

**Ritiro Metropolitan District
Elbert County, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2023

Ritoro Metropolitan District

TABLE OF CONTENTS

December 31, 2023

Independent Auditor’s Report I

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position 1

Statement of Activities 2

Fund Financial Statements:

Balance Sheet – Governmental Funds 3

Statement of Revenues, Expenditures, and Changes in Fund Balances –

Governmental Funds 4

Reconciliation of the Statement of Revenues, Expenditures, and

Changes in Fund Balances of Governmental Funds to the Statement of Activities..... 5

Statement of Revenues, Expenditures, and Changes in Fund Balances –

Budget and Actual – General Fund..... 6

Notes to Financial Statements 7

Supplemental Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances –

Budget and Actual – Debt Service Fund 26

Debt Service Requirements to Maturity 27

Schedule of Assessed Valuation, Mill Levy

and Property Taxes Collected..... 28



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ritiro Metropolitan District
Elbert County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ritiro 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 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 the District as of December 31, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 supplemental 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Arvada, Colorado
June 20, 2024

Ritoro Metropolitan District
STATEMENT OF NET POSITION
December 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 27,987
Cash and investments - Restricted	1,186,135
Receivable - County Treasurer	8,501
Prepaid expenses	3,495
Property taxes receivable	949,927
Total assets	<u><u>2,176,045</u></u>
LIABILITIES	
Accounts payable	7,332
Accrued interest payable	34,042
Noncurrent liabilities:	
Due within one year	95,000
Due in more than one year	15,203,918
Total liabilities	<u><u>15,340,292</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	949,927
Total deferred inflows of resources	<u><u>949,927</u></u>
NET POSITION	
Restricted for:	
Emergency reserves	3,700
Debt service	1,155,477
Unrestricted	(15,273,351)
Total net position	<u><u>\$ (14,114,174)</u></u>

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

Ritiro Metropolitan District
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

<u>Functions/Programs</u>	Program Revenue		Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Governmental Activities
	Expenses	Capital Grants and Contributions	
Primary government General government Interest on long-term debt and related costs Dedication of capital assets to other entity Total governmental activities	\$ 77,547 912,709 11,426,584 \$ 12,416,840	\$ - - - \$ -	\$ (77,547) (912,709) (11,426,584) (12,416,840)
General revenues:			
Property taxes			634,870
Specific ownership taxes			101,140
Investment earnings			64,447
Total general revenues			<u>800,457</u>
Change in net position			(11,616,383)
Net position - beginning			<u>(2,497,791)</u>
Net position - ending			<u><u>\$ (14,114,174)</u></u>

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

Ritoro Metropolitan District

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 27,987	\$ -	\$ 27,987
Cash and investments - Restricted	3,700	1,182,435	1,186,135
Receivable - County Treasurer	1,417	7,084	8,501
Prepaid expenses	3,495	-	3,495
Property taxes receivable	158,319	791,608	949,927
Total assets	<u>\$ 194,918</u>	<u>\$ 1,981,127</u>	<u>\$ 2,176,045</u>
LIABILITIES			
Accounts payable	\$ 7,332	\$ -	\$ 7,332
Total liabilities	<u>7,332</u>	<u>-</u>	<u>7,332</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	158,319	791,608	949,927
Total deferred inflows of resources	<u>158,319</u>	<u>791,608</u>	<u>949,927</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenses	3,495	-	3,495
Restricted for:			
Emergencies	3,700	-	3,700
Debt service	-	1,189,519	1,189,519
Unassigned	22,072	-	22,072
Total fund balances	<u>29,267</u>	<u>1,189,519</u>	<u>1,218,786</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 194,918</u>	<u>\$ 1,981,127</u>	

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

Long-term liabilities, including bonds payable, developer advances and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(13,520,000)
Accrued interest payable - bonds	(1,337,666)
Accrued interest payable - developer advances	(475,294)
Net position of governmental activities	<u>\$ (14,114,174)</u>

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

Ritoro Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Property taxes	\$ 105,810	\$ 529,060	\$ 634,870
Specific ownership taxes	16,856	84,284	101,140
Investment earnings	48	64,399	64,447
Total revenues	<u>122,714</u>	<u>677,743</u>	<u>800,457</u>
Expenditures			
Current			
Accounting	16,593	-	16,593
Audit	7,500	-	7,500
Elections	2,107	-	2,107
Insurance and dues	3,662	-	3,662
Legal	20,779	-	20,779
Management	4,142	-	4,142
Miscellaneous	794	2,987	3,781
Treasurer fees	3,164	15,819	18,983
Debt service			
Bond interest	-	409,750	409,750
Bond principal	-	25,000	25,000
Trustee fees	-	10,000	10,000
Total expenditures	<u>58,741</u>	<u>463,556</u>	<u>522,297</u>
Excess of revenues over (under) expenditures	63,973	214,187	278,160
Other financing sources (uses)			
Developer repayment - principal	(59,841)	-	(59,841)
Total other financing sources (uses)	<u>(59,841)</u>	<u>-</u>	<u>(59,841)</u>
Net change in fund balances	4,132	214,187	218,319
Fund balances - beginning	<u>25,135</u>	<u>975,332</u>	<u>1,000,467</u>
Fund balances - ending	<u>\$ 29,267</u>	<u>\$ 1,189,519</u>	<u>\$ 1,218,786</u>

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

Ritiro Metropolitan District

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

For the Year Ended December 31, 2023

Net change in fund balances - governmental funds: \$ 218,319

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.

Dedication of capital assets (11,426,584)

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

Current year bond principal payment 25,000
Repayment developer advance 59,841

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

Accrued bond interest payable - Change in liability (489,969)
Accrued interest payable developer advances - Change in liability (2,990)

Change in net position of governmental activities \$ (11,616,383)

Ritoro Metropolitan District

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

For the Year Ended December 31, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 105,810	\$ 105,810	\$ 105,810	\$ -
Specific ownership taxes	13,755	13,755	16,856	3,101
Investment earnings	10,000	10,000	48	(9,952)
Total revenues	<u>129,565</u>	<u>129,565</u>	<u>122,714</u>	<u>(6,851)</u>
EXPENDITURES				
Accounting	23,000	23,000	16,593	6,407
Audit	7,250	7,250	7,500	(250)
Elections	5,000	5,000	2,107	2,893
Insurance and dues	4,100	4,100	3,662	438
Legal	25,000	25,000	20,779	4,221
Management	8,000	8,000	4,142	3,858
Miscellaneous	1,400	1,400	794	606
Treasurer fees	3,174	3,174	3,164	10
Contingency	10,000	9,000	-	9,000
Total expenditures	<u>86,924</u>	<u>85,924</u>	<u>58,741</u>	<u>27,183</u>
Excess of revenues over expenditures	42,641	43,641	63,973	20,332
OTHER FINANCING SOURCES (USES)				
Developer repayment	(41,000)	(59,841)	(59,841)	-
Total other financing sources (uses)	<u>(41,000)</u>	<u>(59,841)</u>	<u>(59,841)</u>	<u>-</u>
Net change in fund balances	1,641	(16,200)	4,132	20,332
Fund balances - beginning	<u>14,496</u>	<u>25,135</u>	<u>25,135</u>	<u>-</u>
Fund balances - ending	<u>\$ 16,137</u>	<u>\$ 8,935</u>	<u>\$ 29,267</u>	<u>\$ 20,332</u>

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

Ritiro Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1 – Definition of Reporting Entity

Ritiro Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado, was created by order and decree of the Elbert County District Court on June 12, 2008 and recorded with the County Clerk on June 24, 2008, and is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within the Town of Elizabeth (the Town) in Elbert County, Colorado. The District operates under an Amended and Restated Service Plan approved by the Town on September 27, 2016. The District was organized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, operation and maintenance of public infrastructure improvements within and without the boundaries of the District. The District shall be authorized to operate and maintain public improvements not conveyed to the Town or other governmental entities having proper jurisdiction. To the extent that the District retains ownership and/or maintenance responsibilities of any public improvements, the District shall be authorized to enter into one or more agreements with owners' associations pursuant to which an owners' association may operate and maintain such improvements.

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

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

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

Note 2 – Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

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

Ritoro Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental 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 reported in another fund.

Ritiro Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

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

Budgetary Information

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The District's Board of Directors can modify the budget line item within the total appropriation without notification. The 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 in the General Fund 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 minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Property Taxes

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

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

Ritiro Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, 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. 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 are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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 fixed assets, as applicable.

Deferred Inflows of Resources

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

Use of Estimates

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

Ritoro Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

Ritiro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

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	\$ 27,987
Cash and investments-Restricted	1,186,135
Total cash and investments	<u>\$ 1,214,122</u>

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

Deposits with financial institutions	\$ 31,687
Investments	1,182,435
Total cash and investments	<u>\$ 1,214,122</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank balance and a carrying balance of \$31,687.

Investments

The District has adopted an investment policy by which it follows state statute regarding investments.

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

Ritiro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

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

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

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

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

Investment	Amount
Colorado Liquid Asset Trust (Colotrust)	<u>\$ 1,182,435</u>
Total investments	<u><u>\$ 1,182,435</u></u>

Colotrust

The District invested in the Colorado Local Government Liquid Asset Trust (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 offers shares in three portfolios: Colotrust Prime, Colotrust Plus, and Colotrust Edge.

Colotrust Prime and Colotrust Plus operate similarly to a money market fund and each share is equal in value to \$1.00. 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. Both portfolios are rated AAAM by Standard and Poor's.

Ritiro Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2023

Colotrust Edge, 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. Colotrust Edge is rated AA Af/S1 by Fitch Ratings.

A designated custodial bank serves as custodian for the Trust's investment 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 records its investments at fair value and the District records its investment in Colotrust at net asset value as determined by fair value. The District invested in the Colotrust Plus portfolio during 2023. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

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	Additions	Deletions	Balance at December 31, 2023
Capital assets, not being depreciated				
Construction in progress	\$ 11,426,584	\$ -	\$ 11,426,584	\$ -
Total capital assets, not being depreciated	<u>11,426,584</u>	<u>-</u>	<u>11,426,584</u>	<u>-</u>
Capital assets, net	<u>\$ 11,426,584</u>	<u>\$ -</u>	<u>\$ 11,426,584</u>	<u>\$ -</u>

During 2023, the capital assets constructed by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

Ritoro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

Note 5 – Long-Term Obligations

Changes in long-term debt for the year ended December 31, 2023 are summarized as follows:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
General Obligation Limited Tax Bonds - Series 2019A	\$ 8,195,000	\$ -	\$ 25,000	\$ 8,170,000	\$ 95,000
Subordinate General Obligation Limited Tax Bonds - Series 2019B	2,190,000	-	-	2,190,000	-
Accrued Interest Subordinate Bonds - Series 2019B	730,601	247,592	-	978,193	-
Second Subordinate General Obligation Limited Tax Bonds - Series 2022C	3,160,000	-	-	3,160,000	-
Accrued Interest Second Subordinate Bonds - Series 2022C	82,950	242,481	-	325,431	-
Other:					
Developer Advances - Operating	59,841	-	59,841	-	-
Accrued Interest - Operating	24,861	2,990	-	27,851	-
Accrued Interest - Capital	447,443	-	-	447,443	-
	<u>\$ 14,890,696</u>	<u>\$ 493,063</u>	<u>\$ 84,841</u>	<u>\$ 15,298,918</u>	<u>\$ 95,000</u>

Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A (Series 2019A Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2019B₍₃₎ (Series 2019B₍₃₎ Bonds, and together with the 2019A Senior Bonds, the 2019 Bonds) dated June 20, 2019

Bond Details

On June 20, 2019, the District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds – Series 2019A (“2019A Bonds”) with a par amount of \$8,195,000. The 2019A Bonds were issued for the purposes of: (i) paying or reimbursing public improvements; (ii) paying capitalized interest on the 2019A Bonds; (iii) funding the Senior Reserve Fund; and (iv) paying other costs in connection with the issuance the 2019 Bonds.

Interest on the 2019A Bonds is payable semiannually on June 1 and December 1 each year, commencing December 1, 2019 at the rate of 5.00% per annum. To the extent principal of any 2019A Bond is not paid when due, such principal is to remain outstanding until paid and is to continue to bear interest at the rate then borne by the 2019A Bonds. To the extent interest on any 2019A Bonds is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the 2019A Bonds. The District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 2019A Bonds, including all

Ritoro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

payments of principal, premium if any, and interest, and all 2019A Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

On June 20, 2019, the District issued Subordinate Limited Tax General Obligation Bonds – Series 2019B₍₃₎ (“2019B Bonds”) with a par amount of \$2,190,000. The 2019B Bonds were issued for the purposes of paying or reimbursing public improvements.

The 2019B Bonds bear interest at 8.50% per annum payable on December 15 each year to the extent of Subordinate Pledged Revenue available therefore, commencing December 15, 2019. The 2019B Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal thereof prior to the final maturity date. To the extent principal of any 2019B Bonds is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2019B Bonds. To the extent interest on any 2019B Bonds is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the 2019B Bonds. The District is not to be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 2019B Bonds including all payments of principal, premium, if any, and interest and all 2019B Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount. All of the 2019B Bonds and interest thereon will be deemed paid, satisfied, and discharged on December 15, 2058.

Optional Redemption

The 2019A Bonds are subject to redemption prior to maturity, at the option of the District on June 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2024, to May 31, 2025	3.00%
June 1, 2025, to May 31, 2026	2.00%
June 1, 2026, to May 31, 2027	1.00%
June 1, 2027, and thereafter	0.00%

The 2019B Bonds are subject to redemption prior to maturity, at the option of the District on June 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

Ritoro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2024, to May 31, 2025	3.00%
June 1, 2025, to May 31, 2026	2.00%
June 1, 2026, to May 31, 2027	1.00%
June 1, 2027, and thereafter	0.00%

Security

The 2019A Bonds are secured by and payable from the moneys derived by the District from the following sources, net of any costs of collection: (i) the Senior Property Tax Revenue; (ii) all Senior Specific Ownership Tax Revenue; and (iii) any other legally available money which the District determines, in its absolute discretion to credit to the Senior Bond Fund.

The 2019A Bonds are also secured by amounts on deposit in the Senior Reserve Fund in an amount equal to \$644,000, and amounts, if any, accumulated in the Senior Surplus Fund up to the Maximum Surplus Amount of \$819,500. As of December 31, 2023, the balance in the Senior Reserve Fund was \$646,067 and the balance in the Senior Surplus Fund was \$507,787.

The 2019B Bonds are secured by and payable from the moneys derived by the District from the following sources, net of any costs of collection: (i) all Subordinate Property Tax Revenue; (ii) all Subordinate Specific Ownership Tax Revenue; (iii) the amounts, if any, in the Senior Surplus Fund after the payment or defeasance of the 2019A Bonds; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Required Mill Levy

Pursuant to the Senior Indenture, the District has covenanted to impose a Senior Required Mill Levy in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due, and if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (i) not in excess of 50 mills, and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills, or such lesser mill levy which will fund the Bond Fund for the relevant Bond Year and pay the Bonds as they become due, will replenish the Reserve Fund to the amount of the Required Reserve, and will fund the Surplus Fund up to the Maximum Surplus Amount. If after January 1, 2016, there are changes in the ratio of actual valuation to assessed valuation, then the minimum and maximum mill levies shall be increased or decreased to offset such changes.

The District's Amended and Restated Service Plan limits the District's imposition of ad valorem taxes for debt to 50 mills (subject to adjustment). The maximum Debt Mill

Ritoro Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

Levy is 50 mills for so long as the total amount of aggregate debt of the District exceeds fifty percent of the District's assessed valuation.

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy each year in the amount of 50 mills less the amount of the Senior Bond Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full. If after January 1, 2016 there are changes in the actual valuation to assessed valuation the mill levy will be adjusted to offset such changes. It is the intent that if the Senior Bond Mill Levy equals or exceeds 50 mills in any year, adjusted for changes in the actual valuation to assessed valuation, the Subordinate Required Mill Levy for that year shall be zero.

Project Funds

Proceeds of \$6,277,135 from the sale of the 2019A Bonds were deposited to a Senior Project Fund. The Project Fund is held by the Trustee and funds are only released to the District after a "Requisition" is submitted for reimbursement of approved project costs within the District in accordance with the Senior Indenture. Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid from the Senior Project Fund, any balance remaining in the Project Fund shall be credited to the Senior Bond Fund. The Project Fund shall terminate at such time as no further moneys remain therein.

Second Subordinate General Obligation Limited Tax Bonds, Series 2022C dated August 24, 2022

Bond Details

On August 24, 2022, the District issued Second Subordinate General Obligation Limited Tax Bonds – Series 2022C ("2022C Bonds") with a par amount of \$3,160,000. The 2022C Bonds were issued for the purposes of reimbursing public improvements and paying other costs in connection with the issuance of the 2022C Bonds.

The 2022C Bonds bear interest at 7.50% per annum payable on December 15 each year to the extent of Second Subordinate Pledged Revenue available therefore, commencing December 15, 2022. The 2022C Bonds are structured as "cash flow" bonds meaning that there are no scheduled payments of principal thereof prior to the final maturity date. To the extent principal of any 2022C Bonds is not paid when due, such principal shall remain outstanding until the earlier of payment or the Termination Date (December 16, 2072) and shall continue to bear interest at the rate then borne by the 2022C Bonds. To the extent interest on any 2022C Bonds is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the 2022C Bonds. The District is not to be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 2022C Bonds

Ritiro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

including all payments of principal, premium, if any, and interest and all 2022C Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount. All of the 2022C Bonds and interest thereon will be deemed paid, satisfied, and discharged on December 16, 2072.

Security

The 2022C Bonds are secured by and payable from the moneys derived by the District from the following sources, net of any costs of collection: (i) Second Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Second Subordinate Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Second Subordinate Bond Fund.

Required Mill Levy

Pursuant to the Second Subordinate Indenture, the District has covenanted to impose a Second Subordinate Required Mill Levy each year in the amount of 50 mills less the amounts required for the payment of the Senior Bond Mill Levy, the Subordinate Bond Mill Levy, and the number of mills necessary to pay any unlimited mill levy debt, or such lesser mill levy which will fund the Second Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full. If after January 1, 2008 there are changes in the actual valuation to assessed valuation the mill levy will be adjusted to offset such changes. It is the intent that if the Senior Bond Mill Levy, the Subordinate Bond Mill Levy, and the number of mills necessary to pay any unlimited mill levy debt equals or exceeds 50 mills in any year, adjusted for changes in the actual valuation to assessed valuation, the Second Subordinate Required Mill Levy for that year shall be zero.

Project Funds

Proceeds of \$3,002,061 from the sale of the 2022C Bonds were deposited to a Project Fund. The Project Fund is held by the Trustee and funds are only released to the District after a "Requisition" is submitted for reimbursement of approved project costs within the District in accordance with the Second Subordinate Indenture. Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid from the Project Fund, any balance remaining in the Project Fund shall be credited to the Second Subordinate Bond Fund. The Project Fund shall terminate at such time as no further moneys remain therein.

Ritoro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

The District's long-term obligations for the 2019A Bonds will mature as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,000	\$ 408,500	\$ 503,500
2025	100,000	403,750	503,750
2026	115,000	398,750	513,750
2027	125,000	393,000	518,000
2028	140,000	386,750	526,750
2029-2033	870,000	1,818,500	2,688,500
2034-2038	1,275,000	1,563,000	2,838,000
2039-2043	1,775,000	1,196,250	2,971,250
2044-2048	2,450,000	688,750	3,138,750
2049	1,225,000	61,250	1,286,250
	<u>\$ 8,170,000</u>	<u>\$ 7,318,500</u>	<u>\$ 15,488,500</u>

The annual debt service requirements on the 2019B and 2022C Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue and Second Subordinate Pledged Revenue.

Operation Funding Agreement

On December 20, 2016 (effective January 1, 2016), the District entered into the 2016-2017 Operation Funding Agreement (2016-2017 OFA) with MGL Ritoro, LLC (the Developer). The Developer agreed to advance funds for ongoing operations and maintenance expenses incurred by the District in an amount of \$50,000 (Shortfall Amount). The 2016-2017 OFA expired on March 15, 2018. This agreement was amended on December 11, 2017 (effective January 1, 2016) to amend the title of the 2016-2017 OFA to the Operation Funding Agreement (OFA), increase the shortfall amount to \$75,000, and to extend the term of the OFA to March 15, 2019. The OFA was further amended on June 10, 2019 by a Second Amendment to the Operation Funding Agreement with an effective date of January 1, 2016. Per the Second Amendment to the OFA, the Developer agrees to advance funds for ongoing operations and maintenance expenses incurred by the District through December 31, 2019 in an amount not to exceed \$100,000 (Shortfall Amount). Any obligation of the Developer to advance funds will expire on March 15, 2020. The District agrees to repay the advances from funds available after the payment of any annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget appropriation. Simple interest will accrue on each advance from the date of deposit at a rate of 6% per annum. Payments to reimburse the Developer shall be paid by December 2 of each year and shall be applied (a) first to the Original OFA principal amount due and then to the Original OFA accrued and unpaid interest; then (b) first to the First Amendment principal amount due; and then to

Ritiro Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

the First Amendment accrued and unpaid interest; and then (c) first to the Second Amendment principal amount due; and then to the Second Amendment accrued and unpaid interest. Any obligation to reimburse the Developer shall expire on December 31, 2039. In the event the District has not reimbursed the Developer for any advances made pursuant to this agreement on or before December 31, 2039, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. As of December 31, 2023, the principal and accrued interest outstanding is \$0 and \$27,851, respectively.

Facilities Acquisition and Reimbursement Agreement

On May 24, 2017 the District entered into the Facilities Acquisition and Reimbursement Agreement with MGL Ritiro, LLC (the Developer) and Lennar Colorado, LLC (Lennar) with an effective date of May 24, 2017, as amended and restated on April 19, 2019 (FARA). Pursuant to a Contract of Sale dated March 24, 2017 between the Developer and Lennar, Lennar purchased certain property within the boundaries of the District to construct Public Improvements (Improvements). At the time of entering into the FARA, the District did not have sufficient funds available to construct and/or acquire the Improvements; therefore, the District determined that for reasons of economic efficiency and timeliness it was in the best interest of the District for Lennar to construct or cause construction of the Improvements. The District did not have the sufficient funds to pay for the expenses incurred in organizing the District; therefore, the Developer incurred these costs.

The parties agreed that a condition precedent to the District's acquisition of the Improvements and obligation to reimburse the Developer for Construction Costs (as defined in the FARA) incurred by Lennar will be the District's receipt of a written certification of an independent engineer retained by the District respecting the Improvements and their costs. Pursuant to the FARA, the District will acquire the Improvements after preliminary acceptance from the appropriate jurisdiction and prior to final acceptance upon receipt, review and approval by the District's accountant and engineer. The District agreed to reimburse Lennar for Certified Construction Costs up to a maximum amount of \$3,600,000 (Reimbursable Costs). The District agreed to reimburse the Developer for the portion of Construction Costs that are in excess of the Reimbursable Costs.

No payment is required of the District unless the District issues bonds or other evidence of debt in an amount sufficient to reimburse Lennar for all or a portion of the Construction Costs. The District may make payments from available funds after the payment of the District's annual debt service and operations and maintenance expenses. To the extent amounts are still owed under this agreement after the District issues bonds, the District shall exercise reasonable efforts to issue a promissory note or other privately placed debt instrument for outstanding amounts which have not been previously reimbursed with bond proceeds. The obligations of the District

Ritoro Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

contemplated in the FARA are subject to annual appropriation and are not a multiple-fiscal year obligation.

The District paid all amounts owed under the FARA with the proceeds from the 2019A Bonds. Accordingly, there are no amounts owing under the FARA as of December 31, 2023.

Funding and Reimbursement Agreement

On December 20, 2016, the District entered into a Funding and Reimbursement Agreement (FRA) with MGL Ritoro, LLC (Developer). The District did not currently have sufficient monies available to fund the cost of construction improvements. The District acknowledged the Developer has incurred costs related to the financing, design, and construction of public improvements (Capital Costs). The District agreed to reimburse the Developer for the verified Capital Costs from the date incurred and on monies advanced to the District at six percent (6%) simple interest per annum. In June 2021, the Developer issued a Letter of Agreement to the District, directing the District to accrue simple interest under the FRA at six percent (6%) per annum for Developer Advances and Verified Capital Costs from January 7, 2020, which is the date the District accepted the engineer's report certifying the Verified Capital Costs. Payments by the District to the Developer shall credit first against principal due and then to accrued and unpaid interest. Payments due pursuant to the FRA are subordinate to payments due pursuant to the FARA. At December 31, 2023 the principal and accrued interest outstanding under the agreement is \$0 and \$447,443, respectively.

Debt Authorization

On May 6, 2008 and on November 8, 2016, the District's electorate authorized the issuance of indebtedness in an amount not to exceed \$47,255,000 and \$260,000,000 respectively, for total electorate authorized indebtedness of \$307,255,000.

Pursuant to the District's Amended and Restated Service Plan approved September 27, 2016, the District is limited to issuing \$20,000,000 in debt. After the issuance of the 2019 and 2022 Bonds, the District has \$6,455,000 remaining debt authorization under its Service Plan.

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Note 6 – Net Position

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

Ritoro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

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

	<u>Governmental Activities</u>
Restricted net position:	
Emergency reserve	\$ 3,700
Debt service	<u>1,155,477</u>
Total restricted net position	<u><u>\$ 1,159,177</u></u>

As of December 31, 2023, the District has unrestricted net position (deficit) of \$(15,273,351). The deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements that have been conveyed to other governmental entities.

Note 7 – Related Parties

The Developer of the property which constitutes the District is MGL Ritoro, LLC a Colorado limited liability company. The members of the Board of Directors are officers, employees, or associated with the Developer and may have conflicts of interest in dealing with the District.

Note 8 – Risk Management

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

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

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

Ritiro Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

Note 9 - Tax, Spending and Debt Limitation

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

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

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

On November 8, 2016, the District's voters authorized the District to collect, spend or retain all revenues collected or received by the District in fiscal year 2017 and in each fiscal year thereafter, without regard to any limitations under TABOR.

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.

* * * * *

SUPPLEMENTAL INFORMATION

Ritoro Metropolitan District

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

For the Year Ended December 31, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 529,060	\$ 529,060	\$ -
Specific ownership taxes	68,778	84,284	15,506
Investment earnings	34,000	64,399	30,399
Total revenues	<u>631,838</u>	<u>677,743</u>	<u>45,905</u>
EXPENDITURES			
Miscellaneous	500	2,987	(2,487)
Treasurer fees	15,872	15,819	53
Trustee fees	7,000	10,000	(3,000)
Bond principal	25,000	25,000	-
Bond interest	409,750	409,750	-
Contingency	10,000	-	10,000
Total expenditures	<u>468,122</u>	<u>463,556</u>	<u>4,566</u>
Net change in fund balances	163,716	214,187	50,471
Fund balances - beginning	<u>963,972</u>	<u>975,332</u>	<u>11,360</u>
Fund balances - ending	<u>\$ 1,127,688</u>	<u>\$ 1,189,519</u>	<u>\$ 61,831</u>

Ritoro Metropolitan District

DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	\$8,195,000 General Obligation Limited Tax Bonds, Series 2019A Dated June 20, 2019 Interest Rate 5.00% Interest Payable on June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2024	\$ 95,000	\$ 408,500	\$ 503,500
2025	100,000	403,750	503,750
2026	115,000	398,750	513,750
2027	125,000	393,000	518,000
2028	140,000	386,750	526,750
2029	145,000	379,750	524,750
2030	165,000	372,500	537,500
2031	170,000	364,250	534,250
2032	190,000	355,750	545,750
2033	200,000	346,250	546,250
2034	220,000	336,250	556,250
2035	235,000	325,250	560,250
2036	255,000	313,500	568,500
2037	270,000	300,750	570,750
2038	295,000	287,250	582,250
2039	310,000	272,500	582,500
2040	335,000	257,000	592,000
2041	350,000	240,250	590,250
2042	380,000	222,750	602,750
2043	400,000	203,750	603,750
2044	435,000	183,750	618,750
2045	455,000	162,000	617,000
2046	490,000	139,250	629,250
2047	515,000	114,750	629,750
2048	555,000	89,000	644,000
2049	1,225,000	61,250	1,286,250
Total	\$ 8,170,000	\$ 7,318,500	\$ 15,488,500

Ritiro Metropolitan District

SCHEDULE OF ASSESSED VALUATION,
MILL LEVY, AND PROPERTY TAXES COLLECTED

December 31, 2023

Year ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2020	\$ 2,258,400	11.132	55.664	\$ 150,853	\$ 151,455	100.40%
2021	\$ 4,900,180	11.132	55.664	\$ 327,313	\$ 326,870	99.86%
2022	\$ 7,516,850	11.132	55.664	\$ 502,096	\$ 502,096	100.00%
2023	\$ 9,238,640	11.453	57.266	\$ 634,870	\$ 634,870	100.00%
Estimated for calendar year ending December 31, 2024	\$ 12,078,063	13.108	65.541	\$ 949,928		

Note:

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