

**232 METROPOLITAN DISTRICT**

**Weld County, Colorado**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

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DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
232 Metropolitan District  
Weld County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of 232 Metropolitan District (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

## **Auditor's Responsibility for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

### **Required Supplementary Information**

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

*Fiscal Focus Partners, LLC*

Arvada, Colorado  
July 22, 2025

## **BASIC FINANCIAL STATEMENTS**

**232 METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2024**

**ASSETS**

|                                   |                  |
|-----------------------------------|------------------|
| Cash and investments              | \$ 6,301,628     |
| Cash and investments - restricted | 53,513           |
| Prepaid expenses                  | 2,520            |
| Property taxes receivable         | 584,936          |
| Total Assets                      | <u>6,942,597</u> |

**LIABILITIES**

|                   |              |
|-------------------|--------------|
| Accounts payable  | <u>7,368</u> |
| Total Liabilities | <u>7,368</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |                |
|-------------------------------------|----------------|
| Deferred property taxes             | <u>580,852</u> |
| Total Deferred Inflows of Resources | <u>580,852</u> |

**NET POSITION**

|                            |                     |
|----------------------------|---------------------|
| Restricted for emergencies | 53,513              |
| Unrestricted               | <u>6,300,864</u>    |
| Total Net Position         | <u>\$ 6,354,377</u> |

**232 METROPOLITAN DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

| <b>Function/Program</b>                | <b>Program Revenues</b> |                                 |   | <b>Net (Expense)<br/>Revenue and<br/>Changes in Net<br/>Position</b> |                                    |
|--|-------------------------|---------------------------------|---|--|------------------------------------|
|  | <b>Expenses</b>         | <b>Charges for<br/>Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> | <b>Capital Grants<br/>and<br/>Contributions</b>                      | <b>Governmental<br/>Activities</b> |
| Primary Government:                    |                         |                                 |   |  |                                    |
| Governmental activities:               |                         |                                 |   |  |                                    |
| General government                     | \$ 46,053               | \$ -                            | \$ -  | \$ -   | \$ (46,053)                        |
| <b>Total Governmental Activities</b>   | \$ 46,053               | \$ -                            | \$ -  | \$ -   | \$ (46,053)                        |
| <b>General Revenues:</b>               |                         |                                 |   |  |                                    |
| Property Taxes                         |                         |                                 |   |  | \$ 1,437,815                       |
| Specific Ownership Taxes               |                         |                                 |   |  | 49,766                             |
| Interest Income                        |                         |                                 |   |  | 296,169                            |
| <b>Total general revenues</b>          |                         |                                 |   |  | 1,783,750                          |
| <b>Change in Net Position</b>          |                         |                                 |   |  | 1,737,697                          |
| <b>Net Position, Beginning of Year</b> |                         |                                 |   |  | 4,616,680                          |
| <b>Net Position, End of Year</b>       |                         |                                 |   |  | \$ 6,354,377                       |

**232 METROPOLITAN DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**As of December 31, 2024**

|   | <b>GENERAL FUND</b> |
|---|---------------------|
| <b>ASSETS</b>   |                     |
| Cash and investments  | \$ 6,301,628        |
| Cash and investments - restricted   | 53,513              |
| Prepaid expenses  | 2,520               |
| Property taxes receivable   | 584,936             |
| <b>Total Assets</b>   | <b>6,942,597</b>    |
| <br><b>LIABILITIES</b>  |                     |
| Accounts payable  | 7,368               |
| <b>Total Liabilities</b>  | <b>7,368</b>        |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |
| Deferred property tax revenue   | 580,852             |
| <b>Total Deferred Inflows of Resources</b>                                      | <b>580,852</b>      |
| <br><b>FUND BALANCE</b>   |                     |
| Restricted for emergencies  | 53,513              |
| Unassigned  | 6,300,864           |
| <b>Total Fund Balance</b>   | <b>6,354,377</b>    |
| <b>Total Liabilities, Deferred Outflows of Resources,<br/>and Fund Balances</b> | <b>\$ 6,942,597</b> |
| <b>Net Position of Governmental Activities</b>                                  | <b>\$ 6,354,377</b> |

**232 METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | <b>GENERAL FUND</b> |
|--|---------------------|
| <b>Revenues</b>  |                     |
| Property taxes   | \$ 1,437,815        |
| Specific ownership taxes                                     | 49,766              |
| Interest income  | 296,169             |
| <b>Total Revenues</b>  | 1,783,750           |
| <br><b>Expenditures</b>                                      |                     |
| Accounting and auditing                                      | 11,309              |
| Consulting   | 375                 |
| County treasurer fees  | 21,567              |
| Dues and memberships   | 701                 |
| Insurance  | 2,520               |
| Legal  | 9,581               |
| <b>Total Expenditures</b>                                    | 46,053              |
| <b>Excess of Revenues Over (Under) Expenditures</b>          | 1,737,697           |
| <b>Net Change in Fund Balance</b>                            | 1,737,697           |
| <b>Fund Balance, Beginning of year</b>                       | 4,616,680           |
| <b>Fund Balance, End of year</b>                             | \$ 6,354,377        |
| <br><b>Change in Net Position of Governmental Activities</b> | <br>\$ 1,737,697    |

**232 METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final budget<br/>Favorable<br/>(Unfavorable)</b> |
|--|--------------------------------------|---------------------|---|
| <b>Revenues</b>                        |                                      |                     |   |
| Property taxes                         | \$ 1,374,668                         | \$ 1,437,815        | \$ 63,147   |
| Specific ownership taxes               | 68,700                               | 49,766              | (18,934)  |
| Interest                               | 150,000                              | 296,169             | 146,169   |
| <b>Total Revenues</b>                  | <b>1,593,368</b>                     | <b>1,783,750</b>    | <b>190,382</b>  |
| <b>Expenditures</b>                    |                                      |                     |   |
| Operations:                            |                                      |                     |   |
| Accounting and auditing                | 15,000                               | 11,309              | 3,691   |
| Bank fees                              | 250                                  | -                   | 250   |
| Consulting                             | 10,000                               | 375                 | 9,625   |
| County treasurer fees                  | 20,620                               | 21,567              | (947)   |
| Dues and memberships                   | 500                                  | 701                 | (201)   |
| Election expense                       | 1,000                                | -                   | 1,000   |
| Insurance                              | 3,500                                | 2,520               | 980   |
| Infrastructure design and permitting   | 100,000                              | -                   | 100,000   |
| Legal                                  | 75,000                               | 9,581               | 65,419  |
| Office supplies                        | 2,500                                | -                   | 2,500   |
| Capital expenditures                   | 2,500,000                            | -                   | 2,500,000   |
| Contingency                            | 125,000                              | -                   | 125,000   |
| TABOR reserve                          | 85,601                               | -                   | 85,601  |
| <b>Total Expenditures</b>              | <b>2,938,971</b>                     | <b>46,053</b>       | <b>2,892,918</b>  |
| <b>Net Change in Fund Balance</b>      | <b>\$ (1,345,603)</b>                | <b>\$ 1,737,697</b> | <b>\$ 3,083,300</b>   |
| <b>Fund Balance, Beginning of year</b> | <b>4,545,043</b>                     | <b>4,616,680</b>    | <b>71,637</b>   |
| <b>Fund Balance, End of year</b>       | <b>\$ 3,199,440</b>                  | <b>\$ 6,354,377</b> | <b>\$ 3,154,937</b>   |

**232 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

232 Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court in and for Weld County, Colorado, on November 24, 2015, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to finance and construct certain public infrastructure improvements including sanitary and storm sewers, streets, water, safety protection, and other improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors consisting of three Directors.

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

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

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

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 activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) grants and contributions that are restricted to meeting the operational needs of a particular program and (b) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Separate financial statements are provided for the governmental funds. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District has one governmental fund (below) and does not maintain proprietary or fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**232 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The general fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

**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 accounted for 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 property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental fund:

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

**Budgets**

In accordance with the Colorado Budget Law, the District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or prior to October 15<sup>th</sup> the budget is submitted to the Board of Directors of the District.
2. A public hearing on the budget is held prior to its adoption.
3. On the date of the hearing, the Board reviews the proposed budget and formally adopts it by resolution.
4. At the time of adopting the budget the Board also adopts the mill levies.
5. Prior to the beginning of the calendar year, the Board passes an appropriating ordinance giving the District legal authority to spend.
6. The District adopts budgets for the general and debt service funds on a basis consistent with generally accepted accounting principles. The District's Board of Directors can modify the budget and appropriations resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end and lapses at year end.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended, if applicable, by the Board of Directors.

**232 METROPOLITAN DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**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<sup>st</sup> of each year. The levy is normally set by December 15<sup>th</sup> by certification to the County Commissioners to put the tax lien on the individual properties as of January 1<sup>st</sup> 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 tax liens on delinquent properties are held in November or December. The County Treasurer remits property tax collections to the District monthly.

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.

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The District currently does not have any deferred outflows of resources reported in the accompanying financial statements.

In addition to liabilities, the statement of net position reports a section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred property tax revenue as an inflow of resources in the period the amounts become available.

**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. In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted.

**Fund Balance – Governmental Funds**

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:

**232 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance – Governmental Funds (continued)**

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

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

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

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

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

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

**Reconciliation of Government-wide and Fund Financial Statements**

The governmental funds balance sheet includes a reconciliation between fund balances of the governmental funds and the net position of governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the net change in fund balances of the governmental funds and the changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

**NOTE 2: CASH AND INVESTMENTS**

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

Statement of Net Position:

|                                   |                            |
|-----------------------------------|----------------------------|
| Cash and Investments              | \$ 6,301,628               |
| Cash and Investments – Restricted | <u>53,513</u>              |
| Total Cash and Investments        | <u><u>\$ 6,355,141</u></u> |

**232 METROPOLITAN DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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

|                                      |                     |
|--------------------------------------|---------------------|
| Deposits with financial institutions | \$ 64,547           |
| Investments                          | <u>6,290,594</u>    |
| Total Cash and Investments           | <u>\$ 6,355,141</u> |

**Deposits with Financial Institutions**

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

At December 31, 2024, the District's cash balances held at financial institutions had bank balances and carrying balances of \$64,547.

**Investments**

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

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

**232 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

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

| <u>Investment</u>                            | <u>Maturity</u>                   | <u>Amount</u>       |
|--|-----------------------------------|---------------------|
| Colorado Local Government Liquid Asset Trust |                                   |                     |
| COLOTRUST PRIME                              | Weighted Average<br>Under 60 Days | \$ 207,505          |
| COLOTRUST PLUS+                              | Weighted Average<br>Under 60 Days | <u>6,083,089</u>    |
| Total COLOTRUST                              |                                   | <u>\$ 6,290,594</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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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. 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 is rated AAAM by Standard & Poor’s. 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 and there is no redemption notice period.

**NOTE 3: LONG-TERM OBLIGATIONS, COMMITMENTS AND AGREEMENTS**

*Facilities Funding and Acquisition Agreement* – The District and the Developer entered into a Facilities Funding and Acquisition Agreement on December 12, 2016, whereby the District has agreed to reimburse the Developer for organizational costs, construction costs, and costs to acquire certain public improvements to benefit properties within its boundaries and/or service area. Simple interest shall accrue on organizational costs and construction related costs funded by the Developer at the rate of 7.5% per annum. Payments made by the District shall be credited first against any accrued and unpaid interest, and then to the principal amount due.

Pursuant to this funding agreement, the Developer’s agrees to fund the organizational and construction costs for fiscal years 2016 through 2030, up to an amount not to exceed Nine Million Eight Hundred Eighty-Three Thousand, Four Hundred Eighteen Dollars (\$9,883,418). In the event the District does not have sufficient funds to repay the organizational and construction costs advanced by the Developer, including any accrued interest, all principal and accrued interest outstanding as of December 31, 2056, shall be deemed forever discharged and satisfied in full. At December 31, 2024, the District had no amounts due to the developer under this funding agreement.

**232 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3: LONG-TERM OBLIGATIONS, COMMITMENTS AND AGREEMENTS (CONTINUED)**

**Authorized Debt**

On November 3, 2015, the majority of the qualified electors of the District voted to approve debt authorization not to exceed \$35,000,000. As of December 31, 2024, the District had remaining voted debt authorization of approximately \$35,000,000. The District's Service Plan limits the issuance of debt to principal amounts not to exceed \$35,000,000, and also limits the combined mill levy for operations and debt service to a maximum of fifty (50) mills, as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement.

On October 11, 2022, the Town Board of Trustees for the Town of Erie approved the District's Amended and Restated Service Plan to delete a requirement for the District to issue debt within a certain time frame but retain the original debt authorization of \$35,000,000.

**NOTE 4: 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, and public officials' liability 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 5: RELATED PARTIES**

Two of the Board of Directors are an employee, owner, or is otherwise associated with the Developer, and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

**NOTE 6: NET POSITION**

The District has net position consisting of two components – restricted and unrestricted. As of December 31, 2024, the District had restricted net position consisting of emergency reserves required by TABOR totaling \$53,513, and unrestricted net position totaling \$6,300,864.

Restricted net position includes amounts that are restricted for use either by creditors, grantors, contributors, or laws and regulations of other governments, or as imposed by law through constitutional provisions or enabling legislation.

**NOTE 7: 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.

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**NOTE 7: TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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

On November 3, 2015, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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. On December 31, 2024, the District determined its required emergency reserve to be approximately \$53,513.

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.