REUNION RIDGE METROPOLITAN DISTRICT NO. 1
ADAMS COUNTY, COLORADO

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Reunion Ridge Metropolitan District No. 1
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Reunion Ridge Metropolitan District No. 1 (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 thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Fiscal Focus Partners, LLC

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Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary 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 supplementary 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Economic Dependency

As disclosed in Note 11 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer for funding continued operations.

Fiscal Focus Partners, LLC

Arvada, Colorado
June 17, 2025

BASIC FINANCIAL STATEMENTS

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 382,728
Cash and Investments - Restricted	10
Prepaid Insurance	1,900
Due from Reunion Ridge MD No. 2	58
Capital Assets:	
Capital Assets Not Being Depreciated	9,608,487
Total Assets	9,993,183
LIABILITIES	
Accounts Payable	495,881
Catellus Maintenance Deposit	22,300
Noncurrent Liabilities:	
Due in More Than One Year	10,741,030
Total Liabilities	11,259,211
NET POSITION	
Restricted for:	
Emergency Reserve	10
Unrestricted	(1,266,038)
Total Net Position	$ (1,266,028)

See accompanying Notes to Basic Financial Statements.

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 147,897	$ -	$ 58	$ -	$ (147,839)
Interest on Long-Term Debt and Related Costs	661,562	-	-	-	(661,562)
Total Governmental Activities	$ 809,459	$ -	$ 58	$ -	(809,401)
	CHANGES IN NET POSITION				(809,401)
	Net Position - Beginning of Year				(456,627)
	NET POSITION - END OF YEAR				$ (1,266,028)

See accompanying Notes to Basic Financial Statements.

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	$ 1,488	$ 381,240	$ 382,728
Cash and Investments - Restricted	10	-	10
Due from Reunion Ridge MD No. 2	58	-	58
Prepaid Insurance	1,900	-	1,900
Total Assets	$ 3,456	$ 381,240	$ 384,696
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 16,485	$ 479,396	$ 495,881
Catellus Maintenance Deposit	-	22,300	22,300
Total Liabilities	16,485	501,696	518,181
FUND BALANCES			
Nonspendable:			
Prepaid Expense	1,900	-	1,900
Restricted for:			
Emergency Reserves	10	-	10
Unassigned	(14,939)	(120,456)	(135,395)
Total Fund Balances	(13,029)	(120,456)	(133,485)
Total Liabilities and Fund Balances	$ 3,456	$ 381,240	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			9,608,487
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Developer Advance Payable			(10,741,030)
Net Position of Governmental Activities			$ (1,266,028)

See accompanying Notes to Basic Financial Statements.

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

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	General	Capital Projects	Total Governmental Funds
REVENUES			
Transfer from Reunion Ridge MD No. 2	$ 58	$ -	$ 58
Total Revenues	58	-	58
EXPENDITURES			
Current:			
Accounting	25,417	-	25,417
Auditing	5,900	-	5,900
District Management	20,128	-	20,128
Dues And Membership	544	-	544
Election	4,059	-	4,059
Insurance	6,498	-	6,498
Legal	80,532	1,343	81,875
Miscellaneous	1,347	-	1,347
Website	2,129	-	2,129
Capital Projects:			
Reunion Ridge Filing 4 And 5	-	364,115	364,115
Reunion Ridge Filing 2 And 3 Landscaping And Irrigation	-	2,029,996	2,029,996
Total Expenditures	146,554	2,395,454	2,542,008
EXCESS OF REVENUES UNDER EXPENDITURES	(146,496)	(2,395,454)	(2,541,950)
OTHER FINANCING SOURCES (USES)			
Developer Advance	135,865	2,996,034	3,131,899
Total Other Financing Sources	135,865	2,996,034	3,131,899
NET CHANGE IN FUND BALANCES	(10,631)	600,580	589,949
Fund Balances (Deficit) - Beginning of Year	(2,398)	(721,036)	(723,434)
FUND BALANCES (DEFICIT) - END OF YEAR	$ (13,029)	$ (120,456)	$ (133,485)

See accompanying Notes to Basic Financial Statements.

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$	589,949
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.		
Capital Outlay		2,394,111
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.		
Developer Advance		(3,131,899)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Interest Payable Developer Advance - Change in Liability		(661,562)
Changes in Net Position of Governmental Activities	$	(809,401)

See accompanying Notes to Basic Financial Statements.

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Transfer from Reunion Ridge MD No. 2	$ 42	$ 42	$ 58	$ 16
Total Revenues	42	42	58	16
EXPENDITURES				
Accounting	17,000	23,000	25,417	(2,417)
Auditing	7,000	5,900	5,900	-
Miscellaneous	500	1,758	1,347	411
District Management	15,000	18,300	20,128	(1,828)
Dues And Membership	2,500	544	544	-
Election	4,000	4,500	4,059	441
Website	-	3,000	2,129	871
Legal	17,000	90,000	80,532	9,468
Insurance	7,500	6,498	6,498	-
Total Expenditures	70,500	153,500	146,554	6,946
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(70,458)	(153,458)	(146,496)	6,962
OTHER FINANCING SOURCES (USES)				
Developer Advance	70,500	155,856	135,865	(19,991)
Total Other Financing Sources (Uses)	70,500	155,856	135,865	(19,991)
NET CHANGE IN FUND BALANCE	42	2,398	(10,631)	(13,029)
Fund Balance (Deficit) - Beginning of Year	243	(2,398)	(2,398)	-
FUND BALANCE (DEFICIT) - END OF YEAR	$ 285	$ -	$ (13,029)	$ (13,029)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Reunion Ridge Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Adams County issued on November 14, 2019 and recorded on December 5, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of certain of those improvements Under the Amended and Restated Inter-District Agreement regarding Construction, Operation and Maintenance of Public Improvements, and Administrative Services (the "Coordination Agreement") effective as of March 30, 2026, the District is the Coordinating District for Reunion Ridge Metropolitan District No. 2 ("District No. 2"). Reunion Ridge Metropolitan District Nos. 3 and 4 may become parties to the Coordination Agreement in the future. Under the Intergovernmental Agreement to Provide Services dated as of February 17, 2026 (the "Services Agreement"), the District has in turn contracted with Reunion Metropolitan District (the "Regional District") to provide services to Reunion Ridge Metropolitan District Nos. 1-4.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

> The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District amended its annual budget for the year ended December 31, 2025.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Capital Assets

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

Deficits

The General and Capital Projects Funds reported a deficit in the fund financial statements as of December 31, 2025. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2026.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 102

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. *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	$	382,728
Cash and Investments - Restricted		10
Total Cash and Investments	$	382,738

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

Deposits with Financial Institutions	$	382,738
Total Cash and Investments	$	382,738

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 had a carrying and bank balance of $382,738.

Investments

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

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

At December 31, 2025, the District had no investments.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 7,214,376	$ 2,394,111	$ -	$ 9,608,487
Governmental Activities Capital Assets, Net	$ 7,214,376	$ 2,394,111	$ -	$ 9,608,487

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Other Debts:					
Developer Advance - Operating	$ 156,517	$ 135,865	$ -	$ 292,382	$ -
Developer Advance - Capital	6,510,445	2,996,034	-	9,506,479	-
Accrued Interest on:					
Developer Advance - Operating	14,705	12,751	-	27,456	-
Developer Advance - Capital	265,902	648,811	-	914,713	-
Total Long-Term Obligations	$ 6,947,569	$ 3,793,461	$ -	$ 10,741,030	$ -

Developer Advances

The District entered into the reimbursement agreements further described below by which the District agrees to reimburse the Developer for advances made to the District (see agreements below). During 2025, total Developer advances received was $3,131,899.

Amended and Restated Operating Reimbursement Agreement

The District entered into a Funding and Reimbursement Agreement with Clayton Properties Group II (the Prior Company), dated November 18, 2021, as amended on January 1, 2023, which agreement was superseded by an Amended and Restated Operating Reimbursement Agreement with Clayton Properties Group, Inc. (the Developer) on March 30, 2026. Under this agreement, the Developer may, in its discretion, advance funds to the District for certain operation and maintenance expenses. The advances accrue simple interest at a rate of 6.5%. As of December 31, 2025, outstanding advances totaled $292,382 and accrued interest on advances totaled $27,456.

Amended and Restated Improvements Acquisition and Funding Agreement

The District entered into an Infrastructure, Acquisition, and Reimbursement Agreement with the Prior Company, dated November 18, 2021, as superseded by the Amended and Restated Improvements Acquisition and Funding Agreement with the Developer on March 30, 2026. Under this agreement, the Developer may, in its discretion, either construct or cause to have constructed by a general contractor the improvements which the District will acquire after they have been completed, or initially fund the construction and installation of improvements by the District. The advances accrue simple interest at a rate of 8.0%. As of December 31, 2025, outstanding advances totaled $9,506,479 and accrued interest on advances totaled $914,713.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $3,397,800,000. The District's permitted debt issuance is further limited by the Consolidated Service Plan for Reunion Ridge Metropolitan District Nos. 1-4 (the Reunion Ridge Districts). The Reunion Ridge Districts are permitted to issue a maximum debt amount of $141,575,000 under the Service Plan.

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

NOTE 6 NET POSITION

The District has net position consisting of two components, unrestricted and restricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025 as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	$ 10
Total Restricted Net Position	$ 10

The District has a deficit in unrestricted net position. The deficit amount is a result of the District being responsible for the repayments of developer advances utilized for public improvement costs.

NOTE 7 DISTRICT AGREEMENTS

District Coordinating Services Agreement

As described in Note 1, the District and District No. 2 entered into the Coordination Agreement. The agreement provides that the District will provide administrative, operations, and maintenance services for District No. 2, and that District No. 2 will fund those expenses through the imposition of a mill levy and imposition of fees.

The District will own, operate and maintain all Public Improvements within the boundaries of the Districts that are not otherwise dedicated or conveyed to another entity.

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

Amended and Restated Inter-District Agreement Regarding Construction, Operation and Maintenance of Public Improvements, and Administrative Services

The District and District Nos. 2, 3 and 4 entered into an inter-district agreement, dated August 21, 2025, as amended and restated March 30, 2026. The agreement provides that the District, as the Coordinating District, is responsible for the construction of public improvements and will own, maintain and operate all public improvements not dedicated to the City or other entity. The District will also perform administrative services. The District may issue debt to fund the construction of public improvements; however, in no event shall District Nos. 2, 3 and 4 issue debt without the consent of the District. District Nos. 2, 3 and 4 shall be obligated to fund their share of operation, maintenance and administrative costs.

As of the date of this report, District Nos. 3 and 4 are expected to be future parties to the agreement but have not yet executed it.

Intergovernmental Agreement with the City of Commerce City

The District entered into an Intergovernmental Agreement between the City and Reunion Ridge Metropolitan District Nos. 1-4 regarding the Service Plan for the Districts, dated February 10, 2020. The agreement provides that the Reunion Ridge Districts will construct and dedicate public improvements in accordance with City standards, and that the City will retain oversight over operations, zoning, and land use. The Districts are authorized to operate and maintain park and recreation facilities, while other infrastructure must be transferred to the City or appropriate entities. The IGA also limits the Reunion Ridge Districts' ability to issue debt, with a collective cap of $141,575,000, and requires certification from an external financial advisor prior to issuing privately placed debt. Additionally, the Reunion Ridge Districts must submit annual reports and, in accordance with Section 32-1-1 101.5 of the Special District Act, five-year diligence reviews to the City, and any changes to service boundaries or consolidation efforts require prior City Council approval.

Senior Capital Pledge Agreement

The District and Reunion Ridge Metropolitan District No. 2 entered into the Senior Capital Pledge Agreement dated August 21, 2025, by which District No. 2 pledges revenues to secure the repayment of senior obligations issued by the District for the financing of public improvements. Pursuant to the agreement, each taxing district is obligated to impose a senior required mill levy and remit the resulting property tax and specific ownership tax revenues to satisfy its share of financing costs, subject to voter-approved limitations and applicable law. These obligations constitute limited tax general obligations payable solely from the pledged revenues, and payments of senior obligations have priority over subordinate obligations. The agreement allows District Nos. 3 and 4 to become parties upon execution of joinders after meeting initial debt limitations and for the District to become a taxing district and for the District to become a taxing district as well upon satisfaction of conditions under the Service Plan; however, as of the date of this report, District Nos. 3 and 4 have not executed joinders and are not parties to the agreement and the District has not pledged its tax revenue.

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

Subordinate Capital Pledge Agreement

The District and Reunion Ridge Metropolitan District No. 2 entered into the Subordinate Capital Pledge Agreement, dated August 21, 2025, by which District No. 2 pledges revenues to secure the repayment of subordinate obligations issued by the District for the financing of public improvements. Under the agreement, the taxing districts pledge certain revenues, including subordinate property tax and specific ownership tax revenues, to the repayment of subordinate obligations, which constitute limited tax general obligations payable solely from such pledged revenues. Each taxing district is required to impose a subordinate required mill levy, subject to limitations of its electoral authority, to generate sufficient revenues for these obligations. The agreement contemplates that District Nos. 3 and 4 may become parties upon execution of a joinder after satisfying initial debt limitations and for the District to become a taxing district as well upon satisfaction of conditions under the Service Plan; however, as of the date of this report, District Nos. 3 and 4 have not executed a joinder and are not yet parties to the agreement and the District has not pledged its tax revenue.

NOTE 8 RELATED PARTIES

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

The Developer advanced funds to the District pursuant to agreements now memorialized as Amended and Restated Operating Reimbursement Agreement and Amended and Restated Improvements Acquisition and Funding Agreement (see Note 5 Long-Term Obligations for additional information).

NOTE 9 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2025. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). 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.

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado, subject to certain exceptions including contractual obligations authorized by TABOR election. The Coordinating Agreement is subject to this exception.

Annual operating property tax revenue is limited to a 5.25% increase (10.5% increase over a two-year period), such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

NOTE 11 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational or capital expenditures an independent revenue base is established, continuation of operations and capital outlay in the District will be dependent upon funding by the Developer.

SUPPLEMENTARY INFORMATION

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Transfer from Reunion Ridge MD No. 2	$ 12,000,000	$ -	$ (12,000,000)
Total Revenues	12,000,000	-	(12,000,000)
EXPENDITURES			
Accounting	10,000	-	10,000
Legal	10,000	1,343	8,657
Reunion Ridge Filing 4 And 5	1,858,040	364,115	1,493,925
Reunion Ridge Filing 2 And 3 Landscaping And Irrigation	2,434,912	2,029,996	404,916
Contingency	82,671	-	82,671
Total Expenditures	4,395,623	2,395,454	2,000,169
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,604,377	(2,395,454)	(9,999,831)
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	2,996,034	2,996,034
Repay Developer Advance	(7,604,377)	-	7,604,377
Total Other Financing Sources (Uses)	(7,604,377)	2,996,034	10,600,411
NET CHANGE IN FUND BALANCE	-	600,580	600,580
Fund Balance (Deficit) - Beginning of Year	-	(721,036)	(721,036)
FUND BALANCE (DEFICIT) - END OF YEAR	$ -	$ (120,456)	$ (120,456)

REUNION RIDGE METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Percent Change	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2020/2021	$ 410	4000.0%	0.000	$ -	$ -	- %
2021/2022	10	-97.6%	0.000	-	-	-
2022/2023	10	0.0%	0.000	-	-	-
2023/2024	10	0.0%	0.000	-	-	-
2024/2025	10	0.0%	0.000	-	-	-
Estimated for Year Ending December 31, 2026	$ 10	0.0%	0.000			

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County Assessor and Treasurer.