CONEXUS METROPOLITAN DISTRICT NO. 1
El Paso County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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FISCAL FOCUS PARTNERS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Annual Disclosure Information

The annual disclosure information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Matters

Economic Dependency

As disclosed in Note 10 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
August 27, 2026

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and Investments	$ 4,077
Cash and Investments - Restricted	4,346,224
Due from Other Districts	17
Receivable from County Treasurer	300
Escrow/Surety Account with Town of Monument	4,971,130
Property Tax Receivable	80,610
Capital Assets:	
Capital Assets Not Being Depreciated	5,314,688
Total Assets	14,717,046
LIABILITIES	
Accounts Payable	34,546
Accrued Bond Interest	85,625
Noncurrent Liabilities:	
Due Within One Year	22,215
Due in More Than One Year	16,618,010
Total Liabilities	16,760,396
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	80,610
Total Deferred Inflows of Resources	80,610
NET POSITION	
Restricted for:	
Emergency Reserve	1,400
Capital Projects	4,984,258
Unrestricted	(7,109,618)
Total Net Position	$ (2,123,960)

See accompanying Notes to Basic Financial Statements.

CONEXUS 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	$ 225,228	$ 2,453	$ -	$ -	$ (222,775)
Interest on Long-Term Debt and Related Costs	1,928,195	-	-	-	(1,928,195)
Total Governmental Activities	$ 2,153,423	$ 2,453	$ -	$ -	(2,150,970)
GENERAL REVENUES					
Property Taxes					39,241
Specific Ownership Taxes					3,761
Interest Income					189,080
Total General Revenues and Transfers					232,082
CHANGES IN NET POSITION					(1,918,888)
Net Position - Beginning of Year					(205,072)
NET POSITION - END OF YEAR					$ (2,123,960)

See accompanying Notes to Basic Financial Statements.

CONEXUS METROPOLITAN DISTRICT NO. 1
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 4,077	$ -	$ -	$ 4,077
Cash and Investments - Restricted	1,400	4,320,775	24,049	4,346,224
Receivable from County Treasurer	300	-	-	300
Escrow/Surety Account with Town of Monument	-	-	4,971,130	4,971,130
Due from Other Districts	17	-	-	17
Property Tax Receivable	11,515	69,095	-	80,610
Total Assets	$ 17,309	$ 4,389,870	$ 4,995,179	$ 9,402,358
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 23,625	$ -	$ 10,921	$ 34,546
Total Liabilities	23,625	-	10,921	34,546
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	11,515	69,095	-	80,610
Total Deferred Inflows of Resources	11,515	69,095	-	80,610
FUND BALANCES				
Restricted for:				
Emergency Reserves	1,400	-	-	1,400
Debt Service	-	4,320,775	-	4,320,775
Capital Projects	-	-	4,984,258	4,984,258
Assigned to:				
Subsequent Year's Expenditures	900	-	-	900
Unassigned	(20,131)	-	-	(20,131)
Total Fund Balances	(17,831)	4,320,775	4,984,258	9,287,202
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 17,309	$ 4,389,870	$ 4,995,179	
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.				5,314,688
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				(85,625)
Bonds Payable				(16,440,000)
Developer Advance Payable				(733,673)
Unamortized Bond Discount				533,448
Net Position of Governmental Activities				$ (2,123,960)

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 39,241	$ -	$ -	$ 39,241
Specific Ownership Taxes	3,761	-	-	3,761
Interest Income	613	71,546	116,921	189,080
Intergovernmental Revenues	2,453	-	-	2,453
Total Revenues	46,068	71,546	116,921	234,535
EXPENDITURES				
Current:				
Accounting	28,261	-	5,652	33,913
County Treasurer's Fee	589	-	-	589
Dues and Membership	549	-	-	549
Election	7,312	-	-	7,312
Insurance	4,152	-	-	4,152
Legal	46,374	-	2,603	48,977
Debt Service:				
Bond Interest	-	442,396	-	442,396
Capital Projects:				
Engineering	-	-	34,157	34,157
Organization Costs	-	-	95,579	95,579
Bond Issue Costs	-	-	680,524	680,524
Capital Outlay	-	-	5,314,688	5,314,688
Total Expenditures	87,237	442,396	6,133,203	6,662,836
EXCESS OF REVENUES UNDER EXPENDITURES	(41,169)	(370,850)	(6,016,282)	(6,428,301)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	16,440,000	16,440,000
Bond Discount	-	-	(543,013)	(543,013)
Developer Advance	25,244	-	2,313,585	2,338,829
Repay Developer Advance	-	-	(2,518,407)	(2,518,407)
Transfers In (Out)	-	4,691,625	(4,691,625)	-
Total Other Financing Sources	25,244	4,691,625	11,000,540	15,717,409
NET CHANGE IN FUND BALANCES	(15,925)	4,320,775	4,984,258	9,289,108
Fund Balances (Deficit) - Beginning of Year	(1,906)	-	-	(1,906)
FUND BALANCES (DEFICITS) - END OF YEAR	$ (17,831)	$ 4,320,775	$ 4,984,258	$ 9,287,202

See accompanying Notes to Basic Financial Statements.

CONEXUS 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	$ 9,289,108
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	5,314,688
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 Proceeds	(16,440,000)
Bond Discount	543,013
Developer Advance	(2,338,829)
Repay Developer Advance	1,825,691
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	(85,625)
Accrued Interest Payable Developer Advance - Change in Liability	(17,369)
Amortization Bond Discount	(9,565)
Changes in Net Position of Governmental Activities	$ (1,918,888)

See accompanying Notes to Basic Financial Statements.

CONEXUS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT 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	$ 39,241	$ 39,241	$ 39,241	$ -
Specific Ownership Taxes	3,924	3,732	3,761	29
Interest Income	-	-	613	613
Other Revenue	4,861	6,277	-	(6,277)
Intergovernmental Revenues	2,463	2,452	2,453	1
Total Revenues	50,489	51,702	46,068	(5,634)
EXPENDITURES				
Accounting	26,500	26,500	28,261	(1,761)
Contingency	4,861	6,077	-	6,077
County Treasurer's Fee	589	589	589	-
Dues And Membership	550	549	549	-
Election	3,000	7,133	7,312	(179)
Insurance	3,000	4,152	4,152	-
Legal	35,000	45,000	46,374	(1,374)
Website	1,500	-	-	-
Total Expenditures	75,000	90,000	87,237	2,763
EXCESS OF REVENUES UNDER EXPENDITURES	(24,511)	(38,298)	(41,169)	(2,871)
OTHER FINANCING SOURCES (USES)				
Developer Advance	25,411	41,804	25,244	(16,560)
Total Other Financing Sources (Uses)	25,411	41,804	25,244	(16,560)
NET CHANGE IN FUND BALANCE	900	3,506	(15,925)	(19,431)
Fund Balance (Deficit) - Beginning of Year	700	(1,906)	(1,906)	-
FUND BALANCE (DEFICIT) - END OF YEAR	$ 1,600	$ 1,600	$ (17,831)	$ (19,431)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Conexus 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, Colorado on May 12, 2022, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Monument on February 22, 2022. The District's service area is located in the Town of Monument, El Paso County, Colorado. The District was established to provide planning, acquisition, construction, installation and financing of public improvements, including water, storm sewer, sanitation and wastewater treatment, street improvements, traffic safety protection, parks and recreation, television relay and translation, mosquito control, covenant enforcement and design review, and security services.

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 property taxes and intergovernmental revenues.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 due.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 has 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 and investments.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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 activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. 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.

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.

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 assets 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.

Original Issue Discount/Premium

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Bond premiums and discounts are amortized over the respective terms of the bonds using the interest method.

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 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.

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 Fund 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 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	$	4,077
Cash and Investments - Restricted		4,346,224
Total Cash and Investments	$	4,350,301

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

Deposits with Financial Institutions	$	8,153
Investments		4,342,148
Total Cash and Investments	$	4,350,301

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 balance and carrying of $8,153.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 21,373
Invesco Treasury Portfolio	Weighted-Average Under 60 Days	4,320,775
		$ 4,342,148

Government Portfolio

The debt service money that is included in the trust accounts at BOK Financial is invested in the Invesco Treasury Portfolio. This portfolio is a money market mutual fund which invests in short-term, high-credit-quality money market instruments that are direct obligations of the U.S. Treasury, which are fully guaranteed as to principal and interest by the United States, with maturities of 60 days or less and repurchase agreements collateralized by U.S. Treasury obligations. The Invesco Treasury Portfolio is rated Aaa-mf by Moody's, AAAm by Standard & Poor's and AAAmmf by Fitch Ratings.

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.

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				
Construction in Progress	$ -	$ 5,314,688	$ -	$ 5,314,688
Total Capital Assets,				
Not Being Depreciated	$ -	$ 5,314,688	$ -	$ 5,314,688

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of 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
Bonds Payable:					
General Obligation & Special Revenue Bonds:					
Series 2025A	$ -	$ 16,440,000	$ -	$ 16,440,000	$ -
Bond Discount - Series 2025A	-	(543,013)	(9,565)	(533,448)	22,215
Subtotal Bonds Payable	-	15,896,987	(9,565)	15,906,552	22,215
Other Debts:					
Developer Advance - Operating	180,972	25,244	-	206,216	-
Developer Advance - Capital	-	2,313,585	1,825,691	487,894	-
Accrued Interest on:					
Developer Advance - Operating	22,194	16,085	-	38,279	-
Developer Advance - Capital	-	694,000	692,716	1,284	-
Subtotal Other Debts	203,166	3,048,914	2,518,407	733,673	-
Total Long-Term Obligations	$ 203,166	$ 18,945,901	$ 2,508,842	$ 16,640,225	$ 22,215

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

Limited Tax General Obligation and Special Revenue Bonds, Series 2025A (the Bonds)

The District issued the Bonds on June 26, 2025, in the amount of $16,440,000.

Proceeds of the Bonds

The Bonds were issued for the purpose of: (i) financing a portion of the Project; (ii) funding any of the funds created by the Indenture, and (iii) paying costs incurred in connection with the issuance of the Bonds. The Owners of the Bonds shall not be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale.

Bonds Details

The Bonds bear interest at the rate of 6.250%, payable semiannually to the extent of Pledged Revenue available on each June 1 and December 1 (each an "Interest Payment Date"), beginning on December 1, 2025. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2036. The Bonds mature on December 1, 2055.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid, subject to termination on December 2, 2075 (the Termination Date). To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date at the rate then borne by the Bond. The District shall not be obligated to pay more than the amount permitted by law in repayment of the Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2025A (the Bonds) (Continued)

Bonds Details (Continued)

If any amount of principal of or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefor on December 2, 2075, the Bonds will be deemed terminated.

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue. The Indenture defines Pledged Revenue as the moneys derived by the District from the following sources:

a) the Required Mill Levy;
b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy;
c) the Capital Revenue;
d) the PILOT Revenue;
e) the PIF Revenue; and
f) any other legally available moneys which the District No. 1 determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

a) Subject to paragraph (b) below, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with the Pledged Revenue then on deposit in the Bond Fund and the Capital Revenue expected to be received in the ensuing Bond Year, to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and to fund the Surplus Fund up to the Maximum Surplus Amount, but not in excess of 30 mills, and at any time the Surplus Fund is less than the Maximum Surplus Amount, not less than 30 mills, or such lesser mill levy which, when combined with the Pledged Revenue then on deposit in the Bond Fund and the Capital Revenue expected to be received in the ensuing Bond Year, will permit the District to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and fund the Surplus Fund up to the Maximum Surplus Amount; provided that if, on or after January 1, 2022, there are adjustments to the ratio between market value and assessed value of taxable property within the District that would cause a reduction in the revenue otherwise produced from such Required Mill Levy based on the ratio between market value and assessed value, such mill levy should be increased or decreased to offset such change.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2025A (the Bonds) (Continued)

Required Mill Levy (Continued)

b) Notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Capital Revenue

Capital Revenue is generally comprised of the following revenues payable by District No. 2 to the Issuer pursuant to the Capital Pledge Agreement (the Capital Pledge Agreement) between District No. 1 and District No. 2:

a) the Mandatory Capital Levy;
b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Mandatory Capital Levy;
c) PILOT Revenue
d) any other legally available moneys that District No. 2 determines, in its absolute discretion, to transfer to the Trustee for application as Capital Revenue.

Capital Mill Levy

Pursuant to the Pledge Agreement, District No. 2 has covenanted to levy an ad valorem mill levy upon all taxable property of District No. 2 in the amount of the District No. 2 Mandatory Capital Levy, generally meaning a mill levy equal to 30 mills (subject to adjustment for changes occurring after January 1, 2022 in the method of calculating assessed valuation).

PIF Revenue

PIF Revenue is defined as the revenue derived from the PIF Covenant.

The PIF Covenant

Prior to issuance of the Bonds, it is anticipated that the Developer will execute and record a Declaration of Covenants Imposing and Implementing the Conexus Public Improvement Fee (previously defined as the "PIF Covenant"). The PIF Covenant is anticipated to be recorded against Lot 3, Filing No. 2 (the PIF Property). The PIF Covenant is anticipated to impose a "Public Improvement Fee" of 1.25% on all PIF Sales (defined below) and 1.25% on all Lodging Sales.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2025A (the Bonds) (Continued)

PIF Revenue (Continued)

PIF Sales

PIF Sales are defined as any exchange or sale of goods or services for money or other media of exchange initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the PIF Property upon which a sales tax may or may not be payable pursuant to the Sales Tax Statute (as such law exists as of the date of the PIF Covenant). PIF Sales includes all transactions for the provision of services initiated, consummated, conducted, or otherwise occurring from or within the PIF Property that may not be otherwise subject to sales tax, including, but not limited to, professional services, personal services, memberships for services, and such other services as may be set forth in the PIF Sales Guidelines. Transactions that are excluded from application of this definition are: (a) those transactions exempt from sales tax (other than as required in the PIF Covenant) pursuant to Sales Tax Statute (as such exists as of the date of the PIF Covenant) other than (i) the transactions exempted by Colorado law (so that a sale of tangible personal property initiated, consummated, conducted, transacted or otherwise occurring from or within any portion of the PIF Property shall constitute a PIF Sale notwithstanding the fact that the subject tangible personal property or service may be delivered to the purchaser outside the PIF Property); and (ii) any other transactions that are exempted from such sales tax by Colorado law but that the District expressly includes in the definition of PIF Sales in the PIF Covenant or in the PIF Sales Guidelines established by it from time to time pursuant to the PIF Covenant; and (b) such other transactions as are subject to such sales tax but that the District expressly excludes from the definition of PIF Sales in the PIF Sales Guidelines established by the District from time to time pursuant the PIF Covenant.

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
June 1, 2030, to May 31, 2031	3.00%
June 1, 2031, to May 31, 2032	2.00
June 1, 2032, to May 31, 2033	1.00
June 1, 2033, and thereafter	0.00

Additional Security for the Bonds

The Bonds are additionally secured by Capitalized Interest which will be funded from proceeds of the Bonds in the amount of $3,082,500. As of December 31, 2025, there is $2,687,283 in the Capitalized Interest Fund.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2025A (the Bonds) (Continued)

Surplus Fund

The Bonds are additionally secured by the Surplus Fund. The Surplus Fund will be funded with proceeds of the Bonds in the amount of the Initial Deposit of $1,589,000 and is required to be additionally funded with excess Pledged Revenue, if any, up to the Maximum Surplus Amount of $3,178,000. The forecast expects the Surplus Fund will be filled to the Maximum Surplus Amount in 2032. As of December 31, 2025, there is $1,613,320 in the Surplus Fund.

The Surplus Fund is anticipated to be released in 2055.

The District acknowledges that State law places certain restrictions upon the use of amounts appropriated or added to the tax levy to pay the principal of, premium, and interest on any bonds, and any then existing pledge or encumbrance on such revenues.

Events of Default

Events of default occur if the District fails to impose the Required Mill Levies, or to apply the Pledged Revenues as required by the Indentures and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

No Acceleration

Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

Bond Debt Service

The Bonds mature as follows:

Year Ending	Bonded Debt		
December 31,	Principal	Interest	Total
2026	$ -	$ 1,027,500	$ 1,027,500
2027	-	1,027,500	1,027,500
2028	-	1,027,500	1,027,500
2029	-	1,027,500	1,027,500
2030	-	1,027,500	1,027,500
2031-2035	-	5,137,500	5,137,500
2036-2040	1,440,000	5,003,439	6,443,439
2041-2045	2,845,000	4,364,376	7,209,376
2046-2050	4,305,000	3,302,502	7,607,502
2051-2055	7,850,000	1,727,814	9,577,814
Total	$ 16,440,000	$ 24,673,131	$ 41,113,131

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $45,000,000 (Service Plan Debt Issuance Limit). In no event is the District authorized to issue debt in excess of the Service Plan Debt Issuance Limit, with the exception that such limit is not applicable to refundings of the debt authorized to be issued under the Service Plan. At December 31, 2025, the District has authorized but unissued indebtedness under the Service Plan of $28,560,000.

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the election, the actual costs of construction were not known. Without knowing the costs of construction, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets). Therefore, the Service Plan Debt Issuance Limit was voted in every power relative to debt for public improvements. With that understanding, on May 3, 2022, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $1,260,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2025, the District had authorized but unissued electoral indebtedness of $1,243,560,000..

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

Developer Advances

The District has entered into agreements with Conexus, LLC (the Developer) as follows:

Reimbursement Agreement

On June 9, 2022, the District, along with District No. 2, and the Developer entered into a Reimbursement Agreement to repay advances made by the Developer for operations and maintenance costs. The District agreed to repay the Developer for such advances plus accrued interest at 8% simple interest from the date of advance to the date of repayment. As of December 31, 2025, there was $206,216 in principal and $38,279 in in accrued interest outstanding under this agreement.

Facilities Funding and Acquisition Agreement

On June 9, 2022, the District, along with District No. 2, and the Developer entered into a Facilities Funding and Acquisition Agreement to repay advances made by the Developer for capital infrastructure costs. The District agreed to repay the Developer for such capital advances plus accrued interest at 8% simple interest from the date of expenditure to the date of repayment. As of December 31, 2025, there was $487,894 in principal and $1,284 in accrued interest outstanding under this agreement.

NOTE 6 NET POSITION

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

Restricted net position includes assets with restrictions 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:	
Emergencies	$ 1,400
Capital Projects Reserve	4,984,258
Total Restricted Net Position	$ 4,985,658

The District has a deficit unrestricted net position as of December 31, 2025. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements.

NOTE 7 RELATED PARTIES

The members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS

Conexus Infrastructure Improvements Agreement

On October 20, 2022, the District entered into the Conexus Infrastructure Improvements Agreement with Triview Metropolitan District (Triview) for the purpose of transferring Road and Bridge Fees (Fees) from Triview to the District for use on the Old Denver Road Improvement within Triview boundaries. As of December 31, 2025, no Fees have been received under this agreement.

Project Management Agreement

On March 27, 2025, the District entered into a Program Management Agreement with Schuck Communities, Inc (the Manager) for the purpose of the Manager to assist, manage, and supervise the completion of various construction efforts on the projects, and the Manager agrees to act as the manager for the construction of the projects at the request of the District. In consideration of the performance by Manager of the Development Services, the Manager shall be paid a 5% (the Management Fee) of all eligible costs incurred in connection with the design, construction, and installation of each project. The Management Fee shall be verified by an independent engineer engaged by the District, which Management Fee shall also be verified as reasonable for similar projects as constructed in the Denver Metro area.

NOTE 8 AGREEMENTS (CONTINUED)

Teachout Creek Crossing Improvements Agreement

On March 3, 2025, the District entered the Teachout Creek Crossing Improvements Agreement (TCCIA) with Triview and the Developer for the purpose of funding and constructing certain public improvements. Triview funded an escrow account not to exceed $825,000 which was to be paid back upon the issuance of the Bonds. The agreement was fulfilled on August 8, 2025, with a payment of $801,565 to Triview.

Conexus Master Public Improvements Escrow Agreement

On May 16, 2024, the District entered into the Conexus Master Public Improvements Escrow Agreement (PIA) with the Developer, the Town of Monument (the Town) and Land Title Guarantee Company (the Escrow Agent) for the purpose of allocating $9,098,039 for certain public improvements. The escrow was funded in the aforementioned amount on June 27, 2025. The Board approved the investment of these funds in Alpine Bank. As of December 31, 2025, there was $4,971,130 in funds remaining in the escrow account.

Capital Pledge Agreement

On June 1, 2025, the District entered into a Capital Pledge Agreement with Conexus Metropolitan District No. 2 (District No. 2) for the purpose of receiving capital revenue from District No. 2 to pay debt service on the District's Limited Tax General Obligation and Special Revenue Bonds, Series 2025A (See Note 5). District No. 2's obligation under the agreement is limited to $5,000,000 in principal, bears interest at 7.00%, and is payable solely from pledged capital revenue. Total payments under the agreement may not exceed $19,150,694.

Intergovernmental District Facilities and Construction Service Agreement

On June 9, 2022, the District and District No. 2 entered into an Intergovernmental District Facilities Construction and Service Agreement (Master IGA) for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the improvements (to the extent not dedicated to another governmental entity) and funding of the same.

NOTE 9 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund to the Debt Service Fund was to provide the initial deposit for the Surplus Fund and Capitalized Interest Fund.

NOTE 10 ECONOMIC DEPENDENCY

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

NOTE 11 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). 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 property liability 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 12 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 shortfalls, or salary or benefit increases.

On May 3, 2022, the District's voters authorized the District to increase property taxes $10,000,000 annually, for general operations and maintenance and $10,000,000 annually for capital costs. The election also allows the District to collect, spend, and retain all revenues without regard to the limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR).

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.

NOTE 12 TAX, SPENDING, AND DEBT LIMITATION (CONTINUED)

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

CONEXUS METROPOLITAN DISTRICT NO. 1
DEBT SERVICE 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	$ -	$ 71,546	$ 71,546
Total Revenues	-	71,546	71,546
EXPENDITURES			
Bond Interest	1,578,300	442,396	1,135,904
Total Expenditures	1,578,300	442,396	1,135,904
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,578,300)	(370,850)	1,207,450
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	7,156,900	4,691,625	(2,465,275)
Total Other Financing Sources (Uses)	7,156,900	4,691,625	(2,465,275)
NET CHANGE IN FUND BALANCE	5,578,600	4,320,775	(1,257,825)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ 5,578,600	$ 4,320,775	$ (1,257,825)

CONEXUS 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	$ -	$ 116,921	$ 116,921
Total Revenues	-	116,921	116,921
EXPENDITURES			
Accounting	-	5,652	(5,652)
Engineering	10,000	34,157	(24,157)
Legal	-	2,603	(2,603)
Organization Costs	-	95,579	(95,579)
Capital Outlay	18,362,000	5,314,688	13,047,312
Bond Issue Costs	776,100	680,524	95,576
Total Expenditures	19,148,100	6,133,203	13,014,897
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,148,100)	(6,016,282)	13,131,818
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	26,305,000	16,440,000	(9,865,000)
Bond Discount	-	(543,013)	(543,013)
Developer Advance	-	2,313,585	2,313,585
Repay Developer Advance	-	(2,518,407)	(2,518,407)
Transfers To Other Fund	(7,156,900)	(4,691,625)	2,465,275
Total Other Financing Sources (Uses)	19,148,100	11,000,540	(8,147,560)
NET CHANGE IN FUND BALANCE	-	4,984,258	4,984,258
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 4,984,258	$ 4,984,258

OTHER INFORMATION

CONEXUS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF NET 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	
2022/2023	$ 333,480	0.00%	-	-	-	$ -	$ -	- %
2023/2024	539,300	61.72%	35.000	-	35.000	18,876	18,875	99.99 %
2024/2025	1,078,680	100.01%	36.379	-	36.379	39,241	39,241	100.00 %
Estimated for Year Ending December 31, 2026	$ 2,144,330	98.79%	5.370	32.222	37.592	80,610		

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 County Assessor and Treasurer.

CONEXUS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2025

Bonds and Interest Maturing in the Year Ending December 31,	$16,440,000 Limited Tax General Obligation and Special Revenue Bonds, Series 2025A Dated June 26, 2025 Interest Rate Fixed 6.25% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2026	$ -	$ 1,027,500	$ 1,027,500
2027	-	1,027,500	1,027,500
2028	-	1,027,500	1,027,500
2029	-	1,027,500	1,027,500
2030	-	1,027,500	1,027,500
2031	-	1,027,500	1,027,500
2032	-	1,027,500	1,027,500
2033	-	1,027,500	1,027,500
2034	-	1,027,500	1,027,500
2035	-	1,027,500	1,027,500
2036	125,000	1,027,500	1,152,500
2037	220,000	1,019,688	1,239,688
2038	310,000	1,005,938	1,315,938
2039	365,000	986,563	1,351,563
2040	420,000	963,750	1,383,750
2041	460,000	937,500	1,397,500
2042	525,000	908,750	1,433,750
2043	565,000	875,938	1,440,938
2044	625,000	840,625	1,465,625
2045	670,000	801,563	1,471,563
2046	735,000	759,688	1,494,688
2047	785,000	713,750	1,498,750
2048	860,000	664,688	1,524,688
2049	920,000	610,938	1,530,938
2050	1,005,000	553,438	1,558,438
2051	1,070,000	490,625	1,560,625
2052	1,165,000	423,750	1,588,750
2053	1,240,000	350,938	1,590,938
2054	1,350,000	273,438	1,623,438
2055	3,025,000	189,063	3,214,063
Total	$ 16,440,000	$ 24,673,131	$ 41,113,131

ANNUAL DISCLOSURE INFORMATION
(UNAUDITED)

CONEXUS METROPOLITAN DISTRICT NO. 1
ANNUAL DISCLOSURE
HISTORY OF ASSESSED VALUATIONS AND MILL LEVIES
DECEMBER 31, 2025

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2022	2023	$ 333,480	- %	0.000	0.000
2023	2024	539,300	61.72%	35.000	0.000
2024	2025	1,078,680	100.01%	36.379	0.000
2025	2026	2,144,330	98.79%	5.370	32.222

Source: El Paso County Assessor

Conexus Metropolitan District No. 2

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2022	2023	$ 330	- %	0.000	0.000
2023	2024	1,270	284.85%	35.000	0.000
2024	2025	64,850	5006.30%	35.000	0.000
2025	2026	64,620	-0.35%	5.370	32.222

Source: El Paso County Assessor

CONEXUS METROPOLITAN DISTRICT NO. 1
ANNUAL DISCLOSURE
PROPERTY TAX COLLECTIONS
DECEMBER 31, 2025

Levy Year	Collection Year	Taxes Levied	Current Tax Collection (1)	Collection Rate
2022	2023	$ -	$ -	- %
2023	2024	18,876	18,875	99.99%
2024	2025	39,241	39,241	100.00%
2025	2026	80,610	80,262	99.57%

(1) Collections as of April 30, 2026
Source: El Paso County Assessor and Treasurer

Conexus Metropolitan District No. 2

Levy Year	Collection Year	Taxes Levied	Current Tax Collection (1)	Collection Rate
2022	2023	$ -	$ -	- %
2023	2024	44	44	100.00%
2024	2025	2,270	2,270	100.00%
2025	2026	2,429	2,414	99.38%

(1) Collections as of April 30, 2026
Source: El Paso County Assessor and Treasurer

CONEXUS METROPOLITAN DISTRICT NO. 1
ANNUAL DISCLOSURE
ANNUAL DEVELOPMENT ACTIVITY
DECEMBER 31, 2025

Year	Assessed Valuation		Development Activity						Pledged		Surplus Fund Balance	
			Projected Completed Commercial Square Footage (3)		Projected Completed Improvements (3)		Actual Certificates of Occupancy (4)		Public Improvement Fees			
	Projected (1)	Actual (2)	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Projected (5)	Actual (6)	Projected (7)	Actual (8)
2025	1,143,530	2,144,330	-	-	5,314,688	5,314,688	-	-	-	-	1,589,000	1,613,320
2026	2,208,717	-	-	-	-	-	-	-	-	-	1,659,000	-
2027	2,607,135	-	-	-	-	-	-	-	-	-	1,745,735	-
2028	8,413,000	-	104,000	104,000	-	-	-	-	41,482	-	1,645,238	-
2029	24,291,346	-	268,000	372,000	-	-	-	-	162,252	-	1,652,484	-
2030	36,851,536	-	32,400	404,400	-	-	-	-	287,962	-	2,211,960	-
2031	43,490,321	-	63,085	467,485	-	-	-	-	368,172	-	3,080,988	-
2032	46,632,592	-	23,284	490,769	-	-	-	-	398,748	-	3,178,000	-
2033	46,632,592	-	-	490,769	-	-	-	-	402,735	-	3,178,000	-
2034	47,564,632	-	-	490,769	-	-	-	-	406,763	-	3,178,000	-
2035	47,564,632	-	-	490,769	-	-	-	-	410,830	-	3,178,000	-
2036	48,515,307	-	-	490,769	-	-	-	-	414,939	-	3,178,000	-
2037	48,515,307	-	-	490,769	-	-	-	-	419,088	-	3,178,000	-
2038	49,484,988	-	-	490,769	-	-	-	-	423,279	-	3,178,000	-
2039	49,484,988	-	-	490,769	-	-	-	-	427,512	-	3,178,000	-
2040	50,474,057	-	-	490,769	-	-	-	-	431,787	-	3,178,000	-
2041	50,474,057	-	-	490,769	-	-	-	-	436,105	-	3,178,000	-
2042	51,482,900	-	-	490,769	-	-	-	-	440,466	-	3,178,000	-
2043	51,482,900	-	-	490,769	-	-	-	-	444,870	-	3,178,000	-
2044	52,511,912	-	-	490,769	-	-	-	-	449,319	-	3,178,000	-
2045	52,511,912	-	-	490,769	-	-	-	-	453,812	-	3,178,000	-
2046	53,561,498	-	-	490,769	-	-	-	-	458,350	-	3,178,000	-
2047	53,561,498	-	-	490,769	-	-	-	-	462,934	-	3,178,000	-
2048	54,632,067	-	-	490,769	-	-	-	-	467,563	-	3,178,000	-
2049	54,632,067	-	-	490,769	-	-	-	-	472,239	-	3,178,000	-
2050	55,724,041	-	-	490,769	-	-	-	-	476,961	-	3,178,000	-
2051	55,724,041	-	-	490,769	-	-	-	-	481,731	-	3,178,000	-
2052	56,837,846	-	-	490,769	-	-	-	-	486,548	-	3,178,000	-
2053	56,837,846	-	-	490,769	-	-	-	-	491,414	-	3,178,000	-
2054	57,973,918	-	-	490,769	-	-	-	-	496,328	-	3,178,000	-
2055	57,973,918	-	-	490,769	-	-	-	-	501,291	-	-	-