REAGAN RANCH METROPOLITAN DISTRICT NO. 1
El Paso County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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BiggsKofford

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Reagan Ranch Metropolitan District No. 1
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Reagan Ranch Metropolitan District No. 1 ("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, 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 Opinions

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 the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BiggsKofford LLP

Colorado Springs, Colorado
September 22, 2026

BASIC FINANCIAL STATEMENTS

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 65
Cash and Investments - Restricted	8,410,308
Due from District No. 2	202
Receivable from County Treasurer	114
Property Tax Receivable	15,522
Capital Assets:	
Capital Assets Not Being Depreciated	40,674,451
Total Assets	49,100,662
LIABILITIES	
Due to District No. 3	84
Accrued Bond Interest - Series 2025	164,890
Noncurrent Liabilities:	
Due in More Than One Year	54,441,388
Total Liabilities	54,606,362
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	15,522
Total Deferred Inflows of Resources	15,522
NET POSITION	
Unrestricted	(5,521,222)
Total Net Position	$ (5,521,222)

See accompanying Notes to Basic Financial Statements.

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 3,443	$ -	$ -	$ -	$ (3,443)
Interest on Long-Term Debt and Related Costs	3,700,288	-	-	-	(3,700,288)
Total Governmental Activities	$ 3,703,731	$ -	$ -	$ -	(3,703,731)
GENERAL REVENUES					
Property Taxes					14,904
Specific Ownership Taxes					1,428
Interest Income					674,734
Intergovernmental Revenues - District No. 2					9,148
Total General Revenues and Transfers					700,214
CHANGES IN NET POSITION					(3,003,517)
Net Position - Beginning of Year					(2,517,705)
NET POSITION - END OF YEAR					$ (5,521,222)

See accompanying Notes to Basic Financial Statements.

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service Series 2021	Debt Service Series 2025	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	$ 65	$ -	$ -	$ -	$ 65
Cash and Investments - Restricted	-	158	7,694,829	715,321	8,410,308
Receivable from County Treasurer	19	57	38	-	114
Due from District No. 2	-	121	81	-	202
Property Tax Receivable	2,587	7,761	5,174	-	15,522
Total Assets	$ 2,671	$ 8,097	$ 7,700,122	$ 715,321	$ 8,426,211
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to District No. 3	$ 84	$ -	$ -	$ -	$ 84
Total Liabilities	84	-	-	-	84
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	2,587	7,761	5,174	-	15,522
Total Deferred Inflows of Resources	2,587	7,761	5,174	-	15,522
FUND BALANCES					
Restricted for:					
Debt Service	-	336	7,694,948	-	7,695,284
Capital Projects	-	-	-	715,321	715,321
Total Fund Balances	-	336	7,694,948	715,321	8,410,605
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,671	$ 8,097	$ 7,700,122	$ 715,321	

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.	40,674,451
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest	(4,380,613)
Bonds Payable - Series 2021	(17,890,000)
Bonds Payable - Series 2025	(32,305,000)
Developer Advance Payable	(30,665)
Net Position of Governmental Activities	$ (5,521,222)

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service Series 2021	Debt Service Series 2025	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	$ 2,484	$ 7,452	$ 4,968	$ -	$ 14,904
Specific Ownership Taxes	238	714	476	-	1,428
Interest Income	124	377	278,520	395,713	674,734
Intergovernmental Revenues - District No. 2	-	5,489	3,659	-	9,148
Total Revenues	2,846	14,032	287,623	395,713	700,214
EXPENDITURES					
Current:					
Banking Fees	-	405	-	-	405
County Treasurer's Fee	38	115	77	-	230
Intergovernmental Expenditures - District No. 3	2,808	-	-	-	2,808
Debt Service:					
Bond Interest	-	8,615	1,429,048	-	1,437,663
Capital Projects:					
Capital Outlay	-	-	-	23,533,029	23,533,029
Bond Issue Costs	-	-	-	981,635	981,635
Total Expenditures	2,846	9,135	1,429,125	24,514,664	25,955,770
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	4,897	(1,141,502)	(24,118,951)	(25,255,556)
OTHER FINANCING SOURCES (USES)					
Bond Issuance Proceeds	-	-	-	32,305,000	32,305,000
Transfers In (Out)	-	-	8,836,450	(8,836,450)	-
Total Other Financing Sources (Uses)	-	-	8,836,450	23,468,550	32,305,000
NET CHANGE IN FUND BALANCES	-	4,897	7,694,948	(650,401)	7,049,444
Fund Balances - Beginning of Year	-	(4,561)	-	1,365,722	1,361,161
FUND BALANCES - END OF YEAR	$ -	$ 336	$ 7,694,948	$ 715,321	$ 8,410,605

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds	$ 7,049,444
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	23,533,029
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.	
Bond Issuance - Series 2025	(32,305,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable - Change in Liability	(1,279,014)
Accrued Interest Payable Developer Advance - Change in Liability	(1,976)
Changes in Net Position of Governmental Activities	$ (3,003,517)

See accompanying Notes to Basic Financial Statements.

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT 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			
Property Taxes	$ 2,484	$ 2,484	$ -
Specific Ownership Taxes	248	238	(10)
Interest Income	50	124	74
Other Revenue	218	-	(218)
Total Revenues	3,000	2,846	(154)
EXPENDITURES			
Contingency	218	-	218
County Treasurer's Fee	37	38	(1)
Intergovernmental Expenditures - District No. 3	2,745	2,808	(63)
Total Expenditures	3,000	2,846	154
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Reagan Ranch 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 El Paso County on August 25, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in El Paso County, Colorado, entirely within the City of Colorado Springs (the City). The District operates under a Service Plan approved by the City on August 25, 2020, and Amended and Restated on November 22, 2022.

The District was established to provide planning, design, acquisition, construction, installation, relocation, and redevelopment of public improvements. Upon completion of construction of these improvements, the District may dedicate them, when appropriate, to the City or to such other entity as appropriate for the use and benefit of the District's taxpayers. The District is a Financing District organized in conjunction with three other related Districts – Reagan Ranch Metropolitan District No. 2 and Reagan Ranch Metropolitan District No. 4, the Financing Districts, and Reagan Ranch Metropolitan District No. 3, the Operating District. The Operating District will pay all vendors of and receive reimbursement/contributions from the Financing Districts. The Financing Districts will levy ad valorem taxes on taxable properties within each District and assess fees, rates and other charges as authorized by law.

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

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

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 of resources and the sum of liabilities and deferred inflows of resources is reported as net position.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue subject to accrual are property and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

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

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 financial 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 Investment.

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.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

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 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. 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 net investment in capital assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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 fixed assets, as applicable.

The District does not depreciate its Construction in Progress capital assets.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period 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. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District'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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

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 requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:		
Cash and Investments	$	65
Cash and Investments - Restricted		8,410,308
Total Cash and Investments	$	8,410,373

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

Investments	$	8,410,373
Total Cash and Investments	$	8,410,373

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank and carrying balance of $-0-.

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (*) 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 and reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
* Local government investment pools

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 8,410,060
Colorado Local Government Liquid Assets Trust (COLOTRUST)		313
Total		$ 8,410,373

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at $1.00. CSAFE CASH FUND may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (CONTINUED)

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.1.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

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	$ 17,141,422	$ 23,533,029	$ -	$ 40,674,451
Total Capital Assets, Not Being Depreciated	$ 17,141,422	$ 23,533,029	$ -	$ 40,674,451

The District is in the process of verifying capital costs associated with public improvements with an independent engineer for capital costs recorded on or before December 31, 2024. The engineer provided a report dated October 9, 2025 that includes total verified capital costs of $17,110,046, of which the Developer is in the process of providing proof of payment for $3,228,322.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in 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
Bonds Payable:					
Limited Tax General Obligation Bonds					
Series 2021	$ 17,890,000	$ -	$ -	$ 17,890,000	$ -
Series 2025	-	32,305,000	-	32,305,000	-
Accrued Interest					
Series 2021	3,101,599	1,122,739	8,615	4,215,723	-
Subtotal Bonds Payable	20,991,599	33,427,739	8,615	54,410,723	-
Other Debts:					
Developer Advance - Capital	24,699	-	-	24,699	-
Accrued Interest on:					
Developer Advance - Capital	3,990	1,976	-	5,966	-
Subtotal Other Debts	28,689	1,976	-	30,665	-
Total Long-Term Obligations	$ 21,020,288	$ 33,429,715	$ 8,615	$ 54,441,388	$ -

The details of the District's long-term obligations are as follows:

Limited Tax General Obligation Bonds, Series 2021 Bonds

Bond Proceeds

The District issued the Series 2021 Bonds (the Series 2021 Bonds) on December 1, 2021, in the par amount of $17,890,000. Proceeds from the sale of the Series 2021 Bonds were used to (a) finance or reimburse a portion of the costs of planning, designing, acquiring, constructing, installing, relocating, and redeveloping certain public infrastructure improvements related to the Development; and (b) pay the costs of issuing the Bonds.

Details of the Bonds

The Series 2021 Bonds bear interest at the rate of 5.375% per annum and are payable annually on each December 1, beginning on December 1, 2022, but only from and to the extent of available Pledge Revenue. The Series 2021 Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of Pledged Revenue.

The Series 2021 Bonds are structured as "cash flow" bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Series 2021 Bonds compounds annually on each December 1. In the event that any amount of principal of or interest on the Bonds remains unpaid on December 2, 2061, such amounts will be deemed discharged and no longer due and outstanding.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2021 Bonds (Continued)

Pledged Revenue

The Series 2021 Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Property Tax Revenues; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; (c) all revenues received pursuant to the District No. 2 Pledge Agreement; (d) System Development Fees; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Property Tax Revenues means the ad valorem property taxes derived from the District's imposition of the Required Mill Levy, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

The Pledge Agreement

Pursuant to a Capital Pledge Agreement dated December 1, 2021 (the 2021 District No. 2 Pledge Agreement) between the District, Reagan Ranch Metropolitan District No. 2 (District No. 2), and the Trustee, District No. 2 has pledged certain revenues to the District for the payment of the Series 2021 Bonds and Additional Obligations, and covenanted to take certain actions with respect to generating such revenues, for the benefit of the holders of the Series 2021 Bonds and any Additional Obligations.

Revenues Received Pursuant to the 2021 District No. 2 Pledge Agreement

Pursuant to the District No. 2 Pledge Agreement, District No. 2 Pledged Revenue means (a) all District No. 2 Property Tax Revenues; and (b) all District No. 2 Specific Ownership Tax Revenues which are collected as a result of District No. 2's imposition of the District No. 2 Required Mill Levy.

District No. 2 Property Tax Revenues means all moneys derived from imposition by District No. 2 of the District No. 2 Required Mill Levy and are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

The District No. 2 Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of District No. 2 each year in the amount of 30 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2006) or such lesser mill levy which is sufficient to pay all of the principal of and interest on the Bonds in full.

System Development Fees

The District imposes a System Development Fee of $3,500 for each single-family detached residential unit and $2,500 for each attached residential unit which is due and payable prior to the issuance of a certificate of occupancy for any applicable unit.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2021 Bonds (Continued)

Optional Redemption

The Series 2021 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Limited Tax General Obligation Bonds, Series 2025 Bonds

Bond Proceeds

On March 11, 2025, the District issued $32,305,000 Series 2025 Limited Tax General Obligation and Special Revenue Bonds (the Series 2025 Bonds) at an interest rate of 6.125%, payable semi-annually to the extent of Pledged Revenue available on June 1 and December 1 beginning on June 1, 2025. The Series 2025 Bonds were issued for the purpose of financing or reimbursing a portion of the project costs, funding a deposit to the Reserve Fund, funding a deposit to the Interest Account of the Bond Fund, and paying the cost of issuing bonds. There are annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2030. The Series 2025 Bonds mature on December 1, 2054. The Series 2025 Bonds have a discharge date of December 2, 2061.

Pledged Revenue

"Pledged Revenue" is defined in the Indenture to mean: (1) the Property Tax Revenues, (2) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy, (3) all District No. 2 Pledged Revenue; less the amount of the Series 2021 Bonds Required Mill Levy, (4) all District No. 4 Pledged Revenue, and (5) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Pledge Agreements

Pursuant to the Capital Pledge Agreement, dated as of March 1, 2025 (the District No. 2 Pledge Agreement), among the District, Reagan Ranch Metropolitan District No. 2 (District No. 2) and the Trustee, District No. 2 pledges the District No. 2 Pledged Revenue to the District for the payment of the Series 2025 Bonds, consisting of (1) the PIF Revenues, (2) Property Tax Revenues (referred to herein as District No. 2 Property Tax Revenues), and (3) Specific Ownership Tax Revenues (referred to herein as District No. 2 Specific Ownership Tax Revenues).

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2025 (the Bonds) (Continued)

Pledge Agreements (Continued)

Pursuant to the Capital Pledge Agreement, dated as of March 1, 2025 (the District No. 4 Pledge Agreement), among the District, Reagan Ranch Metropolitan District No. 4 (District No. 4) and the Trustee, District No. 4 pledges the District No. 4 Pledged Revenue to the District for the payment of the Series 2025 Bonds, consisting of (1) Property Tax Revenues (referred to herein as District No. 4 Property Tax Revenues), (2) Specific Ownership Tax Revenues (referred to herein as District No. 4 Specific Ownership Tax Revenues), and (3) System Development Fee Revenues (referred to herein as District No. 4 System Development Fee Revenues).

The Indenture generally defines "Required Mill Levy" as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount which, when combined with property tax revenues generated by District No. 2 from imposition of its required mill levy under the District No. 2 Pledge Agreement and by District No. 4 from imposition of its required mill levy under the District No. 4 Pledge Agreement and the Projected Revenues, is sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due and, if necessary an amount sufficient to replenish the Reserve Fund to the amount of the Reserve Requirement and an amount sufficient to fund the Surplus Fund to the Maximum Surplus Fund Amount, but in no event greater than fifty (50) mills for the District, District No. 2, District No. 4, or any combination of overlapping districts (subject to adjustment), less the amount of the Series 2021 Bonds Required Mill Levy for the District and District No. 2.

The mill levy cap of 50 mills shall be subject to upward or downward adjustments addressing any Mill Levy Adjustment (defined as any statutory, legislative, or constitutional changes that adjust or impact the assessed or actual valuation of property or the assessment ratio pursuant to which taxes are calculated) or any abatement occurring after, but not before August 9, 2022.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2030, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
December 1, 2030, to November 30, 2031	3.00%
December 1, 2031, to November 30, 2032	2.00
December 1, 2032, to November 30, 2033	1.00
December 1, 2033, and thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2021 and Series 2025 Required Mill Levy

The District is required to impose an ad valorem property tax levy (the "Required Mill Levy") on all taxable property within the District each year. The Required Mill Levy is established at 50.000 mills, consisting of 30.000 mills pledged to the Series 2021 Bonds and 20.000 mills pledged to the Series 2025 Bonds, subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2006. The District may impose a lower mill levy to the extent that, together with revenues generated by District No. 2 under the District No. 2 Pledge Agreement, such levy is sufficient to pay all principal of and interest on the Series 2021 Bonds when due. Similarly, the District may impose a lower mill levy for the Series 2025 Bonds if, when combined with revenues generated by District No. 2 and District No. 4 under the District No. 2 Pledge Agreement and District No. 4 Pledge Agreement, the resulting revenues are sufficient to pay all principal of and interest on the Series 2025 Bonds when due.

The Series 2021 and Series 2025 Bonds Debt Service

The annual debt service requirements for the Series 2021 are not currently determinable as debt service is payable solely from the available Pledged Revenues.

The annual Debt Service requirements for the Series 2025 Bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 1,978,681	$ 1,978,681
2027	-	1,978,681	1,978,681
2028	-	1,978,681	1,978,681
2029	-	1,978,681	1,978,681
2030	10,000	1,978,681	1,988,681
2031-2035	2,125,000	9,674,132	11,799,132
2036-2040	3,720,000	8,825,207	12,545,207
2041-2045	5,710,000	7,458,108	13,168,108
2046-2049	8,460,000	5,392,756	13,852,756
2050-2054	12,280,000	2,199,179	14,479,179
Total	$ 32,305,000	$ 43,442,787	$ 75,747,787

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Event of Default and Remedies on Occurrence of Event of Default for the Series 2021 Bonds and Series 2025 Bonds

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an event of default under the Indenture:

(i) Failure to Impose the Required Mill Levy
(ii) Misapplication of Pledged Revenue
(iii) Default on Covenants, Agreements, or Conditions by the District of the Pledge Districts
(iv) Bankruptcy Filing

It is acknowledged that due to the limited nature of the revenues, the failure to pay the principal of or interest on the bonds when due shall not, in and of itself, constitute an event of default hereunder, if the issuer is otherwise in compliance with all provisions under the indenture.

Upon the occurrence and continuance of an Event of Default, the trustee shall have the following rights:

(i) Trustee's Right to Receiver: The trustee shall be entitled as the right to the appointment of a receiver ex parte upon prior written notice to the issuer.
(ii) Legal Proceedings by Trustee: The trustee in its discretion may, and upon the written request of the majority interest and receipt of indemnity of its satisfaction, shall, in its own name:
    a. By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Issuer to enforce any rights under this Indenture, the Cooperation Agreement, and to require the Issuer to carry out any other provisions of this Indenture for the benefit of the Bondholders; and
    b. By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

No Acceleration

Except as may be provided in the supplemental indenture applicable to all series of bonds outstanding hereunder, there shall be no rights of acceleration with respect to the bonds.

As of December 31, 2025, the District was not in default.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

On December 15, 2020, the District and District Nos. 2 and 3 entered into a Reimbursement Agreement with The Equity Group LLC (Developer) wherein the District agrees to reimburse the Developer for advances made on behalf of the District to pay administrative and operating costs. The District agrees to repay the Developer along with accrued simple interest of 8% beginning on the date of advance to the date of repayment.

On December 15, 2020, the District and District Nos. 2 and 3 entered into a Facilities Funding and Acquisition Agreement with The Equity Group LLC (Developer) wherein the District agrees to reimburse the Developer for advances made on behalf of the District to pay capital improvement costs. The District agrees to repay the Developer along with accrued simple interest of 8% beginning on the date of advance to the date of repayment.

The Amended and Restated Facilities Funding and Acquisition Agreement, effective August 10, 2022, between Reagan Ranch Metropolitan District Nos. 1-3 and Reagan Ranch Development LLC, an entity related to the Developer, updates the original agreement from December 15, 2020. It outlines the Developer's responsibility to either construct or fund public infrastructure improvements, with the District reimbursing the Developer through bonds or other revenues. Key improvements include water, sewer, streets, safety, parks, drainage, and landscaping. The Developer must follow cost verification procedures and provide a one-year warranty on all improvements. The agreement remains in effect until December 31, 2050, unless terminated earlier by mutual written consent of both parties. Notices for termination or any other communications must be delivered as specified in the agreement. Any assignment of rights by the Developer requires prior written consent from the District.

As of December 31, 2025, outstanding Developer advances under the Reimbursement Agreement totaled $-0- for operation costs with accrued interest of $-0-, and outstanding Developer advances under the Facilities Funding and Acquisition Agreement totaled $24,699 for capital costs with accrued interest of $5,966.

Authorized Debt

On November 3, 2020, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $1,105,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2025, the District has authorized but unissued electoral indebtedness in the amount of $1,054,805,000.

As set forth in the District's 2020 Service Plan, and as Amended and Restated in 2022, the County has limited the amount of debt to be issued by the District, combined with Reagan Ranch Metropolitan District Nos. 2, 3 and 4, is permitted to issue a total of $121,000,000 without future approval by the County. The District may levy up to 50.000, adjusted, mills for debt service and up to 10.000, adjusted, mills for general operations and administrative expenses. At December 31, 2025, the District has authorized but unissued indebtedness of $70,805,000.

NOTE 6 NET POSITION

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

The District has a deficit in unrestricted net position. This deficit amount is the result of the District being responsible for the financing and repayment of bonds issued for the construction of public improvements, which were dedicated to other entities for ownership and maintenance.

NOTE 7 RELATED PARTIES

The Developers of the property which constitutes the District are SNA Development LLC, The Equity Group, LLC, Reagan Ranch Development, LLC and Site Development, LLC. The members of the Board of Directors are officers or employees of, associated with the Developers and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS

Intergovernmental Agreement

Effective as of December 15, 2020, and amended as of June 21, 2023, the District and Reagan Ranch Metropolitan Districts Nos. 2 – 4 entered into an Intergovernmental District Facilities Construction and Service Agreement (Agreement) wherein the District has agreed to contract for and supervise the construction or acquisition of the Public Improvements. It is acknowledged that all Public Improvements will either be dedicated to the City of Colorado Springs or other governmental entity, or will be owned and operated by Reagan Ranch Metropolitan District No. 3 (Operating District). The Districts have agreed to pledge the revenues from operation and maintenance mill levies to the Operating District to fund the operation and maintenance costs of the Districts.

Construction Project Delivery Agreement

Effective as of January 28, 2022, the District entered into the Construction Project Delivery Agreement (the CPD) with Site Development, LLC (the Contractor). The CPD outlines the terms of the scope of work to be performed, the terms of acceptance of the work, and the terms of payment from the District to the Contractor.

NOTE 9 INTERFUND TRANSFERS

The transfers from the Capital Projects Fund to the Debt Service Fund was for the initial funding of the Series 2025 Bond Interest Fund and Reserve Fund.

NOTE 10 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, 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 11 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 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 short falls, or salary or benefit increases. The District transfers its net operating revenue to Reagan Ranch Metropolitan District No. 3. Therefore, the Emergency Reserves related to the District's revenues are reported in Reagan Ranch Metropolitan District No. 3.

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.

On May 6, 2025, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S. for 2026 and all future budget years.

SUPPLEMENTARY INFORMATION

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND SERIES 2021
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 12,421	$ 7,452	$ 7,452	$ -
Specific Ownership Taxes	1,242	714	714	-
Interest Income	1,000	400	377	(23)
Other Revenue	2,276	5,946	-	(5,946)
Intergovernmental Revenues - District No. 2	9,342	5,488	5,489	1
Total Revenues	26,281	20,000	14,032	(5,968)
EXPENDITURES				
Banking Fees	-	410	405	5
County Treasurer's Fee	186	77	115	(38)
Paying Agent Fees	7,000	-	-	-
Bond Interest	1,966,521	10,000	8,615	1,385
Contingency	3,831	10,338	-	10,338
Total Expenditures	1,977,538	20,825	9,135	11,690
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,951,257)	(825)	4,897	5,722
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	10,449,550	-	-	-
Total Other Financing Sources	10,449,550	-	-	-
NET CHANGE IN FUND BALANCE	8,498,293	(825)	4,897	5,722
Fund Balance - Beginning of Year	825	825	(4,561)	(5,386)
FUND BALANCE - END OF YEAR	$ 8,499,118	$ -	$ 336	$ 336

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND SERIES 2025
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ -	$ 4,968	$ 4,968	$ -
Specific Ownership Taxes	-	476	476	-
Interest Income	-	278,520	278,520	-
Other Revenue	-	2,377	-	(2,377)
Intergovernmental Revenues - District No. 2	-	3,659	3,659	-
Total Revenues	-	290,000	287,623	(2,377)
EXPENDITURES				
County Treasurer's Fee	-	77	77	-
Bond Interest	-	1,429,048	1,429,048	-
Contingency	-	875	-	875
Total Expenditures	-	1,430,000	1,429,125	875
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,140,000)	(1,141,502)	(1,502)
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	8,840,000	8,836,450	(3,550)
Total Other Financing Sources (Uses)	-	8,840,000	8,836,450	(3,550)
NET CHANGE IN FUND BALANCE	-	7,700,000	7,694,948	(5,052)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 7,700,000	$ 7,694,948	$ (5,052)

REAGAN RANCH 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			
Interest Income	$ 530,000	$ 395,713	$ (134,287)
Total Revenues	530,000	395,713	(134,287)
EXPENDITURES			
Accounting	3,000	-	3,000
Engineering	4,000	-	4,000
Capital Outlay	28,362,350	23,533,029	4,829,321
Bond Issue Costs	1,026,100	981,635	44,465
Total Expenditures	29,395,450	24,514,664	4,880,786
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,865,450)	(24,118,951)	4,746,499
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	36,305,000	32,305,000	(4,000,000)
Developer Advance	10,000	-	(10,000)
Transfers To Other Fund	(10,449,550)	(8,836,450)	1,613,100
Total Other Financing Sources (Uses)	25,865,450	23,468,550	(2,396,900)
NET CHANGE IN FUND BALANCE	(3,000,000)	(650,401)	2,349,599
Fund Balance - Beginning of Year	3,000,000	1,365,722	(1,634,278)
FUND BALANCE - END OF YEAR	$ -	$ 715,321	$ 715,321

OTHER INFORMATION

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE TO MATURITY – SERIES 2025
DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the Year Ending December 31,	$32,305,000 Series 2025 Limited Tax General Obligation and Special Revenue Bonds Dated March 11, 2025 Interest Rate 6.125% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ -	$ 1,978,681	$ 1,978,681
2027	-	1,978,681	1,978,681
2028	-	1,978,681	1,978,681
2029	-	1,978,681	1,978,681
2030	10,000	1,978,681	1,988,681
2031	240,000	1,978,069	2,218,069
2032	395,000	1,963,369	2,358,369
2033	440,000	1,939,175	2,379,175
2034	505,000	1,912,225	2,417,225
2035	545,000	1,881,294	2,426,294
2036	620,000	1,847,913	2,467,913
2037	665,000	1,809,938	2,474,938
2038	745,000	1,769,206	2,514,206
2039	800,000	1,723,575	2,523,575
2040	890,000	1,674,575	2,564,575
2041	955,000	1,620,063	2,575,063
2042	1,055,000	1,561,569	2,616,569
2043	1,130,000	1,496,950	2,626,950
2044	1,240,000	1,427,738	2,667,738
2045	1,330,000	1,351,788	2,681,788
2046	1,455,000	1,270,325	2,725,325
2047	1,550,000	1,181,206	2,731,206
2048	1,690,000	1,086,269	2,776,269
2049	1,805,000	982,756	2,787,756
2050	1,960,000	872,200	2,832,200
2051	2,090,000	752,150	2,842,150
2052	2,265,000	624,138	2,889,138
2053	2,415,000	485,405	2,900,405
2054	5,510,000	337,486	5,847,486
	$ 32,305,000	$ 43,442,787	$ 75,747,787

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2021	$ -	0.00%	-	-	-	$ -	$ -	- %
2022	670	0.00%	11.132	33.398	44.530	29	30	103.45 %
2023	106,740	15831.34%	10.000	50.000	60.000	6,404	6,404	100.00 %
2024	238,990	123.90%	10.394	51.971	62.365	14,905	14,905	100.00 %
2025	238,990	0.0%	10.394	51.971	62.365	14,905	14,904	99.99 %
Estimated for Year Ending December 31, 2026	$ 240,860	0.78%	10.740	53.703	64.443	$ 15,522		

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: El Paso Assessor and Treasurer.

ANNUAL DISCLOSURE INFORMATION
(UNAUDITED)

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
ANNUAL DISCLOSURES
HISTORY OF ASSESSED VALUATIONS AND MILL LEVIES
DECEMBER 31, 2025

District No. 1

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2020	2021	$ -	- %	0.000	0.000
2021	2022	670	-	11.132	33.398
2022	2023	106,740	15831.34	10.000	50.000
2023	2024	238,990	123.90	10.394	51.971
2024	2025	238,990	-	10.394	51.971
2025	2026	240,860	0.78	10.740	53.703

Source: El Paso County Assessor's Office

District No. 2

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2020	2021	$ -	- %	0.000	0.000
2021	2022	410	-	10.000	30.000
2022	2023	103,060	25036.59	10.000	50.000
2023	2024	146,780	42.42	10.986	54.934
2024	2025	151,990	3.55	10.966	54.833
2025	2026	176,470	16.11	10.740	53.703

Source: El Paso County Assessor's Office

District No. 4

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2020	2021	$ -	- %	0.000	0.000
2021	2022	-	-	0.000	0.000
2022	2023	-	-	0.000	0.000
2023	2024	-	-	0.000	0.000
2024	2025	210	-	10.978	0.000
2025	2026	29,640	14014.29	10.978	53.703

Source: El Paso County Assessor's Office

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
ANNUAL DISCLOSURES
PROPERTY TAX COLLECTIONS
DECEMBER 31, 2025

District No. 1

Levy Year	Collection Year	Taxes Levied	Current Tax* Collection	Collection Rate
2021	2022	$ 29	$ 30	103.45 %
2022	2023	6,404	6,404	100.00
2023	2024	14,905	14,905	100.00
2024	2025	14,905	14,904	99.99
2025	2026	15,522	15,522	100.00

* Collections through July 31, 2026

District No. 2

Levy Year	Collection Year	Taxes Levied	Current Tax* Collection	Collection Rate
2021	2022	$ 16	$ 23	143.75 %
2022	2023	6,184	6,184	100.00
2023	2024	9,676	9,676	100.00
2024	2025	10,001	10,001	100.00
2025	2026	11,372	4,268	37.53

* Collections through July 31, 2026

District No. 4

Levy Year	Collection Year	Taxes Levied	Current Tax* Collection	Collection Rate
2021	2022	$ -	$ -	- %
2022	2023	-	-	-
2023	2024	-	-	-
2024	2025	2	2	100.00
2025	2026	1,910	1,910	100.00

* Collections through July 31, 2026

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
ANNUAL DISCLOSURES
TEN LARGEST OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT
DECEMBER 31, 2025

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer / Assessed Valuation
Valuation Year - 2025		
Reagan Ranch Development, LLC	$ 240,860	100.00%
Total	$ 240,860	100.00%

REAGAN RANCH METROPOLITAN DISTRICT NO. 1
ANNUAL DISCLOSURES
DIRECT DEBT RATIO OF THE DISTRICT
DECEMBER 31, 2025

Direct Debt	$ 54,410,723
2025 Certified Assessed Valuation	240,860
Ratio of Direct Debt to 2025 Certified Assessed Valuation	22590.19%
2025 District Statutory Actual Value	892,072
Ratio of Direct Debt to 2025 District Statutory "Actual" Value	6099.36%