

LEYDEN ROCK METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**LEYDEN ROCK METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Leyden Rock Metropolitan District
Jefferson County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Leyden Rock Metropolitan District (the District), as of and for the year ended December 31, 2023, 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, 2023, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Special Revenue 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.

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112
303-905-0809 • info@dazziocpa.com

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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.

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 opinion on the basic financial statements is 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 listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The Other Information and the Continuing Disclosure Obligation tables, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Duggio & Associates, P.C.

July 25, 2024

BASIC FINANCIAL STATEMENTS

**LEYDEN ROCK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 387,097
Cash and Investments - Restricted	4,567,932
Accounts Receivable	19,786
Receivable from County Treasurer	16,025
Property Tax Receivable	4,061,615
Bond Insurance Cost	207,109
Capital Assets:	
Capital Assets, Not Being Depreciated	139,504
Capital Assets, Net of Depreciation	3,688,026
Total Assets	13,087,094
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding, Net	699,451
Total Deferred Outflows of Resources	699,451
LIABILITIES	
Accounts Payable	77,359
Accrued Interest Payable	143,842
Noncurrent Liabilities:	
Due Within One Year	570,000
Due in More Than One Year	50,075,655
Total Liabilities	50,866,856
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	4,061,615
Total Deferred Inflows of Resources	4,061,615
NET POSITION	
Net Investment in Capital Assets	(1,182,208)
Restricted for:	
Emergency Reserve	50,000
Debt Service	117,218
Unrestricted	(40,126,936)
Total Net Position	\$ (41,141,926)

See accompanying Notes to Basic Financial Statements.

**LEYDEN ROCK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

		Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,912,816	\$ 35,796	\$ -	-	\$ (1,877,020)
Interest on Long-Term Debt and Related Costs	1,427,479	-	-	-	(1,427,479)
	<u>\$ 3,340,295</u>	<u>\$ 35,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,304,499)</u>
Total Governmental Activities					
GENERAL REVENUES					
Property Taxes					3,625,181
Specific Ownership Taxes					259,474
Interest Income					296,977
Other Revenue					29,480
Total General Revenues					<u>4,211,112</u>
CHANGES IN NET POSITION					906,613
Net Position - Beginning of Year					<u>(42,048,539)</u>
NET POSITION - END OF YEAR					<u>\$ (41,141,926)</u>

See accompanying Notes to Basic Financial Statements.

**LEYDEN ROCK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

ASSETS	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Cash and Investments	\$ 221,409	\$ 165,688	\$ -	\$ -	\$ 387,097
Cash and Investments - Restricted	48,300	1,700	251,495	4,266,437	4,567,932
Receivable from County Treasurer	6,461	-	9,564	-	16,025
Accounts Receivable	-	19,786	-	-	19,786
Property Tax Receivable	1,765,484	-	2,296,131	-	4,061,615
	<u>\$ 2,041,654</u>	<u>\$ 187,174</u>	<u>\$ 2,557,190</u>	<u>\$ 4,266,437</u>	<u>\$ 9,052,455</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 9,504	\$ 17,039	\$ -	\$ 46,137	\$ 72,680
Prepaid assessments	-	2,764	-	-	2,764
Accrued expenses	-	1,915	-	-	1,915
Total Liabilities	<u>9,504</u>	<u>21,718</u>	<u>-</u>	<u>46,137</u>	<u>77,359</u>
 DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	1,765,484	-	2,296,131	-	4,061,615
Total Deferred Inflows of Resources	<u>1,765,484</u>	<u>-</u>	<u>2,296,131</u>	<u>-</u>	<u>4,061,615</u>
 FUND BALANCES					
Restricted for:					
Emergency Reserves	48,300	1,700	-	-	50,000
Debt Service	-	-	261,059	-	261,059
Capital Projects	-	-	-	4,220,300	4,220,300
Committed:					
Operations	-	163,756	-	-	163,756
Assigned to:					
Subsequent Year's Expenditures	14,794	-	-	-	14,794
Unassigned	203,572	-	-	-	203,572
Total Fund Balances	<u>266,666</u>	<u>165,456</u>	<u>261,059</u>	<u>4,220,300</u>	<u>4,913,481</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,041,654</u>	<u>\$ 187,174</u>	<u>\$ 2,557,190</u>	<u>\$ 4,266,437</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,827,530
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest Payable	(143,842)
Deferred Cost of Refunding	699,451
Deferred Cost of Bond Insurance	207,109
Bonds Payable	(43,585,000)
Unamortized Bond Premium	(7,060,655)
Net Position of Governmental Activities	<u>\$ (41,141,926)</u>

See accompanying Notes to Basic Financial Statements.

**LEYDEN ROCK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,461,767	\$ -	\$ 2,163,414	\$ -	\$ 3,625,181
Specific Ownership Taxes	104,610	-	154,864	-	259,474
Tract K Operations Fees	-	1,488	-	-	1,488
Transfer Fees	-	15,240	-	-	15,240
Interest Income	30,848	109	42,660	223,360	296,977
Other Revenue	11,910	17,570	-	-	29,480
Rental Income	-	19,068	-	-	19,068
Total Revenues	<u>1,609,135</u>	<u>53,475</u>	<u>2,360,938</u>	<u>223,360</u>	<u>4,246,908</u>
EXPENDITURES					
Current:					
Accounting	51,291	-	-	-	51,291
Administration Costs	-	3,086	-	-	3,086
Auditing	6,100	-	-	-	6,100
Clubhouse Maintenance And Supplies	-	12,642	-	-	12,642
Clubhouse Social Activities	-	58,927	-	-	58,927
Clubhouse Housekeeping	-	28,935	-	-	28,935
Clubhouse Keys And Locks	-	5,383	-	-	5,383
Contingency	-	8,655	-	-	8,655
County Treasurer's Fee	21,933	-	32,462	-	54,395
Directors' Fees	700	-	-	-	700
District Clean-Up	-	29,575	-	-	29,575
Dues And Membership	1,238	-	-	-	1,238
Election	19,314	-	-	-	19,314
Engineering	-	-	-	114,909	114,909
Facilities Management	-	299,880	-	-	299,880
Insurance	34,563	-	-	-	34,563
Irrigation Repairs	-	25,842	-	-	25,842
Landscape Maintenance	-	284,128	-	-	284,128
Landscape Replacement	-	115,409	-	-	115,409
Legal	118,355	-	-	-	118,355
Mileage	-	778	-	-	778
Miscellaneous	7,350	3,485	-	-	10,835
Office Equipment	-	2,561	-	-	2,561
Pest Control	-	9,000	-	-	9,000
Pond Maintenance	-	54,265	-	-	54,265
Pool Contract Maintenance	-	98,981	-	-	98,981
Pool Parts & Supplies	-	18,752	-	-	18,752
Pool Repairs And Maintenance	-	8,563	-	-	8,563
Postage, Printing, Copies	-	1,644	-	-	1,644
Snow Removal	-	19,896	-	-	19,896
Utilities - Gas And Electric	-	23,578	-	-	23,578
Utilities - Trash Removal	-	250,925	-	-	250,925
Utilities - Water And Sewer	-	33,137	-	-	33,137
Telephone/Wi-Fi/Cable	-	5,596	-	-	5,596
Water And Soil Sampling	-	7,800	-	-	7,800
Website	-	855	-	-	855
Debt Service:					
Bond Interest - Series 2021	-	-	1,751,100	-	1,751,100
Bond Principal - Series 2021	-	-	500,000	-	500,000
Paying Agent Fees	-	-	8,000	-	8,000
Capital Projects:					
Capital Outlay	-	-	-	496,102	496,102
Club House Capital Outlay	-	-	-	950	950
Total Expenditures	<u>260,844</u>	<u>1,412,278</u>	<u>2,291,562</u>	<u>611,961</u>	<u>4,576,645</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,348,291	(1,358,803)	69,376	(388,601)	(329,737)
OTHER FINANCING SOURCES (USES)					
Repay Developer Advance	-	-	-	(2,641,086)	(2,641,086)
Transfers In (Out)	(1,419,131)	1,419,131	-	-	-
Total Other Financing Uses	<u>(1,419,131)</u>	<u>1,419,131</u>	<u>-</u>	<u>(2,641,086)</u>	<u>(2,641,086)</u>
NET CHANGE IN FUND BALANCES	(70,840)	60,328	69,376	(3,029,687)	(2,970,823)
Fund Balances - Beginning of Year	<u>337,506</u>	<u>105,128</u>	<u>191,683</u>	<u>7,249,987</u>	<u>7,884,304</u>
FUND BALANCES - END OF YEAR	<u>\$ 266,666</u>	<u>\$ 165,456</u>	<u>\$ 261,059</u>	<u>\$ 4,220,300</u>	<u>\$ 4,913,481</u>

See accompanying Notes to Basic Financial Statements.

**LEYDEN ROCK METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (2,970,823)

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	611,791
Depreciation Expense	(239,525)

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

Bond Principal Payment	500,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	2,083
Amortization of Bond Premium	416,664
Amortization of Cost of Bond Refunding	(47,265)
Amortization of Costs of Bond Insurance	(7,397)
	906,613

Changes in Net Position of Governmental Activities	\$ 906,613
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**LEYDEN ROCK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,462,014	\$ 1,461,767	\$ (247)
Specific Ownership Taxes	102,341	104,610	2,269
Interest Income	10,000	30,848	20,848
Other Revenue	10,000	11,910	1,910
Total Revenues	<u>1,584,355</u>	<u>1,609,135</u>	<u>24,780</u>
EXPENDITURES			
Accounting	50,000	51,291	(1,291)
Auditing	7,000	6,100	900
Contingency	7,320	-	7,320
County Treasurer's Fee	21,930	21,933	(3)
Directors' Fees	-	700	(700)
Dues And Membership	2,000	1,238	762
Election	40,000	19,314	20,686
Insurance	31,500	34,563	(3,063)
Legal	150,000	118,355	31,645
Miscellaneous	250	7,350	(7,100)
Total Expenditures	<u>310,000</u>	<u>260,844</u>	<u>49,156</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,274,355	1,348,291	73,936
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	(1,419,131)	(1,419,131)	-
Total Other Financing Uses	<u>(1,419,131)</u>	<u>(1,419,131)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(144,776)	(70,840)	73,936
Fund Balance - Beginning of Year	<u>306,776</u>	<u>337,506</u>	<u>30,730</u>
FUND BALANCE - END OF YEAR	<u>\$ 162,000</u>	<u>\$ 266,666</u>	<u>\$ 104,666</u>

See accompanying Notes to Basic Financial Statements.

**LEYDEN ROCK METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tract K Operations Fees	\$ 1,488	\$ 1,488	\$ -
Transfer Fees	24,400	15,240	(9,160)
Interest Income	750	109	(641)
Other Revenue	20,975	17,570	(3,405)
Rental Income	15,000	19,068	4,068
Total Revenues	<u>62,613</u>	<u>53,475</u>	<u>(9,138)</u>
EXPENDITURES			
Administration Costs	4,200	3,086	1,114
Clubhouse Maintenance And Supplies	12,700	12,642	58
Clubhouse Social Activities	63,000	58,927	4,073
Clubhouse Housekeeping	28,000	28,935	(935)
Clubhouse Keys And Locks	1,200	5,383	(4,183)
Contingency	4,000	8,655	(4,655)
District Clean-Up	43,000	29,575	13,425
Facilities Management	367,104	299,880	67,224
Irrigation Repairs	36,000	25,842	10,158
Landscape Maintenance	200,500	284,128	(83,628)
Landscape Replacement	125,000	115,409	9,591
Lighting	6,500	-	6,500
Mileage	1,300	778	522
Miscellaneous	2,978	3,485	(507)
Native Weed Control	73,000	-	73,000
Office Equipment	2,400	2,561	(161)
Pest Control	10,000	9,000	1,000
Pond Maintenance	4,500	54,265	(49,765)
Pool Contract Maintenance	103,962	98,981	4,981
Pool Parts & Supplies	15,000	18,752	(3,752)
Pool Repairs And Maintenance	6,000	8,563	(2,563)
Postage, Printing, Copies	500	1,644	(1,144)
Snow Removal	55,000	19,896	35,104
Utilities - Gas And Electric	20,000	23,578	(3,578)
Utilities - Trash Removal	247,500	250,925	(3,425)
Utilities - Water And Sewer	30,000	33,137	(3,137)
Telephone/Wi-Fi/Cable	9,000	5,596	3,404
Water And Soil Sampling	8,000	7,800	200
Website	1,400	855	545
Total Expenditures	<u>1,481,744</u>	<u>1,412,278</u>	<u>69,466</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,419,131)	(1,358,803)	60,328
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	1,419,131	1,419,131	-
Total Other Financing Sources	<u>1,419,131</u>	<u>1,419,131</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	60,328	60,328
Fund Balance - Beginning of Year	122,475	105,128	(17,347)
FUND BALANCE - END OF YEAR	<u>\$ 122,475</u>	<u>\$ 165,456</u>	<u>\$ 42,981</u>

See accompanying Notes to Basic Financial Statements.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Leyden Rock Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Order and Decree of the District Court for the County of Jefferson on January 5, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Arvada (City) on August 22, 2011.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, limited fire protection, security, television relay and translation and mosquito control improvements and services. The District was organized in conjunction with nine other related districts – Leyden Rock Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8, and 9 (District Nos. 1-9). On November 13, 2017, pursuant to an order of the District Court for the County of Jefferson, District Nos. 1-9 were dissolved. Since January 1, 2017, the District has provided covenant enforcement services and, as the only metropolitan district, provides both service and financing for the Leyden Rock development.

The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City. The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

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

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

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

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The District reports the following major governmental funds:

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

The Special Revenue Fund is used to account for Operations Fees received and expenditures incurred in connection with operations and maintenance of the District.

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

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total 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 single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Taxes

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

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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

Capital Assets

Capital assets, which include property, 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities as well as capital assets being installed or constructed which the District may own are recorded as construction in process and are not included in the calculation of investment in capital assets component of the District's net position.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings	20 Years
Landscaping	20 Years
Monumentation	20 Years
Parks	20 Years

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred cost of refunding*, are deferred and recognized as outflows of resources in the period that the amounts are incurred.

Deferred Inflows of Resources

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

Amortization of Bond Premium

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 387,097
Cash and Investments - Restricted	<u>4,567,932</u>
Total Cash and Investments	<u><u>\$ 4,955,029</u></u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 209,715
Investments	<u>4,745,314</u>
Total Cash and Investments	<u><u>\$ 4,955,029</u></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 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, 2023, the District's cash deposits had a bank deposit of \$215,354 and carrying balance of \$209,715.

Investments

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

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

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

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 227,632
Goldman Sachs Financial Square Government Fund	Weighted-Average Under 17 Days	4,517,682
Total		<u>\$ 4,745,314</u>

CSAFE

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

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE 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 Section 24-75-601.1, C.R.S.

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

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

CSAFE (Continued)

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

Goldman Sachs Financial Square Government Fund

At December 31, 2023, all of District's funds held in trust accounts at United Missouri Bank were invested in the Goldman Sachs Financial Square Government Fund. This portfolio is managed by Goldman Sachs and each share is equal in value to \$1.00. The fund is AAAM rated by Standard and Poor's, Aaa-mf rated by Moody's, and invests in a process that seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing exclusively in high quality money market instruments that comprises U.S. government and U.S. Treasury securities including bills, bonds, notes and repurchase agreements. The average maturity of the underlying securities is 90 days or less.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 224,616	\$ 139,504	\$ 224,616	\$ 139,504
Total Capital Assets, Not Being Depreciated	224,616	139,504	224,616	139,504
Capital Assets, Being Depreciated:				
Parks and Recreation	136,251	61,940	-	198,191
Signage	574,301	80,270	-	654,571
Landscaping	2,301,472	530,968	-	2,832,440
Building and Equipment	1,338,401	23,725	-	1,362,126
Total Capital Assets, Being Depreciated	4,350,425	696,903	-	5,047,328
Less Accumulated Depreciation for:				
Parks and Recreation	(36,682)	(9,695)	-	(46,377)
Signage	(146,619)	(30,722)	-	(177,341)
Building and Equipment	(368,060)	(67,513)	-	(435,573)
Landscaping	(568,416)	(131,595)	-	(700,011)
Total Accumulated Depreciation	(1,119,777)	(239,525)	-	(1,359,302)
Total Capital Assets, Being Depreciated, Net	3,230,648	457,378	-	3,688,026
Governmental Activities Capital Assets, Net	<u>\$ 3,455,264</u>	<u>\$ 596,882</u>	<u>\$ 224,616</u>	<u>\$ 3,827,530</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	<u>\$ 239,525</u>
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**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2021	\$ 44,085,000	\$ -	\$ 500,000	\$ 43,585,000	\$ 570,000
Bond Premium - Series 2021	7,477,319	-	416,664	7,060,655	-
Subtotal Bonds Payable	51,562,319	-	916,664	50,645,655	570,000
Other Debts:					
Developer Advance - Capital	2,641,085	-	2,641,085	-	-
Subtotal Other Debts	2,641,085	-	2,641,085	-	-
 Total Long-Term Obligations	 <u>\$ 54,203,404</u>	 <u>\$ -</u>	 <u>\$ 3,557,749</u>	 <u>\$ 50,645,655</u>	 <u>\$ 570,000</u>

The detail of the District's long-term obligation is as follows:

Series 2021 Bonds (the Bonds)

The District issued the Bonds on October 22, 2021, in the amount of \$45,840,000. The Bonds were issued for the purposes of (i) refunding the 2016A Senior Bonds, 2016B Subordinate Bonds, and 2017C Junior Bonds; (ii) funding and reimbursing a portion of the costs of constructing and installing certain Public Improvements benefiting the District; and (iii) paying the costs of issuance of the Bonds, including the premium for the Insurance Policy and the Reserve Policy.

Bond Details

The Bonds bear interest at rates ranging from 3.0% to 5.0%, payable semi-annually on June 1 and December 1, beginning on December 1, 2021. The Bonds issued as serial bonds mature on December 1 of the years 2021 through 2041; thereafter, the Bonds issued as term bonds have annual mandatory sinking fund principal payments due on December 1, commencing December 1, 2042. The Bonds mature on December 1, 2051.

To the extent principal of the Bonds is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 2, 2054. To the extent interest on the Bonds is not paid when due, such unpaid interest shall compound on each interest payment date, at the rate then borne by the Bonds. The Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 2, 2054. The Bonds are not subject to acceleration. The Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2031, and on any date thereafter, upon payment of par, accrued interest, without redemption premium.

Pledged Revenue

The Bonds are payable solely from and to the extent of the Pledged Revenue, consisting generally of the moneys derived by the District from the following sources, net of any costs of collection of the County and any property tax refunds or abatements authorized by or on behalf of the County: all Required Mill Levy; the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

The Indenture provides a Required Mill Levy be imposed each year in accordance with the following: Prior to the time the Debt to Assessed Ratio is 50% or less, an amount sufficient to pay the principal of and interest on the Bonds each year and replenish the Reserve Fund to the Reserve Fund Requirement, if any, but not in excess of 40 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2004).

Once the Debt to Assessed Ratio is 50% or less, an amount sufficient to pay the principal of and interest on the Bonds each year and replenish the Reserve Fund to the Reserve Fund Requirement, if any, without limitation of rate.

Additional Security

The scheduled payment of principal and interest on the Bonds are guaranteed under an insurance policy issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp.

Reserve Fund

The Bonds are also secured by amounts on deposit in the Reserve Fund in the amount of the Reserve Fund Requirement of \$2,739,400, which is funded by the Reserve Policy in the amount of the Reserve Fund Requirement issued concurrently with the delivery of the Bonds.

Events of Default of the Bonds

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

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

Debt Service Requirements

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 570,000	\$ 1,726,100	\$ 2,296,100
2025	665,000	1,697,600	2,362,600
2026	745,000	1,664,350	2,409,350
2027	780,000	1,627,100	2,407,100
2028	865,000	1,588,100	2,453,100
2029-2033	5,325,000	7,239,800	12,564,800
2034-2038	7,230,000	5,978,900	13,208,900
2039-2043	8,975,000	4,683,050	13,658,050
2044-2048	10,835,000	2,853,200	13,688,200
2049-2051	7,595,000	615,400	8,210,400
Total	<u>\$ 43,585,000</u>	<u>\$ 29,673,600</u>	<u>\$ 73,258,600</u>

Authorized Debt

On November 1, 2011, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$80,000,000.

At December 31, 2023, the District has authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 1, 2011	Authorization Used			Authorized But Unused
		Series 2016 Bonds	Series 2017C Bonds	Series 2021 Bonds	
Public Improvements	\$ 800,000,000	\$ 48,415,000	\$ 4,101,000	\$ 5,959,232	\$ 741,524,768
Operations and Maintenance	80,000,000	-	-	-	80,000,000
Refundings	80,000,000	-	-	-	80,000,000
Intergovernmental Agreements	80,000,000	-	-	-	80,000,000
Contracts	80,000,000	-	-	-	80,000,000
Total	<u>\$ 1,120,000,000</u>	<u>\$ 48,415,000</u>	<u>\$ 4,101,000</u>	<u>\$ 5,959,232</u>	<u>\$ 1,061,524,768</u>

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 3,827,530
Outstanding Long-Term Debt Applicable to Capital Assets	(5,696,298)
Unspent Bond Proceeds Applicable to Capital Assets	440,501
Reserves Funded with Bond Proceeds	246,059
Net Investment in Capital Assets	\$ (1,182,208)

The District had a restricted net position as of December 31, 2023, as follows:

Restricted Net Position:	
Emergencies	\$ 50,000
Debt Service Reserve	117,218
Total Restricted Net Position	\$ 167,218

The District has a deficit in unrestricted net position. This amount is a result of the District being responsible for the financing and repayment of debt obligations for the construction of public improvements previously conveyed to other governmental entities.

NOTE 7 AGREEMENTS

Infrastructure Acquisition and Reimbursement Agreement with Leyden Rock Development, Inc. (the LRD Agreement)

The District and Leyden Rock Development, Inc. (LRD) entered into an Infrastructure Acquisition and Reimbursement Agreement, dated as of January 1, 2017, (the LRD Agreement), to provide the circumstances under which the District would reimburse LRD for the construction of public improvements of benefit to the District. Such obligations bear simple interest at a rate of 8% per annum and are payable by the District from the proceeds of loans, bonds, and/or other legally available funds not otherwise required for reasonable operating costs of the District, and are subject to annual appropriation. Any Reimbursement Obligation issued under the Agreement is subordinate to any and all amounts due and owing on the Bonds.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement with Leyden Rock Development, Inc. (the LRD Agreement) (Continued)

On December 20, 2022, the District approved Requisition No. 1 which paid RRCEA, LLC the \$2,641,085.68 due and owing under the Agreement In The Nature of An Accord Concerning Infrastructure Acquisition and Reimbursement Agreements (the Accord). Pursuant to Section II of the Accord, upon receipt of this payment the LRD Agreement is terminated and no longer in effect. No amounts were due under the LRD Agreement as of December 20, 2022.

Infrastructure Acquisition and Reimbursement Agreement with RRCEA, LLC (the RRCEA Agreement)

On March 5, 2012, District No. 1 and RRCEA, LLC ("RRCEA") entered into an Infrastructure Acquisition and Reimbursement Agreement (the RRCEA Agreement) whereby the District acknowledges its financial obligations. RRCEA will construct certain Public Infrastructure improvements and will be reimbursed by the District for those improvements that are determined to be District Eligible Costs. The District will accept Public Infrastructure improvements and become obligated to reimburse RRCEA for the District Eligible Costs upon satisfaction of certain terms and conditions of the Agreement. Upon acceptance of eligible costs by the District, interest will accrue at 8% per annum from the date of acceptance.

On July 14, 2016, the RRCEA Agreement was amended and restated and the District assumes all responsibilities (e.g. operations, maintenance, repayment, etc.) of the accepted infrastructure.

On December 20, 2022, the District approved Requisition No. 1 which paid RRCEA, LLC the \$2,641,085.68 due and owing under the Agreement In The Nature of An Accord Concerning Infrastructure Acquisition and Reimbursement Agreements (the Accord). Pursuant to Section II of the Accord, upon receipt of this payment the RRCEA Agreement is terminated and no longer in effect. As of December 31, 2023, no advances are outstanding.

Agreement in the Nature of an Accord Concerning Infrastructure Acquisition and Reimbursement Agreements with RRCEA and LRD (the "Accord")

On September 2, 2021, the District entered into an Agreement with the Developer and LRD whereby the District would close on the Bonds and the District would set aside \$2,400,000 of the new money proceeds generated by the Bonds to be deposited into the District's Project Fund established under the Indenture pursuant to which the Bonds are issued and available to reimburse the Developer under the RRCEA Agreement, which shall be comprised of the Filing 5 Retainage and the Initial Release, as described below (together, the Settlement Amount).

It was determined that any additional new money generated by the 2021 Bonds above \$6,900,000 would be split evenly between the District and the Developer and such amounts would be added to and considered part of the District Funds and Settlement Amount, respectively.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Agreement in the Nature of an Accord Concerning Infrastructure Acquisition and Reimbursement Agreements with RRCEA and LRD (the “Accord”) (Continued)

The amount in excess of \$6,900,000 was \$482,169.36, of which \$241,084.68 was added to the \$2,400,000 set aside at issuance to be the Settlement amount so that a total of \$2,641,084.58 has been set aside for developer advance repayments subject to the conditions below.

The Developer and LRD represented to the District that the costs associated with the repair to the Public Infrastructure located within Filing 5 is \$1,795,736.80, (the Filing 5 Retainage). The Filing 5 retainage shall be held by the District in the Project Fund until such time as the Public Infrastructure located within Filing No. 5 is finally accepted by the City, as evidenced by a Final Acceptance Letter(s) from the City or such other documentation satisfactory to the District evidencing final acceptance of Filing 5 by the City.

The Settlement Amount less the Filing 5 Retainage shall be released to the Developer at such time as the Public Infrastructure in Leyden Rock Filing Nos. 1-3 and 6 is finally accepted by the City, as evidenced by a Final Acceptance letter(s) from the City or such other documentation satisfactory to the District evidencing final acceptance of Filing Nos. 1-3 and 6 by the City (Initial Release).

Prior to the Initial Release, the Developer and LRD shall deliver to the District a written release from the City, executed by an authorized City representative, for the benefit of the District releasing the District from any and all claims arising from or related to the Litigation and the construction of the Public Infrastructure.

Upon receipt of the Filing 5 Retainage, the Developer accepts the Settlement Amount as full satisfaction of the Obligation and any other past or future financial obligations required or anticipated by the District in the RRCEA Agreement. The Developer and LRD further waives and releases any claims they may now have or may acquire in the future concerning the Infrastructure Agreements and any other obligations against the District, its Board of Directors, attorneys, consultants or any other person related to the District.

Likewise, upon delivery and acceptance of the Settlement Amount by the Developer, the District and its Board of Directors, attorneys, consultants or any other person acting as an agent of the District, waive and deem satisfied any obligations of, or claims against the Developer or LRD they may now have or may acquire in the future concerning or related to the Infrastructure Agreements and the subject matter thereof except any obligations of the Developer or LRD that survive the termination of the Infrastructure Agreements, including but not limited to the obligations in Sections 9 of the Infrastructure Agreements, and any outstanding infrastructure warranty obligations. Further, the parties agree that upon delivery and acceptance of the Settlement Amount by the Developer hereunder, the Infrastructure Agreements are terminated and no longer in effect.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Agreement in the Nature of an Accord Concerning Infrastructure Acquisition and Reimbursement Agreements with RRCEA and LRD (the “Accord”) (Continued)

If Filing No. 5 has not been accepted by the City by December 31, 2024, the Developer shall have no further right, title and interest in the Filing 5 Retainage. Any amounts paid as of December 31, 2024 under this Agreement, including the Initial Release, shall be deemed full Satisfaction of any payments due and owing under the Infrastructure Agreements. Both the Developer and LRD shall continue to indemnify the District as provided in the respective Infrastructure Agreements until such time as Filing 5 is accepted by the City, as evidenced by a Final Acceptance Letter(s) from the City.

On November 16, 2022, the City of Arvada, the Developer, LRD, Leyden Rock Phase I, LLC, and RRCEA Two, LLC entered into a Settlement Agreement and Release (the Settlement Agreement). Pursuant to Section 2.1 of the Settlement Agreement, the City released the District from all Released Claims. On December 20, 2022, the District approved Requisition No. 1 which paid RRCEA, LLC the \$2,641,085.68 due and owing under the Agreement In The Nature of An Accord Concerning Infrastructure Acquisition and Reimbursement Agreements (the Accord).

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Special Revenue Fund was made to support funding of operations and maintenance of the District.

**LEYDEN ROCK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 1, 2011, the District voters passed an election question to increase property taxes \$5,000,000 annually as adjusted for inflation, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

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.

SUPPLEMENTARY INFORMATION

**LEYDEN ROCK METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,163,780	\$ 2,163,414	\$ (366)
Specific Ownership Taxes	151,465	154,864	3,399
Interest Income	7,000	42,660	35,660
Total Revenues	<u>2,322,245</u>	<u>2,360,938</u>	<u>38,693</u>
EXPENDITURES			
County Treasurer's Fee	32,457	32,462	(5)
Paying Agent Fees	6,000	8,000	(2,000)
Bond Interest - Series 2021	1,751,100	1,751,100	-
Bond Principal - Series 2021	500,000	500,000	-
Contingency	10,443	-	10,443
Total Expenditures	<u>2,300,000</u>	<u>2,291,562</u>	<u>8,438</u>
NET CHANGE IN FUND BALANCE	22,245	69,376	47,131
Fund Balance - Beginning of Year	<u>169,827</u>	<u>191,683</u>	<u>21,856</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 192,072</u></u>	<u><u>\$ 261,059</u></u>	<u><u>\$ 68,987</u></u>

**LEYDEN ROCK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 148,000	\$ 223,360	\$ 75,360
Other Revenue	12,635	-	(12,635)
Total Revenues	<u>160,635</u>	<u>223,360</u>	<u>62,725</u>
EXPENDITURES			
Engineering	-	114,909	(114,909)
Capital Outlay	4,831,280	496,102	4,335,178
Club House Capital Outlay	-	950	(950)
Contingency	12,635	-	12,635
Total Expenditures	<u>4,843,915</u>	<u>611,961</u>	<u>4,231,954</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,683,280)	(388,601)	4,294,679
OTHER FINANCING SOURCES (USES)			
Repay Developer Advance	(2,641,085)	(2,641,086)	(1)
Total Other Financing Uses	<u>(2,641,085)</u>	<u>(2,641,086)</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	(7,324,365)	(3,029,687)	4,294,678
Fund Balance - Beginning of Year	<u>7,397,365</u>	<u>7,249,987</u>	<u>(147,378)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 73,000</u></u>	<u><u>\$ 4,220,300</u></u>	<u><u>\$ 4,147,300</u></u>

OTHER INFORMATION

**LEYDEN ROCK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	\$45,840,000 Series 2021 Limited Tax (Convertible to Unlimited Tax), General Obligation Refunding and Improvement Bonds Interest Rate: 3.000% - 5.000% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2024	\$ 570,000	\$ 1,726,100	\$ 2,296,100
2025	665,000	1,697,600	2,362,600
2026	745,000	1,664,350	2,409,350
2027	780,000	1,627,100	2,407,100
2028	865,000	1,588,100	2,453,100
2029	910,000	1,544,850	2,454,850
2030	1,005,000	1,499,350	2,504,350
2031	1,055,000	1,449,100	2,504,100
2032	1,155,000	1,396,350	2,551,350
2033	1,200,000	1,350,150	2,550,150
2034	1,300,000	1,302,150	2,602,150
2035	1,350,000	1,250,150	2,600,150
2036	1,455,000	1,196,150	2,651,150
2037	1,515,000	1,137,950	2,652,950
2038	1,610,000	1,092,500	2,702,500
2039	1,660,000	1,044,200	2,704,200
2040	1,745,000	994,400	2,739,400
2041	1,795,000	942,050	2,737,050
2042	1,850,000	888,200	2,738,200
2043	1,925,000	814,200	2,739,200
2044	2,000,000	737,200	2,737,200
2045	2,080,000	657,200	2,737,200
2046	2,165,000	574,000	2,739,000
2047	2,250,000	487,400	2,737,400
2048	2,340,000	397,400	2,737,400
2049	2,435,000	303,800	2,738,800
2050	2,530,000	206,400	2,736,400
2051	2,630,000	105,200	2,735,200
Total	\$ 43,585,000	\$ 29,673,600	\$ 73,258,600

**LEYDEN ROCK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended <u>December 31,</u>	Assessed Valuation	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2019	\$ 52,054,407	15.819	44.222	\$ 3,125,398	\$ 3,130,560	100.17 %
2020	57,955,264	15.929	44.531	3,503,974	3,503,475	99.99 %
2021	58,689,516	15.929	44.531	3,548,368	3,546,427	99.95 %
2022	60,137,224	25.000	37.000	3,728,508	3,728,015	99.99 %
2023	58,480,554	25.000	37.000	3,625,794	3,625,181	99.98 %
Estimated for Year Ending December 31, 2024	\$ 75,915,203	23.256	30.246	4,061,615		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

CONTINUING DISCLOSURE OBLIGATION (UNAUDITED)

**LEYDEN ROCK METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023**

**District Assessed Valuation, Mill Levy and Property Tax Information
Table II**

Levy Year	Collection Year	Assessed Valuation	General Fund Mill Levy	Debt Service Mill Levy	Total Mill Levy	Levied Property Taxes	Collected Property Taxes
2016	2017	\$ 35,414,376	12.500	40.000	52.500	\$ 1,859,255	\$ 1,846,181
2017	2018	49,322,962	15.819	44.222	60.041	2,961,400	2,902,305
2018	2019	52,054,407	15.819	44.222	60.041	3,125,399	3,130,560
2019	2020	57,955,264	15.929	44.531	60.460	3,503,975	3,503,475
2020	2021	58,689,516	15.929	44.531	60.460	3,548,368	3,546,427
2021	2022	60,137,224	25.000	37.000	62.000	3,728,508	3,728,015
2022	2023	58,480,554	25.000	37.000	62.000	3,625,794	3,625,181
2023	2024*	75,915,203	23.256	30.246	53.502	4,061,615	

*Amount of collections for 2024 by month available at <https://www.jeffco.us/2425/Tax-Distribution>

**Assessed and "Actual" Valuation of Classes and Property in the District
Table III**

Property Class	Actual Valuation	Percentage of Actual Valuation	Assessed Valuation	Percentage of Assessed Valuation
Valuation Year - 2023				
Residential	\$ 1,112,317,844	99.55%	\$ 74,525,296	98.17%
Commercial	3,863	0.00	762	0.00
Natural Resources	179	0.00	50	0.00
State Assessed	4,978,835	0.45	1,389,095	1.83
Total	<u>\$ 1,117,300,721</u>	<u>100%</u>	<u>\$ 75,915,203</u>	<u>100%</u>

**Historical Debt Ratios
Table XII**

	Fiscal Years Ended December 31				
	2019	2020	2021	2022	2023
Debt Outstanding	\$ 45,796,000	\$ 45,351,000	\$ 44,620,000	\$ 44,085,000	\$ 43,585,000
Estimated Population*	3568	3568	3568	3568	3568
Debt Per Capita	\$ 12,835	\$ 12,710	\$ 12,506	\$ 12,356	\$ 12,216
Assessed Value	\$ 57,955,264	\$ 58,689,516	\$ 60,137,224	\$ 58,480,554	\$ 75,915,203
Ratio of Debt to Assessed Ratio	79.02%	77.27%	74.20%	75.38%	57.41%
Personal Income Per Capita (Jefferson County)**	\$ 66,017	\$ 69,118	\$ 74,822	\$ 79,751	unavailable
Ratio of Debt Per Capita to Personal Income Per Capita (Jefferson County)	19.44%	18.39%	16.71%	15.49%	unavailable

*Estimated total population at buildout based on estimated 2.48 residents per home

**Source: Regional Economics Information System Bureau of Economic Analysis