REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Reata Ridge Village Metropolitan District No. 1
Douglas County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Reata Ridge Village 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 Reata Ridge Village Metropolitan District No. 1 as of December 31, 2025, and the respective changes in financial position and 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 our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental 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.

Supplemental 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 supplemental information as noted in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Unaudited Information

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

Flynn CPA, LLC

Castle Pines, CO
September 9, 2026

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1

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

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash	$ 90,006	$ -	$ 90,006	$ -	$ 90,006
Cash - restricted	953	4,448	5,401	-	5,401
Receivable - County Treasurer	215	1,645	1,860	-	1,860
Property taxes receivable	33,490	260,136	293,626	-	293,626
Due from District No. 2	1,750	-	1,750	-	1,750
Total Assets	$ 126,414	$ 266,229	$ 392,643	-	392,643
LIABILITIES					
Accounts payable	$ 5,379	$ -	$ 5,379	-	5,379
Due to District #2	-	6,093	6,093	-	6,093
Total Liabilities	5,379	6,093	11,472	-	11,472
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	33,490	260,136	293,626	-	293,626
Total Deferred Inflows of Resources	33,490	260,136	293,626	-	293,626
FUND BALANCES/NET POSITION					
Fund Balances:					
Restricted:					
Emergencies	953	-	953	(953)	-
Assigned:					
Subsequent years disbursements	73,276	-	73,276	(73,276)	-
Unassigned	13,316	-	13,316	(13,316)	-
Total Fund Balances	87,545	-	87,545	(87,545)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 126,414	$ 266,229	$ 392,643		
Net Position:					
Restricted for:					
Emergencies				953	953
Unrestricted				86,592	86,592
Total Net Position				$ 87,545	$ 87,545

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

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1

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

	General	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES					
Accounting and audit	$ 13,402	$ -	$ 13,402	$ -	$ 13,402
Insurance	655	-	655	-	655
Legal	7,793	-	7,793	-	7,793
Miscellaneous expenses	673	-	673	-	673
Transfers to District No. 2	-	271,800	271,800	-	271,800
Treasurer's fees	503	3,839	4,342	-	4,342
Paying agent fees	7,000	-	7,000	-	7,000
Total Expenditures	30,026	275,639	305,665	-	305,665
GENERAL REVENUES					
Property taxes	33,492	255,834	289,326	-	289,326
Specific ownership taxes	2,578	19,691	22,269	-	22,269
Interest income	15	114	129	-	129
Total General Revenues	36,085	275,639	311,724	-	311,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,059	-	6,059	-	6,059
NET CHANGES IN FUND BALANCES	6,059	-	6,059	(6,059)	
CHANGE IN NET POSITION				6,059	6,059
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	81,486	-	81,486	-	81,486
END OF YEAR	$ 87,545	$ -	$ 87,545	$ -	$ 87,545

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

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1

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

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 33,492	$ 33,492	$ -
Specific ownership taxes	2,010	2,578	568
Interest income	-	15	15
Total Revenues	35,502	36,085	583
EXPENDITURES			
Accounting and audit	12,600	13,402	(802)
Dues	175	-	175
Election expense	2,000	-	2,000
Insurance	290	655	(365)
Legal	10,000	7,793	2,207
Miscellaneous expenses	1,000	673	327
Treasurer's fees	502	503	(1)
Paying agent fees	2,500	7,000	(4,500)
Transfer to District No. 2 Debt Service	20,000	-	20,000
Contingency	49,135	-	49,135
Emergency reserve	872	-	872
Total Expenditures	99,074	30,026	69,048
NET CHANGE IN FUND BALANCE	(63,572)	6,059	69,631
FUND BALANCE:			
BEGINNING OF YEAR	63,572	81,486	17,914
END OF YEAR	$ -	$ 87,545	$ 87,545

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

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Reata Ridge Village Metropolitan District No. 1, located in the Town of Parker, Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on May 20, 2016, as a quasi-municipal corporation and political subdivision of the State of Colorado established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the property owners and taxpayers of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

The District was organized in conjunction with Reata Ridge Village Metropolitan District No. 2 under the Consolidated Service Plan for Reata Ridge Village Metropolitan District Nos. 1 and 2, approved by the Town of Parker n April 4, 2016 (with Amended and Restated Exhibits A and C-1 for District No. 2, approved January 17, 2017).

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

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

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

Basis of Presentation

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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

The District reports the following major governmental funds:

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

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

Budgetary Accounting

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

On September 14, 2026, the District amended its total appropriations in the Debt Service Fund from $271,184 to $275,734 primarily due to the receipt of specific ownership taxes above the amount budgeted and transferred to Reata Ridge Village Metropolitan District No. 2 ("District No. 2") pursuant to the Capital Pledge Agreement (see Note 7).

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

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

Deposits

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

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

Estimates

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

Deferred Outflows/Inflows of Resources

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

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

Property Taxes

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

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

Fund Balance

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $953 of the General Fund balance has been restricted in compliance with this requirement.

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

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

The assigned fund balance in the amount of $73,276 in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2026.

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

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

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

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

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

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

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the 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 2: Cash

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

Statement of Net Position:	
Cash	$ 90,006
Cash – restricted	5,401
	$ 95,407

Cash as of December 31, 2025, consists of the following:

Deposits with financial institutions	$ 95,407

Deposits

Custodial Credit Risk

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

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

Note 3: Long Term Debt

As of December 31, 2025, the District had remaining voted debt authorization of approximately $102,691,315. The District's obligation to impose the capital mill levy under the Capital Pledge Agreement (see Note 7) is subject to a Maximum Debt Mill Levy Imposition Term of 40 years from the

year of initial imposition of the mill levy on any residential property within the District, as set forth in the Service Plan and the Capital Pledge Agreement. The District has not budgeted to issue any additional debt in 2026. Per the District and District No. 2's Service Plan and the Intergovernmental Agreement with the Town of Parker, the Districts shall have the authority to issue debt for in an amount not to exceed $6,600,000.

Note 4: Related Parties

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed by the Board Members.

Note 5: Tax, Spending and Debt Limitations

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

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

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

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

Note 6: Risk Management

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

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 7: Intergovernmental Agreements

On December 5, 2017, the District and District No. 2 (together, the "Districts") entered into an Intergovernmental Agreement with the Town of Parker (the "Town"). Under this agreement, the Districts must obtain the approval of the Town Council prior to any inclusion of property outside of the service area into the boundaries of the District. Prior to the issuance of any privately placed debt, the Districts shall obtain a certificate from an External Financial Advisor certifying the reasonableness of the interest rate and the structure. The Agreement requires the Districts to dedicate the public improvements to the Town or other appropriate jurisdiction or owners association for ownership and maintenance consistent with the final approved plat(s) and subdivision agreements for the Property located within the Districts' boundaries, other rules and regulations of the Town, and applicable provisions of the Town Code. The Districts shall not be authorized to operate and maintain any part or all of the Public Improvements. Per the Agreement, the Districts shall not issue debt in excess of $6,600,000.

Capital Pledge Agreement

On December 31, 2019, the District and District No. 2 entered into a Capital Pledge Agreement. Under the Capital Pledge Agreement, the District pledged the Senior and Subordinate Capital Revenue to the repayment of District No. 2's Series 2019A and Series 2019B$_{(3)}$ Bonds from revenues generated from the imposition of a capital mill levy. The District shall impose an ad valorem mill levy upon all taxable property of the District each year sufficient (when combined with other revenues of the District and District No. 2) to pay annual bond costs, replenish District No. 2's Reserve Fund to the reserve requirement, if necessary, and fund the Surplus Fund but not in excess of 47.678 mills less the District's Operations Levy (as described in the Pledge Agreement), subject to adjustment. The Capital Pledge Agreement will terminate on the first date on which no District obligations are outstanding, provided, however, that in no event shall the term of this Agreement extend beyond the Maximum Debt Mill Levy Imposition Term (as described in the Pledge Agreement).

SUPPLEMENTAL INFORMATION

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1

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

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 255,834	$ 255,834	$ 255,834	$ -
Specific ownership taxes	15,350	19,700	19,691	(9)
Interest income	-	200	114	(86)
Total Revenues	271,184	275,734	275,639	(95)
EXPENDITURES				
Transfers to District No. 2	267,346	271,895	271,800	95
Treasurer's fees	3,838	3,839	3,839	-
Total Expenditures	271,184	275,734	275,639	95
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE:				
BEGINNING OF YEAR	-	-	-	-
END OF YEAR	$ -	$ -	$ -	$ -

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

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1

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

Levy Year Ended December 31,	Collection Year Ended December 31,	Assessed Valuation	% Increase	Mills Levied General Fund	Mills Levied Debt Service	Total Property Tax Levied	Total Property Tax Collected (1)	Percent Collected to Levied
2018	2019	$ 1,489,230	0.00%	47.347	0.000	$ 70,511	$ 70,511	100.00%
2019	2020	$ 1,846,500	23.99%	17.798	29.880	$ 88,037	$ 88,038	100.00%
2020	2021	$ 3,051,100	65.24%	10.871	36.807	$ 145,470	$ 145,471	100.00%
2021	2022	$ 3,764,330	23.38%	8.813	38.865	$ 179,476	$ 179,475	100.00%
2022	2023	$ 4,238,600	12.60%	7.901	41.077	$ 207,598	$ 207,598	100.00%
2023	2024	$ 5,362,040	26.50%	6.246	47.700	$ 289,260	$ 290,552	100.45%
2024	2025	$ 5,363,840	0.03%	6.244	47.696	$ 289,326	$ 289,326	100.00%
Estimated for year ending December 31, 2025	2026	$ 5,397,240	0.66%	6.205	48.198	$ 293,626		

NOTE

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

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1

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

History of Assessed Valuations and Mill Levies for District No. 1

Levy Year	Collection Year	Assessed Valuation	Percent Increase	Debt Service Mill Levy
2019	2020	1,846,500	0%	29.880
2020	2021	3,051,100	65%	36.807
2021	2022	3,764,330	23%	38.865
2022	2023	4,238,600	13%	41.077
2023	2024	5,362,040	27%	47.700
2024	2025	5,363,840	0%	47.696
2025	2026	5,397,240	1%	48.198

Property Tax Collections in District No. 1

Levy Year	Collection Year	Debt Service Taxes Levied	Debt Service Current Tax Collections (1)	Current Collections as % of Tax Levied
2019	2020	55,173	55,174	100%
2020	2021	112,302	112,302	100%
2021	2022	146,301	146,300	100%
2022	2023	174,109	174,109	100%
2023	2024	255,769	256,911	100%
2024	2025	255,834	255,834	100%
2025	2026	260,136		

(1) Figures are through December 31, 2025