

**LORSON RANCH METROPOLITAN  
DISTRICT NO. 1  
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
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Board of Directors  
Lorson Ranch Metropolitan District No. 1  
El Paso County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lorson Ranch Metropolitan District No. 1 (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lorson Ranch Metropolitan District No. 1 as of December 31, 2023, and the respective changes in financial position 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 (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment and maintain professional skepticism throughout the audit.

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## Other Matters

### Required Supplemental Information

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

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wipfli LLP*

Wipfli LLP  
Denver, Colorado  
September 27, 2024

## **BASIC FINANCIAL STATEMENTS**

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 414,452
Cash and Investments - Restricted	31,100
Due from Lorson Ranch Metropolitan District No. 2	1,798
Due from Lorson Ranch Metropolitan District No. 3	2,943
Due from Lorson Ranch Metropolitan District No. 4	2,609
Due from Lorson Ranch Metropolitan District No. 5	6
Due from Lorson Ranch Metropolitan District No. 6	154
Due from Lorson Ranch Metropolitan District No. 7	49
Due from Developer	62,262
Property Taxes Receivable	235
Capital Assets, Not Being Depreciated	8,129,993
Capital Assets, Net	7,276,450
Total Assets	15,922,051
<b>LIABILITIES</b>	
Accounts Payable	41,959
Due to Lorson Ranch Metropolitan District No. 6	131,791
Noncurrent Liabilities:	
Due in More Than One Year	12,240,397
Total Liabilities	12,414,147
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	235
Total Deferred Inflows of Resources	235
<b>NET POSITION</b>	
Net Investment in Capital Assets	13,732,093
Restricted for:	
Emergency Reserves	31,100
Unrestricted	(10,255,524)
Total Net Position	\$ 3,507,669

See accompanying Notes to Basic Financial Statements.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,336,409	\$ -	\$ 1,024,697	\$ -	\$ (311,712)
Intergovernmental Expenditures	39,313	-	-	-	(39,313)
Dedication of Assets to Other Entities	12,909,408	-	-	-	(12,909,408)
Interest on Long-Term Debt	985,710	-	-	990,856	5,146
	\$ 15,270,840	\$ -	\$ 1,024,697	\$ 990,856	(13,255,287)
Total Governmental Activities					
					231
<b>GENERAL REVENUES</b>					14
Property Taxes					10,277
Specific Ownership Taxes					10,522
Net Investment Income					
Total General Revenues					17,319,881
<b>SPECIAL ITEMS</b>					17,319,881
Capital Dedication from Lorson Ranch MD No. 4					4,075,116
Total Special Items					(567,447)
<b>CHANGE IN NET POSITION</b>					3,507,669
Net Position - Beginning of Year					(567,447)
<b>NET POSITION - END OF YEAR</b>					\$ 3,507,669

See accompanying Notes to Basic Financial Statements.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 414,452	\$ -	\$ -	\$ 414,452
Cash and Investments - Restricted	31,100	-	-	31,100
Due from Lorson Ranch Metropolitan District No. 2	1,798	-	-	1,798
Due from Lorson Ranch Metropolitan District No. 3	2,943	-	-	2,943
Due from Lorson Ranch Metropolitan District No. 4	2,609	-	-	2,609
Due from Lorson Ranch Metropolitan District No. 5	6	-	-	6
Due from Lorson Ranch Metropolitan District No. 6	154	-	-	154
Due from Lorson Ranch Metropolitan District No. 7	49	-	-	49
Account Receivable - County Treasurer	-	-	-	-
Due from Developer	62,262	-	-	62,262
Property Taxes Receivable	235	-	-	235
	<u>\$ 515,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515,608</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 41,959	\$ -	\$ -	\$ 41,959
Due to Lorson Ranch Metropolitan District No. 6	131,791	-	-	131,791
Total Liabilities	<u>173,750</u>	<u>-</u>	<u>-</u>	<u>173,750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	235	-	-	235
Total Deferred Inflows of Resources	<u>235</u>	<u>-</u>	<u>-</u>	<u>235</u>
<b>FUND BALANCES</b>				
Restricted for:				
Emergency Reserves	31,100	-	-	31,100
Unassigned	310,523	-	-	310,523
Total Fund Balances	<u>341,623</u>	<u>-</u>	<u>-</u>	<u>341,623</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 515,608</u>	<u>\$ -</u>	<u>\$ -</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.				
Capital Assets, Not Being Depreciated				8,129,993
Capital Assets, Net				7,276,450
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds.				
Bonds Payable				(9,840,166)
Accrued Interest on Bonds Payable				(2,365,801)
Developer Advance Payable				(21,181)
Accrued Interest on Developer Advance				(13,249)
Net Position of Governmental Activities				<u>\$ 3,507,669</u>

See accompanying Notes to Basic Financial Statements.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 231	\$ -	\$ -	\$ 231
Specific Ownership Taxes	14	-	-	14
Intergovernmental Revenue - LRMD No. 2	243,699	990,856	-	1,234,555
Intergovernmental Revenue - LRMD No. 3	398,930	-	-	398,930
Intergovernmental Revenue - LRMD No. 4	353,545	-	-	353,545
Intergovernmental Revenue - LRMD No. 5	573	-	-	573
Intergovernmental Revenue - LRMD No. 6	20,779	-	-	20,779
Intergovernmental Revenue - LRMD No. 7	6,711	-	-	6,711
Covenant Violation Fine Income	460	-	-	460
Net Investment Income	10,277	-	-	10,277
Total Revenues	1,035,219	990,856	-	2,026,075
<b>EXPENDITURES</b>				
Current:				
Accounting	35,065	-	-	35,065
Audit	21,300	-	-	21,300
County Treasurer's Fees	3	-	-	3
District Management	36,058	-	-	36,058
Dues and Subscriptions	2,414	-	-	2,414
Insurance	19,372	-	-	19,372
Legal	21,009	-	-	21,009
Landscape Maintenance	432,535	-	-	432,535
Landscape Improvements	68,225	-	-	68,225
Landscape Water	104,181	-	-	104,181
Repairs and Maintenance	269,310	-	-	269,310
Snow Removal	7,798	-	-	7,798
Holiday Lighting	27,500	-	-	27,500
Streetlights and Entrance Electric	127,213	-	-	127,213
Mosquito Mitigation	12,350	-	-	12,350
Debt Service:				
Bond Interest - Series 2012	-	990,856	-	990,856
Capital Outlay	-	-	17,319,881	17,319,881
Total Expenditures	1,184,333	990,856	17,319,881	19,495,070
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(149,114)	-	(17,319,881)	(17,468,995)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to LRMD No. 2 - Debt Service Fund	(9,812)	-	-	(9,812)
Transfer to LRMD No. 3 - Debt Service Fund	(14,691)	-	-	(14,691)
Transfer to LRMD No. 3 - Capital Fund	(5,463)	-	-	(5,463)
Transfer to LRMD No. 4 - Debt Service Fund	(9,347)	-	-	(9,347)
Capital Dedication from Lorson Ranch MD No. 4	-	-	17,319,881	17,319,881
Total Other Financing Sources (Uses)	(39,313)	-	17,319,881	17,280,568
<b>NET CHANGE IN FUND BALANCES</b>	(188,427)	-	-	(188,427)
Fund Balances - Beginning of Year	530,050	-	-	530,050
<b>FUND BALANCES - END OF YEAR</b>	\$ 341,623	\$ -	\$ -	\$ 341,623

See accompanying Notes to Basic Financial Statements.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds \$ (188,427)

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. Capital outlay, the conveyance of capital assets to other governments, and depreciation expense in the current period are as follows:

Capital Outlay	17,319,881
Depreciation	(152,076)
Dedication of Assets to Other Entities	(12,909,408)

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 on Bonds - Change in Liability	6,841
Accrued Interest on Developer Advance - Change in Liability	<u>(1,695)</u>

Change in Net Position of Governmental Activities \$ 4,075,116

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
GENERAL FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 231	\$ 231	\$ 231	\$ -
Specific Ownership Taxes	24	14	14	-
Intergovernmental Revenue - LRMD No. 2	243,343	243,699	243,699	-
Intergovernmental Revenue - LRMD No. 3	398,545	398,930	398,930	-
Intergovernmental Revenue - LRMD No. 4	353,234	353,545	353,545	-
Intergovernmental Revenue - LRMD No. 5	561	573	573	-
Intergovernmental Revenue - LRMD No. 6	20,764	20,779	20,779	-
Intergovernmental Revenue - LRMD No. 7	6,713	6,711	6,711	-
Covenant Violation Fine Income	2,000	460	460	-
Net Investment Income	-	10,277	10,277	-
Total Revenues	<u>1,025,415</u>	<u>1,035,219</u>	<u>1,035,219</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	25,000	35,065	35,065	-
Audit	15,000	21,300	21,300	-
Contingency	8,000	26,354	-	26,354
County Treasurer's Fees	3	3	3	-
District Management	36,000	36,058	36,058	-
Dues and Subscriptions	3,500	2,414	2,414	-
Insurance	22,000	19,372	19,372	-
Legal	25,000	21,009	21,009	-
Landscape Maintenance	216,000	432,535	432,535	-
Landscape Improvements	150,000	68,225	68,225	-
Landscape Water	180,000	104,181	104,181	-
Repairs and Maintenance	75,000	269,310	269,310	-
Snow Removal	-	7,798	7,798	-
Holiday Lighting	30,000	27,500	27,500	-
Streetlights and Entrance Electric	120,000	127,213	127,213	-
Mosquito Mitigation	15,000	12,350	12,350	-
Total Expenditures	<u>920,503</u>	<u>1,210,687</u>	<u>1,184,333</u>	<u>26,354</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	104,912	(175,468)	(149,114)	26,354
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to LRMD No. 2 - Debt Service Fund	-	(9,812)	(9,812)	-
Transfer to LRMD No. 3 - Debt Service Fund	-	(14,691)	(14,691)	-
Transfer to LRMD No. 3 - Capital Fund	-	(5,463)	(5,463)	-
Transfer to LRMD No. 4 - Debt Service Fund	-	(9,347)	(9,347)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(39,313)</u>	<u>(39,313)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCE</b>	104,912	(214,781)	(188,427)	26,354
Fund Balance - Beginning of Year	<u>415,199</u>	<u>530,050</u>	<u>530,050</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 520,111</u>	<u>\$ 315,269</u>	<u>\$ 341,623</u>	<u>\$ 26,354</u>

See accompanying Notes to Basic Financial Statements.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Lorson Ranch Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was formed on December 2, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised statutes). The District's service area is located in El Paso County, Colorado. The District was established to provide financing for the acquisition, construction, and installation of streets, traffic and safety controls, parks and recreational facilities, water, storm drainage, sanitation, fire protection, and mosquito control. Under the Consolidated Service Plan, the District is the Service District related to Lorson Ranch Metropolitan District Nos. 2-7 (Districts) known as the Financing Districts to serve a new community to be known as Lorson Ranch.

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 (including District Nos. 2-7), nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by 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 the sum of liabilities and deferred inflows is reported as net position.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

The District reports the following major governmental funds:

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

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

The District amended its annual budget for the year ended December 31, 2023.

**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 account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

As of December 31, 2023, due to District No.6 totaled \$131,791. These amounts are related to property taxes collected by the District payable to District No. 6.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets component of the District's net position.

The District incurred costs to upgrade the drainage system for the JCC Channel. These costs are not depreciable, and the District will maintain the JCC Channel. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Parks and Recreation	40 Years
Entrance and Landscaping	40 Years

**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.

**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.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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.

**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	\$ 414,452
Cash and Investments - Restricted	31,100
Total Cash and Investments	\$ 445,552

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

Deposits with Financial Institutions	\$ 34,734
Investments	410,818
Total Cash and Investments	\$ 445,552

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**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 balance of \$48,849 and a carrying balance of \$34,734.

**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, 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.

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

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average under 60 days	\$ 410,818
Total		<u>\$ 410,818</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, 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 the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**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
Capital Assets, Not Being Depreciated:				
Land Improvements				
Drainage - JCC Channel	\$ 5,517,958	\$ 2,612,035	\$ -	\$ 8,129,993
Streets	-	9,058,394	9,058,394	-
Sanitary Sewer	-	2,443,038	2,443,038	-
Traffic and Safety Protection	-	947	947	-
Water	-	1,407,029	1,407,029	-
Total Capital Assets, Not Being Depreciated	5,517,958	15,521,443	12,909,408	8,129,993
Capital Assets, Being Depreciated:				
Parks and Recreation	5,283,372	1,798,438	-	7,081,810
Entrance and Landscaping	799,691	-	-	799,691
Total Capital Assets, Being Depreciated	6,083,063	1,798,438	-	7,881,501
Less Accumulated Depreciation for:				
Parks and Recreation	(220,065)	(132,084)	-	(352,149)
Entrance and Landscaping	(232,910)	(19,992)	-	(252,902)
Total Accumulated Depreciation	(452,975)	(152,076)	-	(605,051)
Total Capital Assets, Being Depreciated, Net	5,630,088	1,646,362	-	7,276,450
Governmental Activities Capital Assets, Net	<u>\$ 11,148,046</u>	<u>\$ 17,167,805</u>	<u>\$ 12,909,408</u>	<u>\$ 15,406,443</u>

The costs of all capital assets transferred to other governmental entities were removed from the District's financial records. There is a two-year warranty period on the capital assets conveyed. The District anticipates that the costs associated with the warranty, if any, will be insignificant, and these costs are normally paid by the subcontractors that constructed the capital assets.

During 2023, the District received dedication of capital infrastructure assets of \$17,319,881 from Lorson Ranch Metropolitan District No. 4.

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

General Government	<u>\$ 152,076</u>
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**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS**

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

	Balance at December 31, 2022	Additions	Payments	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
Series 2012 - Limited Tax					
General Obligation Bonds	\$ 9,840,166	\$ -	\$ -	\$ 9,840,166	\$ -
Accrued Interest on Series					
2012 Bonds	<u>2,372,642</u>	<u>984,015</u>	<u>990,856</u>	<u>2,365,801</u>	<u>-</u>
Bonds Payable Subtotal	<u>12,212,808</u>	<u>984,015</u>	<u>990,856</u>	<u>12,205,967</u>	<u>-</u>
Loans and Notes from Direct					
Borrowings and Direct Placements:					
Developer Advances:					
Operations	11,174	-	-	11,174	-
Capital	10,007	-	-	10,007	-
Accrued Interest on Developer					
Advances:					
Operations	5,843	894	-	6,737	-
Capital	5,711	801	-	6,512	-
Developer Advances Subtotal	<u>32,735</u>	<u>1,695</u>	<u>-</u>	<u>34,430</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 12,245,543</u>	<u>\$ 985,710</u>	<u>\$ 990,856</u>	<u>\$ 12,240,397</u>	<u>\$ -</u>

**Series 2012 Limited Tax General Obligation Bonds**

On June 1, 2012, the District authorized the issuance of Limited Tax General Obligation Bonds, Series 2012 (the Bonds) in the aggregate principal amount of \$13,929,164 with an annual interest rate of 10%, maturing July 1, 2041, for the purpose of financing and refinancing the public infrastructure. The Bonds are payable January 2 and July 1, commencing on January 2, 2013. The Bonds are subject to redemption prior to maturity, at the option of the District, on any date upon payment of par and accrued interest, with no redemption premium. The principal and interest on the Bonds are payable solely from and to the extent of Pledged Revenues, which may or may not be sufficient to pay the principal and interest on the Bonds. The Bonds have no set principal payment schedule. The proceeds were used to repay developer advances for capital costs.

The Series 2012 Bonds are Cash Flow Bonds, because of the uncertainty of the timing of the principal and interest payments on the Series 2012 Bonds, no schedule of principal and interest payments is presented.

**Events of Default**

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

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Events of Default (Continued)**

The failure to pay the principal of or the interest on the Bonds when due or to cause the Bond Reserve Fund to be replenished shall not, in and of itself, constitute an Event of Default under the Bonds Indenture if the reason of such failure is an insufficiency of Pledged Revenues.

The District has no open lines of credit.

**Developer Advances**

The District has entered into Funding and Reimbursement Agreements with Eagle Development company (the Developer) as follows:

**Funding and Reimbursement Agreement for Operations and Maintenance Costs**

On February 10, 2005, the District entered into a funding and reimbursement agreement for operations and maintenance costs (Operation Agreement) with the Developer. The Developer has agreed to advance up to \$290,000 through December 31, 2005, to fund the costs of operations and maintenance. The operation agreement is subject to renewal on an annual basis as deemed appropriate by the Developer. Such advances include an interest rate of 8.0% and are to be reimbursed by the District with the proceeds of any future bond issues or any other available revenues of the District. Any reimbursement is subject to annual appropriation by the District and is contingent upon the District's ability to generate sufficient revenues, after payment of annual operating expenditures and debt service requirements.

On February 3, 2020, the District amended the operation agreement. All future advances will bear interest at 2.00% plus the current Federal Reserve Board Prime Rate per annum and matures on February 3, 2021. This operation agreement was extended through December 31, 2024. As of December 31, 2023, outstanding principal was \$11,174 and accrued interest due to the Developer was \$6,737.

**Funding and Reimbursement Agreement for Capital Costs**

On February 10, 2005, the District entered into a funding and reimbursement agreement for capital costs (capital cost agreement) with the Developer. The Developer has agreed to advance up to \$9,300,000 through December 31, 2005, to fund the costs of capital projects. The capital cost agreement is subject to renewal on an annual basis as deemed appropriate by the Developer. Such advances include an interest rate of 8.0% and are to be reimbursed by the District with the proceeds of any future bond issues or any other available revenues of the District. Any reimbursement is subject to annual appropriation by the District and is contingent upon the District's ability to generate sufficient revenues, after payment of annual operating expenditures and debt service requirements.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Funding and Reimbursement Agreement for Capital Costs (Continued)**

On February 3, 2020, the District amended the capital cost agreement increasing the maximum advances to \$300,000,000. All future advances will bear interest at 2.00% plus the current Federal Reserve Board Prime Rate per annum and matures on February 3, 2021. This capital cost agreement was extended through December 31, 2024. As of December 31, 2023, outstanding principal was \$10,007 and accrued interest due to the Developer was \$6,512.

**Developer Advances**

As of December 31, 2023, the Developer has an outstanding balance due to the District in the amount of \$62,262.

**Authorized Debt**

According to the District's Consolidated Service Plan, the District is authorized to issue General Obligation Debt in an amount not to exceed \$300,000,000.

On November 2, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$2,400,000,000 at an interest rate not to exceed 18% per annum. \$22,589,855 was utilized to issue the Series 2006A and 2007 Bonds and \$32,120,309 was utilized to issue Series 2011 and 2012 Bonds. At December 31, 2023, the District had remaining authorized but unissued indebtedness from this election of \$2,345,289,836 for street improvements, traffic controls, parks and recreation, water supply, sanitation, mosquito control, operations and maintenance, and debt refunding as follows:

	Amount Authorized on November 2, 2004	Series 2006A Bonds	Series 2007 Bonds	Series 2011 Bonds	Series 2012 Bonds	Authorized but Unissued
Street Improvements	\$ 300,000,000	\$ 2,369,569	\$ 4,581,663	\$ -	\$ 6,856,728	\$ 286,192,040
Traffic Controls	300,000,000	-	-	-	-	300,000,000
Parks and Recreation	300,000,000	-	90,429	-	602,566	299,307,005
Water Supply	300,000,000	2,271,986	1,719,499	-	3,457,201	292,551,314
Sanitation	300,000,000	4,285,518	6,843,427	-	2,432,308	286,438,747
Mosquito Control	300,000,000	-	-	-	-	300,000,000
Operations and Maintenance	300,000,000	-	427,764	-	580,361	298,991,875
Debt Refunding	300,000,000	-	-	18,191,145	-	281,808,855
Total	<u>\$ 2,400,000,000</u>	<u>\$ 8,927,073</u>	<u>\$ 13,662,782</u>	<u>\$ 18,191,145</u>	<u>\$ 13,929,164</u>	<u>\$ 2,345,289,836</u>

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**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 balance of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 15,406,443
Noncurrent Portion of Outstanding Long-Term Obligations	<u>(1,674,350)</u>
Net Investment in Capital Assets	<u><u>\$ 13,732,093</u></u>

Restricted assets include net position that is restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2023, the District had restricted net position as follows:

Restricted Net Position:	
Emergencies	<u>\$ 31,100</u>
Total Restricted Net Position	<u><u>\$ 31,100</u></u>

The District has a deficit in unrestricted net position. The deficit amount is a result of the District being responsible for the repayment of notes and other obligations issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District’s financial records.

**NOTE 7 RELATED PARTIES**

The members of the Board of Directors of the District are employees, owners of, or otherwise associated with the Developer, the Landhuis Company, Tralon Homes, LLC, and Affirmed Financial Services, LLC, holders of the District’s outstanding bonds, and may have conflicts of interest in dealing with the District. See Note 5 concerning advances made by the Developer and Note 2 concerning the receipt of district fees.

The District has an agreement with Landhuis Brokerage & Management Company (Company) to provide management services. During 2023, the District paid the Company \$36,058 for management services.

The Developer has entered into various construction contracts on behalf of the District. Payments on the contracts are made when progress billings are received.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 INTERGOVERNMENTAL AGREEMENT**

**District Facilities Construction and Service Agreement**

On January 27, 2005, the District entered into a District Facilities Construction and Service Agreement (Master IGA) with Lorson Ranch Metropolitan District Nos. 2–7 (Financing Districts). Under the terms of the agreement, the Financing Districts will, over a period of years, levy sufficient taxes to pay to the District the costs of construction, acquisition, and equipping of certain public facilities and services and the related operations and maintenance costs.

In return, the District has agreed to acquire, construct, and equip the facilities, provide for their operations and maintenance, and provide service to the property within the District, or convey facilities to other entities that will provide the service.

**NOTE 9 RISK MANAGEMENT**

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

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

The District pays annual premiums to the Pool for 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.

**LORSON RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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

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

On November 2, 2004, a majority of the District's electors authorized the District to collect, retain, and spend any revenue from sources other than ad valorem taxes annually without regard to any limitations imposed by TABOR. Additionally, the District is authorized to increase ad valorem taxes annually, up to \$1,000,000 or a lesser amount, as may be needed to pay the District's operations, maintenance, and other expenses, without limitation contained within Article X, Section 20 of the Colorado Constitution.

## **SUPPLEMENTARY INFORMATION**

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
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)
<b>REVENUES</b>			
Intergovernmental Revenue - LRMD No. 2	\$ 1,013,000	\$ 990,856	\$ (22,144)
Total Revenues	<u>1,013,000</u>	<u>990,856</u>	<u>(22,144)</u>
<b>EXPENDITURES</b>			
Bond Interest - Series 2012	1,013,000	990,856	22,144
Total Expenditures	<u>1,013,000</u>	<u>990,856</u>	<u>22,144</u>
<b>NET CHANGES IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	<u>89</u>	<u>-</u>	<u>(89)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ (89)</u>

**LORSON RANCH METROPOLITAN DISTRICT NO. 1  
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)
<b>REVENUES</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital Outlay:			
Lorson Ranch MD No. 4	8,261,675	17,319,881	(9,058,206)
Lorson Ranch MD No. 6	34,900,000	-	34,900,000
Total Expenditures	43,161,675	17,319,881	25,841,794
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(43,161,675)	(17,319,881)	25,841,794
<b>OTHER FINANCING SOURCES (USES)</b>			
Capital Dedication from Lorson Ranch MD No. 4	8,261,675	17,319,881	9,058,206
Capital Dedication from Lorson Ranch MD No. 6	34,900,000	-	(34,900,000)
Total Other Financing Sources (Uses)	43,161,675	17,319,881	(25,841,794)
<b>NET CHANGES IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ -