

RIVERDALE RANCH METROPOLITAN DISTRICT

2025 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Riverdale Ranch Metropolitan District (the “**District**”), the District is required to provide an annual report to the City of Thornton with regard to the following matters:

For the year ending December 31, 2025, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no boundary changes in 2025.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

There are no intergovernmental agreements other than the existing IGA with the City of Thornton which was done in conjunction with the approval of the Service Plan and is on file with the City.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District has yet to adopt rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2025.

5. The status of the construction of public improvements by the District.

The developer of the project constructed the public improvements and submitted certified costs to the District for reimbursement. As of December 31, 2020, the District had reimbursed the developer approximately \$2,840,000 from bonded project funds. There has been no further public improvement funding/construction involving the District.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

Public improvements were previously constructed by the developer and dedicated to the City.

- 7. The final assessed valuation of the District as of December 31st of the reporting year.**

The taxable assessed valuation for 2025 was \$5,393,870.

- 8. A copy of the current year's budget.**

*A copy of the 2026 Budget is attached hereto as **Exhibit A**.*

- 9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

*A copy of the 2024 audited financial statements is attached hereto as **Exhibit B**.*

- 10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

To our actual knowledge, the District did not receive notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any debt instrument.

- 11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

To our actual knowledge, there was not any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

Service Plan Requirements

- 12. A description of the public improvements to be constructed in the current year.**

None. Public improvements were previously constructed by the developer and conveyed to the City.

EXHIBIT A
2026 Budget

RESOLUTION
ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY AND CERTIFYING
MILL LEVIES FOR THE CALENDAR YEAR 2026

The Board of Directors of Riverdale Ranch Metropolitan District (the “**Board**”), City of Thornton, Adams County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 2, 2025, at the hour of 1:00 p.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2026 BUDGET

Colorado Trust for Local News
143 S. Second Place
Brighton, CO 80601

Riverdale Ranch Metro Dist (wba) **
c/o White Bear Ankele
2154 East Commons Avenue, Suite 2000
Centennial CO 80122

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Adams } ss

This Affidavit of Publication for the Northglenn-Thornton Sentinel, a weekly newspaper, printed and published for the County of Adams, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 9/18/2025, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

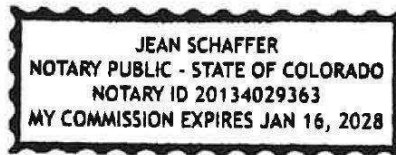
For the Northglenn-Thornton Sentinel

State of Colorado }
County of Adams } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Erin Adams, director of said newspaper, who is personally known to me to be the identical person in the above certificate on 9/18/2025. Erin Adams has verified to me that she has adopted an electronic signature to function as her signature on this document.

20134029363-456695

Jean Schaffer
Notary Public
My commission ends January 16, 2028



Public Notice

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2026 BUDGET AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2025 BUDGET

The Board of Directors (the "Board") of the RIVERDALE RANCH METROPOLITAN DISTRICT (the "District"), will hold a public hearing at 712 Main Street, Louisville, CO 80027 and via teleconference on October 2, 2025, at 1:00 PM, to consider adoption of the District's proposed 2026 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2025 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

Zoom Meeting Link:
<https://us06web.zoom.us/j/82598073989?pwd=9Bf2MEwAaUwISG1FXEJaDB5nNYEdws.1>
Meeting ID: 825 9807 3989
Passcode: 156054
Call-In Number: +720-707-2699
or 719-359-4580

The Proposed Budget and Amended Budget are available for public inspection at the offices of Simmons & Wheeler, 304 Inverness Way S #190, Englewood, CO 80112.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at <https://riverdale ranchmetrodistrict.com/> or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:

RIVERDALE RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WBA, P.C.
Attorneys at Law

Legal Notice No. NTS4864
First Publication: September 18, 2025
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Publisher: Northglenn-Thornton Sentinel

WHEREAS, the Board has appointed its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2026. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2026 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Adams County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 7. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED OCTOBER 2, 2025.

DISTRICT:

RIVERDALE RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado



By: Michael J Gay (Dec 19, 2025 15:41:25 MST)

Officer of the District

ATTEST:

By: ~~Paul Squillace~~ (Dec 19, 2025 15:47:39 MST)

STATE OF COLORADO
COUNTY OF ADAMS
RIVERDALE RANCH METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Thursday, October 2, 2025, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 19th day of December, 2025.

~~Paul Squillace~~ (Dec 19, 2025 15:47:39 MST)

Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

RIVERDALE RANCH METROPOLITAN DISTRICT
2026
BUDGET MESSAGE

Attached please find a copy of the adopted 2026 budget for the Riverdale Ranch Metropolitan District

The Riverdale Ranch Metropolitan District has adopted a budget for two separate funds, a General Fund to provide for the payment of operating and maintenance expenditures; and a Debt Service Fund to provide for payments on the outstanding general obligation bonds

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2026 will be specific ownership taxes and property taxes from the imposition of a 60.250 mill levy on property within the district for 2026, of which 5.250 mills will be dedicated to the General Fund and the balance of 55.000 mills will be allocated to the Debt Service Fund.

Riverdale Ranch Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2026

	Actual <u>2024</u>	Adopted Budget <u>2025</u>	Actual 6/30/2025	Estimate <u>2025</u>	Adopted Budget <u>2026</u>
Beginning fund balance	\$ 21,250	\$ 28,412	\$ 36,882	\$ 36,882	\$ 38,245
Revenues:					
Property taxes	35,641	35,140	34,931	35,195	28,318
Specific ownership taxes	1,721	1,756	878	1,700	1,415
Interest Income	<u>10,275</u>	<u>1,000</u>	<u>2,643</u>	<u>4,500</u>	<u>1,000</u>
Total revenues	<u>47,637</u>	<u>37,896</u>	<u>38,452</u>	<u>41,395</u>	<u>30,733</u>
Total funds available	<u>68,887</u>	<u>66,308</u>	<u>75,334</u>	<u>78,277</u>	<u>68,978</u>
Expenditures:					
Accounting/Audit	13,334	13,000	10,927	14,000	14,500
Election	188	2,500	3,094	4,000	-
Insurance/ SDA Dues	2,601	3,000	2,357	2,500	3,000
Legal	15,277	15,000	7,351	16,000	16,000
Miscellaneous	70	3,000	30	3,000	3,000
Treasurer's Fees	535	527	524	532	425
Contingency	-	28,170	-	-	30,945
Emergency Reserve	<u>-</u>	<u>1,111</u>	<u>-</u>	<u>-</u>	<u>1,108</u>
Total expenditures	<u>32,005</u>	<u>66,308</u>	<u>24,283</u>	<u>40,032</u>	<u>68,978</u>
Ending fund balance	<u>\$ 36,882</u>	<u>\$ -</u>	<u>\$ 51,051</u>	<u>\$ 38,245</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 5,406,170</u>			<u>\$ 5,393,870</u>
Mill Levy		<u>6.500</u>			<u>5.250</u>
Max 2026 revenue					<u>37,512</u>
Max mill levy					<u>6.955</u>

Riverdale Ranch Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2026

	Actual <u>2024</u>	Amended Budget <u>2025</u>	Actual <u>6/30/2025</u>	Estimate <u>2025</u>	Adopted Budget <u>2026</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Bond premium	-	-	-	-	-
Other Income	-	-	-	-	-
Original Issue Premium	-	-	-	-	-
Transfer from Debt Service	-	460,000	452,038	452,038	-
Interest	-	-	-	-	-
Developer advances	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	-	460,000	452,038	452,038	-
Total funds available	<u>-</u>	<u>460,000</u>	<u>452,038</u>	<u>452,038</u>	<u>-</u>
Expenditures:					
Repay developer advances	-	460,000	452,038	452,038	-
Transfer to Debt Service	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	460,000	452,038	452,038	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Riverdale Ranch Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2026

	Actual <u>2024</u>	Amended Budget <u>2025</u>	Actual 6/30/2025	Estimate <u>2025</u>	Adopted Budget <u>2026</u>
Beginning fund balance	\$ 532,097	\$ 660,097	\$ 675,633	\$ 675,633	\$ 89,454
Revenues:					
Property taxes	351,584	349,898	347,812	349,800	296,663
Specific ownership taxes	16,977	17,495	8,738	17,000	14,833
Bond Proceeds	-	5,410,000	5,182,167	5,182,167	-
Interest income	<u>26,999</u>	<u>5,000</u>	<u>9,184</u>	<u>12,000</u>	<u>5,000</u>
Total revenues	<u>395,560</u>	<u>5,782,393</u>	<u>5,547,901</u>	<u>5,560,967</u>	<u>316,496</u>
Total funds available	<u>927,657</u>	<u>6,442,490</u>	<u>6,223,534</u>	<u>6,236,600</u>	<u>405,950</u>
Expenditures:					
Bond interest expense	194,750	162,027	44,009	167,784	241,550
Bond principal	45,000	125,000	-	120,000	60,000
Bond intetest 2019B	-	-	-	-	-
Treasurer's fees	5,274	5,248	5,218	5,247	4,450
Transfer to Escrow agent	-	5,008,940	5,008,940	5,008,940	-
Transfer to Capital Projects fun	-	460,000	452,038	452,038	-
Cost of issuance	-	451,785	384,637	384,637	-
Trustee / paying agent fees	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>8,500</u>	<u>9,500</u>
Total expenditures	<u>252,024</u>	<u>6,220,000</u>	<u>5,901,842</u>	<u>6,147,146</u>	<u>315,500</u>
Ending fund balance	<u>\$ 675,633</u>	<u>\$ 222,490</u>	<u>\$ 321,692</u>	<u>\$ 89,454</u>	<u>\$ 90,450</u>
Assessed valuation		<u>\$ 5,406,170</u>			<u>\$ 5,393,870</u>
Mill Levy		<u>64.722</u>			<u>55.000</u>
Total Mill Levy		<u>71.222</u>			<u>60.250</u>

EXHIBIT B
2024 Audit

RIVERDALE RANCH METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2024

with

Independent Auditors' Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Riverdale Ranch Metropolitan District
Adams County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Riverdale Ranch Metropolitan District (the "District") as of and for the year ended December 31, 2024, 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, 2024, 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 Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as 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.

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is written in a cursive, flowing style and is positioned above a horizontal line.

Flynn CPA, LLC

Castle Pines, CO
June 9, 2025

RIVERDALE RANCH METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 30,491	\$ -	\$ 30,491	\$ -	\$ 30,491
Cash and investments - restricted	1,111	674,317	675,428	-	675,428
Receivable - County Treasurer	133	1,316	1,449	-	1,449
Property taxes receivable	35,140	349,898	385,038	-	385,038
Prepaid expenses	9,076	-	9,076	-	9,076
Capital assets not being depreciated	-	-	-	3,772,873	3,772,873
Total Assets	<u>\$ 75,951</u>	<u>\$ 1,025,531</u>	<u>\$ 1,101,482</u>	<u>3,772,873</u>	<u>4,874,355</u>
LIABILITIES					
Accounts payable	\$ 4,396	\$ -	\$ 4,396	-	4,396
Accrued interest	-	-	-	325,748	325,748
Long-term liabilities:					
Due within one year	-	-	-	50,000	50,000
Due in more than one year	-	-	-	5,001,428	5,001,428
Total Liabilities	<u>4,396</u>	<u>-</u>	<u>4,396</u>	<u>5,377,176</u>	<u>5,381,572</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>35,140</u>	<u>349,898</u>	<u>385,038</u>	<u>-</u>	<u>385,038</u>
Total Deferred Inflows of Resources	<u>35,140</u>	<u>349,898</u>	<u>385,038</u>	<u>-</u>	<u>385,038</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	9,076	-	9,076	(9,076)	-
Restricted:					
Emergencies	1,111	-	1,111	(1,111)	-
Debt service	-	675,633	675,633	(675,633)	-
Unassigned	<u>26,228</u>	<u>-</u>	<u>26,228</u>	<u>(26,228)</u>	<u>-</u>
Total Fund Balances	<u>36,415</u>	<u>675,633</u>	<u>712,048</u>	<u>(712,048)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 75,951</u>	<u>\$ 1,025,531</u>	<u>\$ 1,101,482</u>		
Net Position:					
Restricted for:					
Emergencies				1,111	1,111
Debt service				349,885	349,885
Unrestricted				<u>(1,243,251)</u>	<u>(1,243,251)</u>
Total Net Position				<u>\$ (892,255)</u>	<u>\$ (892,255)</u>

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

RIVERDALE RANCH METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Period Ended December 31, 2024

	<u>General</u>	Debt <u>Service</u>	<u>Total</u>	<u>Adjustments</u>	Statement of <u>Activities</u>
EXPENDITURES					
Accounting and Audit	\$ 13,801	\$ -	\$ 13,801	\$ -	\$ 13,801
Election expense	188	-	188	-	188
Insurance	2,601	-	2,601	-	2,601
Legal	15,277	-	15,277	-	15,277
Miscellaneous expenses	70	-	70	-	70
Treasurer's fees	535	5,274	5,809	-	5,809
Bond principal	-	45,000	45,000	(45,000)	-
Bond interest expense	-	194,750	194,750	65,512	260,262
Paying Agent Fees	-	7,000	7,000	-	7,000
Total Expenditures	<u>32,472</u>	<u>252,024</u>	<u>284,496</u>	<u>51,781</u>	<u>336,277</u>
GENERAL REVENUES					
Property taxes	35,641	351,584	387,225	-	387,225
Specific ownership taxes	1,721	16,977	18,698	-	18,698
Interest and other income	<u>10,276</u>	<u>26,999</u>	<u>37,275</u>	-	<u>37,275</u>
Total General Revenues	<u>47,638</u>	<u>395,560</u>	<u>443,198</u>	-	<u>443,198</u>
NET CHANGES IN FUND BALANCES	15,166	143,536	158,702	(158,702)	
CHANGE IN NET POSITION				106,921	106,921
FUND BALANCES/NET POSITION:					
BEGINNING OF PERIOD	<u>21,249</u>	<u>532,097</u>	<u>553,346</u>	<u>(1,552,522)</u>	<u>(999,176)</u>
END OF PERIOD	<u>\$ 36,415</u>	<u>\$ 675,633</u>	<u>\$ 712,048</u>	<u>\$ (1,604,303)</u>	<u>\$ (892,255)</u>

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

RIVERDALE RANCH METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Period Ended December 31, 2024

	Original & Final		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 35,487	\$ 35,641	\$ 154
Specific ownership taxes	1,773	1,721	(52)
Interest and other income	-	10,276	10,276
Total Revenues	37,260	47,638	10,378
EXPENDITURES			
Accounting and Audit	12,000	13,801	(1,801)
Election expense	-	188	(188)
Insurance	3,000	2,601	399
Legal	15,000	15,277	(277)
Miscellaneous expenses	3,000	70	2,930
Treasurer's fees	532	535	(3)
Contingency	21,772	-	21,772
Emergency reserve	1,006	-	1,006
Total Expenditures	56,310	32,472	23,838
NET CHANGE IN FUND BALANCE	(19,050)	15,166	34,216
FUND BALANCE:			
BEGINNING OF PERIOD	19,050	21,249	2,199
END OF PERIOD	\$ -	\$ 36,415	\$ 36,415

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

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Riverdale Ranch Metropolitan District (“District”), located in the City of Thornton (“the City”) in Adams 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 21, 2018, as a quasi-municipal organization established under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by the City of Thornton (the “City”) on February 27, 2018 (the “Service Plan”). The District was established to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of water, sanitation/storm sewer, street, safety protection, parks and recreation, transportation, limited television relay and translation facilities, mosquito control and limited fire protection services within and without the boundaries of the District. The District’s primary sources of revenues are developer advances and property taxes. The District is governed by an elected Board of Directors.

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

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

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

Basis of Presentation

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

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

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 *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

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

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Budgetary Accounting

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

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2024, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

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 minimum number of bank accounts. 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.

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.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

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

Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

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 30 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.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

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.

Long-Term Obligations

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

Original Issue Premium

Original issue premium from the Series 2019A Bonds is being amortized over the term of the bonds using the effective interest method. Accumulated amortization amounted to \$9,287 at December 31, 2024.

Fund Equity

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

Nonspendable Fund Balance

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

The nonspendable fund balance of \$9,076 represents prepaid expenses.

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 \$1,111 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$675,633 is restricted for the payment of the debt service costs associated with the Series 2019A Bonds and 2019B Bonds (see Note 4).

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2024

Note 2: Cash and investments

As of December 31, 2024, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 30,491
Cash and investments - restricted	<u>675,428</u>
Total	<u>\$ 705,919</u>

Cash and investments as of December 31, 2024, consist of the following:

Deposits with financial institutions	\$ 4,579
Investments – COLOTRUST	60,411
Investments - Morgan Stanley #8304	<u>640,929</u>
	<u>\$ 705,919</u>

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 follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Credit Risk

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

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment in COLOTRUST is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method (NAV) per share. The District's investment in Morgan Stanley Institutional Liquidity Fund #8304 is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the NAV method.

As of December 31, 2024, the District had the following investments:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. The COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2024, the District had \$60,411 invested in COLOTRUST Plus+.

Morgan Stanley Institutional Liquidity Fund #8304

The District's funds that are in the trust accounts at the UMB Bank were invested in Morgan Stanley Institutional Liquidity Fund #8304. This fund is a money market fund and each share is equal in value to \$1.00. The fund is AAAM rated and invests exclusively in repurchase agreements collateralized by U.S. Treasury securities and U.S. Treasury debt. The average maturity of the underlying securities is 55 days. At December 31, 2024, the District had \$640,929 invested in Morgan Stanley Institutional Liquidity Fund #8304.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2024, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2024</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	<u>\$ 3,772,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,772,873</u>
Total capital assets not being depreciated	<u>3,772,873</u>	<u>-</u>	<u>-</u>	<u>3,772,873</u>
Government type assets, net	<u>\$ 3,772,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,772,873</u>

Pursuant to the Service Plan, all public improvements are to be owned and maintained by the City upon their completion and acceptance by the City, except for park and recreation improvements, which the District is obligated to continue to own and operate.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2024, is as follows:

\$3,935,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A and \$628,000 Subordinate General Obligation Limited Tax Bonds, Series 2019B

On August 20, 2019, the District issued \$3,935,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A (“Series 2019A Bonds”) and \$628,000 Subordinate General Obligation Limited Tax Bonds, Series 2019B (“Series 2019B Bonds”). The Series 2019A Bonds were issued for the purpose of paying or reimbursing Project Costs, funding a portion of the interest to accrue on the Series 2019A Senior Bonds, funding the Senior Reserve Fund, and paying the cost of issuance of the Series 2019A Senior Bond and the Series 2019B Subordinate Bonds. The Series 2019B Bonds were issued for purpose of paying or reimbursing Project Costs. The Series 2019A Bonds bear interest at the rate of 5.00%, payable semiannually on each June 1 and December 1, commencing on December 1, 2019, and mature on December 1, 2049. The Series 2019B Bonds bear interest at the rate of 7.750%, payable annually on December 15, commencing on December 15, 2019, to the extent that Subordinate Pledged Revenue is available, and mature on December 15, 2049. The Series 2019A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2023, and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on September 1, 2024, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2024

The Series 2019A Bonds are secured by the Senior Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, and any other legally available moneys as determined by the District. The Series 2019A Bonds are also secured by the Senior Reserve Fund and the Senior Surplus Fund. The Series 2019B Bonds are secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, the amount in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture, and any other legally available monies as determined by the District.

The 2019B bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Subordinate Pledged Revenue for payment. In the event any amounts due and owing on the 2019B Bonds remain outstanding on December 16, 2059, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Events of Default as defined in the Series 2019A Bonds and the Series 2019B Bonds indentures include 1) the failure or refusal of the District to impose the Required Mill levy, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2019B Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2019A Bonds or the Series 2019B Bonds is not an available remedy for an Event of Default.

Subsequent to year end the Series 2019A Bonds and the Series 2019B Bonds were paid in full, see Note 10.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2019A Bonds.

	Principal	Interest	Total
2025	\$ 50,000	\$ 192,500	\$ 242,500
2026	55,000	190,000	245,000
2027	60,000	187,250	247,250
2028	65,000	184,250	249,250
2029	70,000	181,000	251,000
2030-2034	450,000	845,750	1,295,750
2035-2039	645,000	715,000	1,360,000
20240-2044	910,000	528,250	1,438,250
2045-2049	1,545,000	270,250	1,815,250
	<u>\$ 3,850,000</u>	<u>\$ 3,294,250</u>	<u>\$ 7,144,250</u>

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2024

Because of the uncertainty of the timing of the principal and interest payment on the Series 2019B Bonds, no schedule of principal and interest payments is presented.

The following is an analysis of changes in long-term debt for the year ending December 31, 2024:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Current Portion
General Obligation Bonds					
Series 2019A Bonds	\$ 3,895,000	\$ -	\$ 45,000	\$ 3,850,000	\$ 50,000
Series 2019B Bonds	628,000	-	-	628,000	-
Other					
Developer Advance - Operations					
Principal	71,834	-	-	71,834	-
Accrued Interest	20,276	5,763	-	26,039	-
Developer Advance - Capital					
Principal	317,956	-	-	317,956	-
Accrued Interest	102,581	25,506	-	128,087	-
Premium on Series 2019 Bonds	31,257	-	1,745	29,512	-
	<u>\$ 5,066,904</u>	<u>\$ 31,269</u>	<u>\$ 46,745</u>	<u>\$ 5,051,428</u>	<u>\$ 50,000</u>

Debt Authorization

On May 5, 2018, a majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$57,500,000 for the purpose of financing the costs of acquiring, construction, relocating, installing, completing and otherwise providing public improvements. As of December 31, 2024, \$52,937,000 of this authorization remains unissued. The Service Plan provides that the District shall not issue bonds or other debt in excess of \$10,500,000. At December 31, 2024, \$5,937,000 of this authorization remains unissued.

Note 5: Other Agreements

Funding, Acquisition and Reimbursement Agreement

On October 4, 2018, the District entered into a Funding, Acquisition and Reimbursement Agreement with the Developer. Pursuant to this agreement, the Developer agrees to advance funds to and/or on behalf of the District for costs incurred or to be incurred by the District related to the installation, construction, operation, maintenance, repair and replacement of infrastructure, engineering, architectural, surveying, construction planning, construction management, and related legal, accounting and other professional services in order for the District to provide the public infrastructure, improvements and services as set forth in the Service Plan. Advances made by the Developer under this agreement bear simple interest at the rate of 8.0% per annum. This agreement terminates on December 31, 2021, provided, however, that the District's obligations thereunder remain until repayment in full of Developer Advances. Subsequent to year end these amounts were repaid in full. See Note 10.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

Operations Funding Agreement

On October 4, 2018, the District entered into an Administrative, Operations and Maintenance Advance and Reimbursement Agreement with the Boulder Creek Riverdale Ranch LLC (the “Developer”) (the “Operations Funding Agreement”). The Operations Funding Agreement sets forth the rights, obligations and procedures for the Developer to advance funds to the District for funding Operating Costs, and for the District to reimburse the Developer for such advances. The Developer agreed, to incur and or advance funds in a maximum amount not to exceed a total amount of \$50,000 per year for a period of three years to December 31, 2021, unless otherwise agreed to by the Developer, during the term of the Operations Funding Agreement as may be reasonably requested by the District to pay Operating Costs. The Developer agreed to make an Operations Advance for the reasonable Funding Shortfall for the period requested within 30 days from receipt of the written request. The District agreed that it will, from available sources, reimburse the Developer for all respective Operations Advances, together with simple interest thereon at a rate of 8.0% per annum commencing as of the date of each Operations Advance. The Operations Funding Agreement terminates on December 31, 2021; provided, however, that the District’s obligations thereunder remain until repayment in full of the Operations Advances. Subsequent to year end these amounts were repaid in full. See Note 10.

Intergovernmental Agreement Regarding the Service Plan

On August 22, 2018, the District and the City entered into an Intergovernmental Agreement Regarding the Service Plan for the District (“the IGA”) which requires the District to convey all Public Improvements to the City or other appropriate jurisdiction except for park and recreation improvements, which the District is obligated to continue to own and operate. The IGA, with minor exceptions, also generally prohibits the District from constructing, acquiring or operating any fire protection, television relay and television and telecommunication facilities. The IGA further requires all Public Improvements to generally be constructed in accordance with City standards and specifications and be subject to City zoning and land use requirements. Finally, the IGA limited any District debt to \$10,500,000, prohibits the imposition of any fee for debt that is payable by an end user of taxable property subsequent to the issuance of a certificate of occupancy, imposes a maximum debt service mill levy that is consistent with the District’s definitions of Senior Required Mill Levy and Subordinate Required Mill Levy contained in the Indentures, and imposes a maximum debt service mill levy imposition term that is consistent with the discharge dates described herein.

Note 6: Tax, Spending and Debt Limitations

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

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2024

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.

On May 8, 2018, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

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

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

Note 8: Related Party

A majority 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 to the Board.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2024

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

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

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

- 1) Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method in the statement of activities; and,
- 3) governmental funds report developer advances and/or bond proceeds as revenue and report interest as expenditures; however, these are reported as changes to long-term liabilities on the government-wide financial statements.

Note 10: Subsequent Event

On March 27, 2025 the District issued General Obligation Refunding Bonds, Series 2025 (“2025 Bonds”) in the amount of \$5,175,000 for the purpose of providing funds to refund the Series 2019A Bonds and the Series 2019B Bonds, reimburse costs of public improvements, fund a Reserve Fund, pay the premium on a Bond Insurance Policy and pay costs in connection with the issuance of the 2025 Bonds. The 2025 Bonds bear interest at rates ranging between 4.000% and 5.250% payable semiannually on each June 1 and December 1, commencing on June 1, 2025, and mature on December 1, 2054. The 2025 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2025, and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on February 28, 2031, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

RIVERDALE RANCH METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2024

On March 28, 2025 a portion of the 2025 Bond proceeds were used to repay in full advances and outstanding interest under the Funding, Acquisition and Reimbursement Agreement, see Note 5.

On March 31, 2025, the District entered into an Agreement Regarding Waiver Of Principal And Interest Due And Owing Under The Administrative, Operations And Maintenance Advance And Reimbursement Agreement with the Developer whereby the Developer and the District agreed and acknowledged that upon mutual execution of this Agreement and the District's issuance of its Series 2025 Bonds, the Advances are hereby forgiven in their entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer, and there shall be no further obligation, present or future, of District to pay the Developer with respect to such amounts or any amounts under the Operations And Maintenance Advance And Reimbursement Agreement, see Note 5.

SUPPLEMENTAL INFORMATION

RIVERDALE RANCH METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Period Ended December 31, 2024

	Original & Final		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 350,070	\$ 351,584	\$ 1,514
Specific ownership taxes	17,504	16,977	(527)
Interest and other income	5,000	26,999	21,999
Total Revenues	372,574	395,560	22,986
EXPENDITURES			
Bond interest expense	194,750	194,750	-
Bond principal	45,000	45,000	-
Paying Agent Fees	8,500	7,000	1,500
Treasurer's fees	5,251	5,274	(23)
Total Expenditures	253,501	252,024	1,477
NET CHANGE IN FUND BALANCE	119,073	143,536	24,463
FUND BALANCE:			
BEGINNING OF PERIOD	518,581	532,097	13,516
END OF PERIOD	\$ 637,654	\$ 675,633	\$ 37,979

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

RIVERDALE RANCH METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED

December 31, 2024

<u>Year Ended</u> <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	<u>Mills Levied</u>		<u>Total Property Tax</u>		Percent Collected to Levied
		General	Debt Service	<u>Levied</u>	<u>Collected</u>	
2019	\$ 71,590	10.000	55.277	\$ 4,673	\$ 4,673	100.00%
2020	\$ 71,290	10.000	55.664	\$ 4,681	\$ 4,681	100.00%
2021	\$ 1,258,950	10.000	55.664	\$ 82,668	\$ 80,432	97.30%
2022	\$ 3,920,500	10.000	55.664	\$ 257,436	\$ 257,377	99.98%
2023	\$ 3,963,720	8.500	56.020	\$ 255,739	\$ 254,617	99.56%
2024	\$ 5,408,820	6.561	64.722	\$ 385,557	\$ 387,225	100.43%
Estimated for year ending December 31, 2025	\$ 5,406,170	6.500	64.722	\$ 385,038		

NOTE

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.