill Levy or to remit such funds to the Trustee as required by the indenture, 2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions required by the Subordinate Indenture or Bond Resolution and fails to remedy the same after notice thereof pursuant to the indenture, 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 Series 2020B Bonds. Due to the limited nature of the Subordinate Pledged Revenue, the failure to pay the principal of or interest on the Series 2020B Bonds when due does not, of itself, constitute an event of default. Remedies in an event of default include 1) receivership, 2) suit for judgment, or 3) mandamus or other suit. Acceleration of the Series 2020B Bonds is not an available remedy for an event of default.

Developer Advances - Capital

On December 4, 2019, the District and Second Royalty LLC (the "Developer") entered into a Public Improvements Acquisition and Reimbursement Agreement (the "Acquisition Agreement"). Pursuant to the Acquisition Agreement, the District will reimburse the Developer for District Eligible Costs, together with interest thereon. District Eligible Costs shall accrue on amounts reimbursable to the Developer under the Acquisition Agreement, until paid, at the rate of 8% per annum. In 2020, the District repaid Developer Advances in the amount of $3,541,105. The Acquisition Agreement will terminate 20 years from the execution of the Acquisition Agreement and any obligation of the District to reimburse the Developer any amounts due and outstanding under the Acquisition Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts. As of December 31, 2025, $3,283,243 of principal and $1,376,941 of accrued interest were outstanding under the Acquisition Agreement.

On July 21, 2021, the District, Forestar (USA) Real Estate Group Inc. ("Forestar") and Second Royalty LLC (the "Developer") entered into a Public Improvements Acquisition and Reimbursement Agreement (the "Tri Party Acquisition Agreement"). Pursuant to the Tri Party Acquisition Agreement, the District will reimburse the Developer for District Eligible Costs, together with interest thereon. Interest shall accrue on Certified District Eligible Costs until paid, at the rate of 4% per annum from the date of the acceptance resolution. On April 25, 2023, the District adopted a resolution accepting and approving for reimbursement $7,302,484 of District Eligible Costs subject to the availability of funds.

The Tri Party Acquisition Agreement will terminate 20 years from the execution of the Acquisition Agreement and any obligation of the District to reimburse the Developer any amounts due and outstanding under the Tri Party Acquisition Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts. As of December 31, 2025, $7,302,484 of principal and $785,067 of accrued interest were outstanding under the Tri Party Acquisition Agreement.

Developer Advances - Operations

On July 9, 2021, the District and entered into a Funding and Reimbursement Agreement (Operations and Maintenance) (the "Forestar Operations Agreement"). Pursuant to the Forestar Operations Agreement, Forestar agreed to loan to the District one or more sums of money, not to exceed the aggregate of $150,000 per annum for five years, up to $750,000. These funds shall be loaned to the District in one or a series of installments and shall be available to the District through December 31, 2025. Loan advances shall accrue interest at the rate of 4% per annum. Forestar's obligation to advance funds to the District shall terminate on December 31, 2025.

The Forestar Operations Agreement will terminate 30 years from the execution of the Forestar Operations Agreement and any obligation of the District to reimburse Forestar any amounts due and outstanding under the Operations Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by Forestar and there shall be no further obligation of the District to pay or reimburse Forestar with respect to such amounts. As of December 31, 2025, $331,834 of principal and $23,761 of accrued interest were outstanding under the Operations and Maintenance Agreement.

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

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Current Portion
General Obligation Bonds					
Series 2020A Bonds	$ 4,370,000	$ -	$ -	$ 4,370,000	$ -
Series 2020B Bonds	610,000	-	-	610,000	-
Interest	236,727	67,739	2,935	301,531	-
Total	5,216,727	67,739	2,935	5,281,531	-
Other					
Developer Advance - Operating	307,093	24,471	-	331,564	-
Developer accrued interest - Operating	10,622	13,139	-	23,761	-
Developer Advance - Capital	10,585,727	-	-	10,585,727	-
Developer accrued interest - Capital	1,607,249	554,759	-	2,162,008	-
Total	12,510,691	592,369	-	13,103,060	-
	$ 17,727,418	$ 660,108	$ 2,935	$ 18,384,591	$ -

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2020A Bonds.

	Principal	Interest	Total
2026	$ -	$ 229,425	$ 229,425
2027	45,000	229,425	274,425
2028	65,000	227,063	292,063
2029	70,000	223,650	293,650
2030	80,000	219,975	299,975
2031-2035	505,000	1,029,788	1,534,788
2036-2040	740,000	873,863	1,613,863
2041-2045	1,055,000	648,900	1,703,900
2046-2050	1,810,000	332,586	2,142,586
	$ 4,370,000	$ 4,014,675	$ 8,384,675

Because of the uncertainly of the timing of payments for the 2020B Bonds, a summary of the long-term debt principal and interest requirements is not presented.

As of December 31, 2025, the District had remaining voted debt authorization of approximately $115,020,000. The District has not budgeted to issue any additional debt in 2026. Per the District's Service Plan, the District shall have the authority to issue debt in an amount not to exceed $12,000,000.

Note 5: Town of Mead - ARI

Per the District's Service Plan, at any time the District imposes a mill levy, they also agree to impose an additional Town of Mead O&M Mill levy in the amount of 3.000 mills, as adjusted per the Service Plan, for purposes of defraying the Town's ongoing operations and maintenance expenses associated with Town capital improvements and infrastructure. At December 31, 2025, an amount of $1,364 is payable to the Town related to this agreement.

Note 6: Tax, Spending and Debt Limitations

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments may have the following elements:

1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
2) long-term liabilities such as bonds and developer advances payable and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments may have the following elements:

1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
3) governmental funds report developer advances and/or bond proceeds as revenue; and,
4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

RM MEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2025

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 284,653	$ 286,709	$ 2,056
Specific ownership taxes	17,079	9,476	(7,603)
Interest income	31,000	31,922	922
Total Revenues	332,732	328,107	(4,625)
EXPENDITURES			
Bond interest expense	229,426	232,359	(2,933)
Paying agent fees	10,000	7,000	3,000
Treasurer's fees	4,270	4,271	(1)
Total Expenditures	243,696	243,630	66
NET CHANGE IN FUND BALANCE	89,036	84,477	(4,559)
FUND BALANCE:			
BEGINNING OF YEAR	650,861	657,454	6,593
END OF YEAR	$ 739,897	$ 741,931	$ 2,034

The notes to the financial statements are an integral part of these statements.

RM MEAD METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2025

Levy Year Ended December 31,	Collection Year Ended December 31,	Assessed Valuation	Mills Levied		Total Property Tax		Percent Collected to Levied
			General Fund	Debt Service	Levied	Collected (1)	
2019	2020	$ 2,774,790	53.000	0.000	$ 147,064	$ 147,063	100.00%
2020	2021	$ 1,186,250	13.000	50.000	$ 74,734	$ 357,983	479.01%
2021	2022	$ 1,147,770	13.000	50.000	$ 72,310	$ 68,867	95.24%
2022	2023	$ 2,757,770	13.000	50.000	$ 173,740	$ 163,045	93.84%
2023	2024	$ 4,758,910	13.839	53.232	$ 319,185	$ 304,676	95.45%
2024	2025	$ 5,133,140	13.885	55.454	$ 355,927	$ 357,983	100.58%
2025	2026	$ 7,971,950	11.928	55.371	$ 536,504		

NOTE

(1) Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED

RM MEAD METROPOLITAN DISTRICT

CONTINUING DISCLOSURE ANNUAL
FINANCIAL INFORMATION
December 31, 2025
(Unaudited)

2025 Assessed and Actual Valuation of Classes of Property in the District

Class	Assessed Valuation	Percent of Assessed Valuation	Actual Valuation	Percent of Actual Valuation
Vacant Land	$ 2,449,510	30.73%	$ 9,073,143	10.8800%
Residential	4,523,360	56.74%	72,379,106	86.7700%
Commercial	8,480	0.11%	31,434	0.0400%
Oil & Gas	915,540	11.48%	1,649,797	1.9800%
State Assessed	75,060	0.94%	278,016	0.3300%
Total	$ 7,971,950	100.00%	$ 83,411,496	100.00%

Source: County Assessor's Office

2025 Taxpayers in the District

Name	Assessed Valuation	Percent of Assessed Valuation
Kerr-McGee Oil & Gas Onshore LP	$ 742,140	9.30%
Melody Homes Inc	1,683,300	21.12%
Anadarko Wattenberg Oil Complex LLC	100,010	1.25%
Kerr McGee Gathering LLC	73,390	0.92%
United Power Inc.	72,400	0.91%
Private Homeowner #1	42,250	0.53%
Private Homeowner #2	41,190	0.52%
Private Homeowner #3	40,810	0.51%
Private Homeowner #4	40,240	0.50%
Private Homeowner #5	40,030	0.50%
	$ 2,875,760	36.07%

Source: County Assessor's Office

General Obligation Debt Ratios

	2025
Assessed Valuation	$ 7,971,950
Actual Valuation	$ 83,411,496
General Obligation Debt Oustanding	$ 4,980,000
District Debt as a Ratio of:	
Assessed Valuation	62.47%
Actual Valuation	5.97%