

**River Park Metropolitan District
Garfield County, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2024

River Park Metropolitan District

TABLE OF CONTENTS

December 31, 2024

Independent Auditor’s Report I

Basic Financial Statements:

Government-Wide Financial Statements:

 Statement of Net Position 1

 Statement of Activities 2

Fund Financial Statements:

 Balance Sheet – Governmental Funds 3

 Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Governmental Funds 4

 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the Statement of Activities..... 5

 Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Budget and Actual – General Fund..... 6

Notes to Financial Statements 7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
River Park Metropolitan District
Garfield County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of River Park 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 thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Fiscal Focus Partners, LLC

Arvada, Colorado
March 10, 2025

BASIC FINANCIAL STATEMENTS

River Park Metropolitan District
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 35,366
Cash and investments - Restricted	82,197
Receivable - County Treasurer	830
Prepaid expenses	2,905
Property taxes receivable	151,888
Total assets	273,186
 LIABILITIES	
Accounts payable	1,367
Accrued interest payable	8,074
Noncurrent liabilities:	
Due within one year	40,000
Due in more than one year	1,645,000
Total liabilities	1,694,441
 DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	151,888
Total deferred inflows of resources	151,888
 NET POSITION	
Restricted for:	
Emergency reserves	5,550
Debt service	76,647
Unrestricted	(1,655,340)
Total net position	\$ (1,573,143)

The accompanying Notes to the Financial Statements are an integral part of these statements.

River Park Metropolitan District
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense)</u>	
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital Grants</u> <u>and</u> <u>Contributions</u>	<u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
				<u>Governmental</u> <u>Activities</u>	
Primary government					
General government	\$ 27,085	\$ -	\$ -	\$ -	\$ (27,085)
Interest on long-term debt and related costs	220,591	-	-	-	(220,591)
Total governmental activities	<u>\$ 247,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(247,676)</u>
General revenues:					
					15,127
					152,699
					9,298
					7,497
Special item:					
					610,741
					<u>795,362</u>
					547,686
					(2,120,829)
					<u>\$ (1,573,143)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

River Park Metropolitan District
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	General Fund
ASSETS	
Cash and investments	\$ 35,366
Cash and investments - Restricted	82,197
Receivable - County Treasurer	830
Prepaid expenses	2,905
Property taxes receivable	151,888
Total assets	<u>\$ 273,186</u>
LIABILITIES	
Accounts payable	\$ 1,367
Total liabilities	<u>1,367</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	151,888
Total deferred inflows of resources	<u>151,888</u>
FUND BALANCES	
Nonspendable:	
Prepaid expenses	2,905
Restricted for:	
Emergencies	5,550
Debt service	76,647
Assigned for:	
Subsequent year's expenditures	23,022
Unassigned	11,807
Total fund balances	<u>119,931</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 273,186</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	\$ 119,931
Long-term liabilities, including bonds payable, developer advances and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(1,685,000)
Accrued interest payable - bonds	(8,074)
Net position of governmental activities	<u>\$ (1,573,143)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

River Park Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General Fund
Revenues	
Property taxes	\$ 15,127
Property taxes - debt service	152,699
Specific ownership taxes	9,298
Investment earnings	7,497
Total revenues	184,621
Expenditures	
Current	
Accounting	14,309
Elections	264
Insurance and dues	3,389
Legal	4,149
Miscellaneous	1,614
Treasurer fees	3,360
Debt service	
Bond interest	57,692
Bond principal	35,000
Bond issuance costs	118,145
Total expenditures	237,922
Excess of revenues over (under) expenditures	(53,301)
Other financing sources (uses)	
Bond proceeds	1,720,000
Bond refunding	(1,590,928)
Total other financing sources (uses)	129,072
Net change in fund balances	75,771
Fund balances - beginning	44,160
Fund balances - ending	\$ 119,931

The accompanying Notes to the Financial Statements are an integral part of these statements.

River Park Metropolitan District

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2024

Net change in fund balances - governmental funds: \$ 75,771

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bond, leases) provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Bond proceeds	(1,720,000)
Bond refunding	1,590,928
Current year bond principal payment	35,000
Forgiveness of accrued interest	610,741

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued bond interest payable - Change in liability	(30,816)
Accrued interest on subordinate bonds - change in liability	(13,938)

Change in net position of governmental activities \$ 547,686

River Park Metropolitan District

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

For the Year Ended December 31, 2024

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 14,999	\$ 15,127	\$ 128
Property taxes - debt service	151,399	152,699	1,300
Specific ownership taxes	9,975	9,298	(677)
Investment earnings	1,739	7,497	5,758
Total revenues	<u>178,112</u>	<u>184,621</u>	<u>6,509</u>
EXPENDITURES			
Current:			
Accounting	8,400	14,309	(5,909)
Elections	1,000	264	736
Insurance and dues	3,178	3,389	(211)
Legal	2,500	4,149	(1,649)
Miscellaneous	400	1,614	(1,214)
Treasurer fees	3,328	3,360	(32)
Debt service:			
Bond interest	100,000	57,692	42,308
Bond principal	60,000	35,000	25,000
Bond issuance costs	100,000	118,145	(18,145)
Contingency	15,970	-	15,970
Total expenditures	<u>294,776</u>	<u>237,922</u>	<u>56,854</u>
Excess of revenues over (under) expenditures	(116,664)	(53,301)	63,363
OTHER FINANCING SOURCES (USES)			
Bond proceeds	2,000,000	1,720,000	(280,000)
Bond refunding	(1,900,000)	(1,590,928)	309,072
Total other financing sources (uses)	<u>100,000</u>	<u>129,072</u>	<u>29,072</u>
Net change in fund balances	(16,664)	75,771	92,435
Fund balances - beginning	<u>43,463</u>	<u>44,160</u>	<u>697</u>
Fund balances - ending	<u>\$ 26,799</u>	<u>\$ 119,931</u>	<u>\$ 93,132</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

River Park Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 1 – Definition of Reporting Entity

River Park Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on May 19, 2004 by Order of the Garfield County District Court. The District's service area is located within the Town of New Castle (the Town) in Garfield County, Colorado. The District operates under an Amended and Restated Service Plan approved by the Town on March 21, 2006. The District was established to supply the necessary services of water, sanitary sewer and parks and recreation facilities to the constituents of the District.

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

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

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

Note 2 – Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct

River Park Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2024

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental fund:

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

Budgetary Information

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 appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The District's Board of Directors can modify the budget line item within the total appropriation without notification. The

River Park Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2024

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.

Pooled Cash and Investments

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

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 taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

River Park Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2024

Equity

Net Position

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

Fund Balance

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

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

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

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

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

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

River Park Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2024

Note 3 – Cash and Investments

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

Statement of net position:	
Cash and investments	\$ 35,366
Cash and investments-Restricted	82,197
Total cash and investments	<u>\$ 117,563</u>

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

Deposits with financial institutions	\$ 31
Investments	117,532
Total cash and investments	<u>\$ 117,563</u>

Deposits with Financial Institutions

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

At December 31, 2024, the District's cash deposits had a bank balance and a carrying balance of \$31.

Investments

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

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

River Park Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

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

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

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

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

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>\$ 117,532</u>
Total investments		<u><u>\$ 117,532</u></u>

CSAFE

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

CSAF CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAF CASH FUND may invest in U.S Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAF CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAF CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities,

River Park Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2024

certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investment in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The District invested in the CSAFE CASH FUND during 2024.

Note 4 – Long-Term Obligations

Changes in long-term debt for the year ended December 31, 2024 are summarized as follows:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Governmental Activities:					
Direct Borrowings and Direct Placements:					
General Obligation Limited Tax Refunding Bonds - Series 2024	\$ -	\$ 1,720,000	\$ 35,000	\$ 1,685,000	\$ 40,000
General Obligation Limited Tax Refunding Bonds - Series 2009	968,000	-	968,000	-	-
Subordinate Limited Tax General Obligation Bonds - Series 2008	597,367	-	597,367	-	-
Accrued Interest Subordinate Limited Tax Bonds - Series 2008	596,803	13,938	610,741	-	-
	<u>\$ 2,162,170</u>	<u>\$ 1,733,938</u>	<u>\$ 2,211,108</u>	<u>\$ 1,685,000</u>	<u>\$ 40,000</u>

Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2024

Bond Details

On May 1, 2024, the District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds – Series 2024 (“2024 Bonds”) with a par amount of \$1,720,000. The 2024 Bonds were issued for the purposes of: (i) paying the outstanding principal amount of the Series 2008 Bonds, and the outstanding principal and accrued interest on the Series 2009 Bonds; and (ii) paying other costs in connection with the issuance the 2024 Bonds.

Interest on the 2024 Bonds is payable semiannually on June 1 and December 1 each year, commencing December 1, 2024 at the rate of 5.75% per annum. The 2024

River Park Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Bonds have annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2024 and mature on December 1, 2044.

Optional Redemption

On or before May 31, 2034, the 2024 Bonds are subject to redemption and payment prior to maturity, at the option of the District on any Interest Payment Date, at a redemption price equal to 100% of the principal amount of the redeemed 2024 Bonds, plus accrued interest thereon to the redemption date, plus administrative fees as applicable, plus a make-whole fee, if any.

On or after June 1, 2034, the 2024 Bonds are subject to redemption and payment prior to maturity, at the option of the District, which shall be exercised upon written direction from the District, on any Interest Payment Date, in whole at a redemption price equal to 100% of the principal amount of the redeemed 2024 Bonds, plus accrued interest thereon to the redemption date.

Pledged Revenues

All debt service mill levies received by the District will first be deemed revenues resulting from the Required Mill Levy (but not including Specific Ownership Taxes) and therefore are required to be deposited to the Bond Account until the balance therein is sufficient to pay the principal of and interest on the 2024 Bonds coming due each year. Thereafter, Specific Ownership Taxes and any excess property taxes collected by the District may be used for any other lawful purpose.

Required Mill Levy

The Indenture provides that, prior to the time when the District's assessed valuation of all property within the District is at least 200% of the aggregate outstanding principal indebtedness of the District, an ad valorem mill levy imposed upon all taxable real and personal property of the District each year in an amount necessary to generate revenues sufficient to pay principal and interest on the 2024 Bonds when due, but not in excess of 40 mills; provided that if, on or after February 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the maximum mill levy of 40 mills may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of the District in good faith so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted for changes occurring after February 2004, are neither diminished nor enhanced as a result of such changes.

If the District has dissolved under Section 32-1-703(3)(c), C.R.S, the mill levy rate set forth above shall be increased to 45 mills, subject to adjustment.

River Park Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Once the District's assessed valuation of all property within the District is at least 200% of the aggregate outstanding principal indebtedness of the District, the maximum mill levy the District would be able to impose for the payment of such debt shall be such amount as may be necessary to pay the debt service.

Events of Default

The 2024 Bonds contain a provision regarding certain events of default, for which acceleration is not a remedy. Upon the occurrence and continuation of an Event of Default, the Owner of any Bond may proceed to protect and enforce the rights of any Owner by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction. Notwithstanding the foregoing, the Purchaser's sole remedy upon occurrence of an Event of Default will be to charge interest on the 2024 Bonds, or applicable portion thereof, at the Taxable Interest Rate from the date on which such interest is treated as Taxable Interest to the Purchaser. Events of Default occur if the District does not impose the Required Mill Levy, the District fails to deposit to the Bond Account all Pledged Revenues promptly upon receipt or to apply the Pledged Revenues as required, failure to pay the interest or principal on the 2024 Bonds when due, and other customary terms and conditions consistent with normal municipal financings.

Limited Tax General Obligation Refunding Bonds, Series 2009

Bond Details

On September 23, 2009, the District issued Limited Tax General Obligation Refunding Bonds – Series 2009 ("2009 Bonds") with a par amount of \$1,240,000. The 2009 Bonds were issued for the purposes of refunding a portion of the District's outstanding Series 2008 Bonds in the amount of \$902,633 and paying other costs in connection with the issuance of the 2009 Bonds.

Interest on the 2009 Bonds is payable semiannually on June 15 and December 15 each year, commencing December 15, 2009 at the rate of 6.99% per annum. The 2009 Bonds have annual mandatory sinking fund principal payments due on December 15, beginning on December 15, 2011 and mature on June 15, 2039.

The 2008 Bonds were refunded with the issuance of the 2024 Bonds.

Pledged Revenues

Pledged revenues are (a) amounts payable to the District as a result of the Required Mill Levy, (b) specific ownership taxes collected by the District proportionate to the debt service component, and (c) any other legally available revenue pledged to the payment of the Subordinate Bonds by the Board.

River Park Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Required Mill Levy

The Required Mill Levy means an ad valorem mill levy imposed upon all taxable real and personal property of the District each year in an amount sufficient to pay, in the following order of priority: (i) the District's operations and maintenance expense; (ii) the principal of, premium if any, and interest on any Refunding Bonds; and (iii) the principal of, premium if any, and interest on the Subordinate Bond; provided however, that in no event shall such ad valorem mill levy exceed 45 mills, subject to adjustment.

Events of Default

The 2009 Bonds contain a provision regarding certain events of default, for which acceleration is not a remedy. Upon the occurrence and continuation of an Event of Default, the Owner of any Bond may proceed to protect and enforce the rights of any Owner by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction. Events of Default occur if the District does not impose the Required Mill Levy and other customary terms and conditions consistent with normal municipal financings.

Subordinate Limited Tax General Obligation Bonds, Series 2008

Bond Details

On April 1, 2008, the District issued Subordinate Limited Tax General Obligation Bonds – Series 2008 (“2008 Bonds”) with a par amount of \$1,500,000. The 2008 Bonds were issued for the purposes of defraying the cost of all or a portion of the Projects.

Interest on the 2008 Bonds is payable annually on each December 15, to the extent of Subordinate Pledged Revenue available, commencing December 15, 2008 at the rate of 7.00% per annum. The 2008 Bonds mature on December 15, 2047.

The 2008 Bonds were refunded with the issuance of the 2024 Bonds. The registered owners of the 2008 Bonds agreed to forego repayment of accrued interest in the amount of \$610,741 and agreed that upon payment of the outstanding principal amount of the 2008 Bonds from the 2024 Bonds, the 2008 Bonds shall be deemed paid in full and cancelled.

Pledged Revenues

Pledged revenues are (a) amounts payable to the District as a result of the Required Mill Levy and (b) any other legally available revenue pledged to the payment of the Subordinate Bonds by the Board.

River Park Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2024

Required Mill Levy

The Required Mill Levy means an ad valorem mill levy imposed upon all taxable real and personal property of the District each year in an amount sufficient to pay, in the following order of priority: (i) the District's operations and maintenance expense; (ii) the principal of, premium if any, and interest on any Senior Bonds; and (iii) the principal of, premium if any, and interest on the Subordinate Bonds; provided however, that in no event shall such ad valorem mill levy exceed 45 mills, subject to adjustment.

Events of Default

The 2008 Bonds contain a provision regarding certain events of default, for which acceleration is not a remedy. Upon the occurrence and continuation of an Event of Default, the Owner of any Bond may proceed to protect and enforce the rights of any Owner by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction. Events of Default occur if the District does not impose the Required Mill Levy and other customary terms and conditions consistent with normal municipal financings.

The District's long-term obligations for the 2024 Bonds will mature as follows:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 40,000	\$ 96,888	\$ 136,888
2026	45,000	94,587	139,587
2027	55,000	92,000	147,000
2028	55,000	88,837	143,837
2029	60,000	85,675	145,675
2030-2034	355,000	372,600	727,600
2035-2039	460,000	259,038	719,038
2040-2044	615,000	109,825	724,825
	<u>\$ 1,685,000</u>	<u>\$ 1,199,450</u>	<u>\$ 2,884,450</u>

Debt Authorization

At December 31, 2024, the District had no authorized but unissued indebtedness.

Note 5 – Net Position

The District's net position consists of two components – restricted and unrestricted.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other

River Park Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2024

governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2024:

	Governmental Activities
Restricted net position:	
Emergency reserve	\$ 5,550
Debt service	76,647
Total restricted net position	\$ 82,197

As of December 31, 2024, the District has unrestricted net position (deficit) of \$(1,655,340). The deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements that have been conveyed to other governmental entities.

Note 6 – Related Parties

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

Note 7 – Risk Management

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

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

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

Note 8 - Tax, Spending and Debt Limitation

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

River Park Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

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 and benefit increases.

A majority of the District's electors has authorized the District to collect revenues without regard to the TABOR limits.

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 9 – Subsequent Event

In April 2025, the District received approval from the Town Council to dissolve, as required by its Service Plan. In addition, the special district act also requires the approval of dissolution by the District's eligible electors. Such election is anticipated to occur in November 2025. If approved by voters, the District Court would issue an order dissolving the District for all purposes except as necessary to fulfill the Plan for Dissolution filed with the District Court. The Plan for Dissolution allows full repayment of the District's outstanding debt, and also permits such debt to be refunded in certain circumstances. Although the District would be legally dissolved for most purposes, it would continue to exist to the extent needed to pay, and possibly refund, debt, including being authorized to adopt annual budgets, certify the mill levy, collect property taxes, service the outstanding debt and file financial audits or audit exemptions, until the debt is fully repaid. The District's Board of Directors would remain in office solely to oversee and implement the Plan for Dissolution and to administer the repayment of the outstanding debt until all such obligations have been satisfied in full. Vacancies on the Board would be filled by the District Court.

* * * * *