

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT

CITY OF FORT LUPTON
WELD COUNTY, COLORADO



FINANCIAL STATEMENTS
As of and for the 12-month period ended
December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Lupton Village Residential Metropolitan District

Weld County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Lupton Village Residential 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 District, as of December 31, 2024, and the respective changes in financial position and the 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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

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 the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

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

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is written in a cursive style and is underlined with a single horizontal line.

Castle Pines, Colorado
June 6, 2025

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 109,999
Cash and investments – restricted	108,653
Accounts receivable	36,962
Accounts receivable - specific ownership tax	879
Property taxes receivable	491,400
Prepaid expenses	17,051
Land and water rights	186,000
Depreciable capital assets, net	2,551,786
Total Assets	3,502,730
LIABILITIES	
Accounts payable and accrued liabilities	686
Prepaid maintenance fees	22,737
Accrued interest payable	1,440,277
Current portion of general obligation refunding bonds	-
General obligation debt	11,250,856
Total Liabilities	12,714,556
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	491,400
Total Deferred Inflows of Resources	491,400
NET POSITION (DEFICIT)	
Restricted:	
Emergency reserves	5,600
Debt service	(203)
Capital projects	17,400
Non-spendable	17,051
Unassigned:	(9,743,074)
Net Position (Deficit)	\$ (9,703,226)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended
December 31, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government:					
Government Activities:					
General government activities	\$ (279,282)	\$ 248,655	\$ 250,000	\$ -	\$ 219,373
Interest and related costs on long-term debt	(531,941)		-	-	(531,941)
Capital project activities	(111,857)	-	-	-	(111,857)
	<u>\$ (923,080)</u>	<u>\$ 248,655</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>(424,425)</u>
General Revenues					
					299,094
					11,527
					12,577
					<u>323,198</u>
					(101,227)
					<u>(9,601,999)</u>
					<u>\$ (9,703,226)</u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2024

	General Fund	Townhome Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
ASSETS					
Cash and investments	\$ 109,999	\$ -	\$ -	\$ -	\$ 109,999
Cash and investments - Restricted	5,600	86,536	(883)	17,400	108,653
Accounts receivable	-	36,962	-	-	36,962
Accounts receivable - specific ownership	199	-	680	-	879
Property taxes receivable	107,600	-	383,800	-	491,400
Prepaid expenses	17,051	-	-	-	17,051
TOTAL ASSETS	\$ 240,449	\$ 123,498	\$ 383,597	\$ 17,400	\$ 764,944
LIABILITIES					
Accounts payable and accrued liabilities	\$ 686	\$ -	\$ -	\$ -	\$ 686
Prepaid maintenance fees	225	22,512	-	-	22,737
TOTAL LIABILITIES	911	22,512	-	-	23,423
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	107,600	-	383,800	-	491,400
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	108,511	22,512	383,800	-	514,823
FUND BALANCES					
Restricted:					
Emergencies (TABOR)	5,600	-	-	-	5,600
Debt service	-	-	(203)	-	(203)
Capital projects	-	-	-	17,400	17,400
Non-spendable	17,051	-	-	-	17,051
Unrestricted	109,287	100,986	-	-	210,273
TOTAL FUND BALANCES	131,938	100,986	(203)	17,400	250,121
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 240,449	\$ 123,498	\$ 383,597	\$ 17,400	

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

Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds	
Land and water rights	186,000
Property, structures and equipment, net	2,551,786
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation debt	(11,250,856)
Accrued interest payable	(1,440,277)
Net position of governmental activities	\$ (9,703,226)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended
December 31, 2024

	General Fund	Townhome Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
REVENUES					
Property taxes	\$ 70,150	\$ -	\$ 228,944	\$ -	\$ 299,094
Specific ownership taxes	2,614	-	8,913	-	11,527
Operations and maintenance fee - Townhomes	-	229,537	-	-	229,537
Capital contributions	-	9,600	-	-	9,600
Covenant violation fines	3,700	-	-	-	3,700
Lupton Village Comm District contributions	250,000	-	-	-	250,000
Cost reimbursement charges	-	5,718	-	-	5,718
Other income	50	50	-	-	100
Net investment income	4,572	-	8,005	-	12,577
Total Revenues	331,086	244,905	245,862	-	821,853
EXPENDITURES					
General and administration	49,708	13,129	-	-	62,837
Landscaping maintenance	100,476	50,049	-	-	150,525
Capital asset maintenance	425	-	-	-	425
Other district expenses	18,195	8,556	-	-	26,751
Trash removal expenses	-	38,744	-	-	38,744
Debt service					
Direct and indirect collection costs	-	-	10,736	-	10,736
Interest Expense - Series 2021 Bonds	-	-	220,232	-	220,232
Principal payments - Series 2021 Bonds	-	-	-	-	-
Principal payments - 2023 Fill-up Note	-	-	-	-	-
Major capital projects	-	-	-	-	-
Total Expenditures	168,804	110,478	230,968	-	510,250
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	162,282	134,427	14,894	-	311,603
OTHER FINANCING SOURCES (USES)					
Fund Transfers In / (Out)	-	(17,400)	-	17,400	-
Proceeds from Series 2023 Fill-up Note	-	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	162,282	117,027	14,894	17,400	311,603
FUND BALANCES – BEGINNING	(30,344)	(16,041)	(15,097)	-	(61,482)
FUND BALANCES – END OF YEAR	\$ 131,938	\$ 100,986	\$ (203)	\$ 17,400	\$ 250,121

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
12-Month Period Ended
December 31, 2024**

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

Net change in fund balances – Total government funds	\$	311,603
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Bond principal repayments		-
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the net capital outlay activity for the year:

Acquisition of land		-
Depreciation expense on property, structures and equipment		(111,857)

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.

(Increase)/Decrease in accrued interest on Series 2021 bonds		(300,973)
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Changes in net position of governmental activities	\$	(101,227)
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These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 66,100	\$ 70,150	\$ 4,050
Specific ownership taxes	2,800	2,614	(186)
Capital contributions	-	-	-
ARC review fees	9,600	-	(9,600)
Covenant violation fines	1,000	3,700	2,700
Net investment income	200	4,572	4,372
Lupton Village Comm District contributions	250,000	250,000	-
Other income	-	50	50
Total Revenues	329,700	331,086	1,386
EXPENDITURES			
General and administration	43,300	49,708	(6,408)
Landscaping maintenance	103,900	100,476	3,424
Capital asset maintenance	6,000	425	5,575
Other district expenses	31,700	18,195	13,505
Total Expenditures	184,900	168,804	16,096
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	144,800	162,282	17,482
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER	144,800	162,282	17,482
FUND BALANCE – BEGINNING OF YEAR	(46,000)	(30,344)	15,656
FUND BALANCE – END OF YEAR	\$ 98,800	\$ 131,938	\$ 33,138

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
GENERAL FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
District management and accounting fees	\$ 17,800	\$ 24,296	\$ (6,496)
Administrative costs	2,000	1,398	602
Audit fees	7,200	8,500	(1,300)
Collection fees – County Treasurer	1,000	2,020	(1,020)
Board of directors’ fees	-	-	-
Board training and conferences	3,000	-	3,000
Board election services	-	-	-
Insurance	2,600	2,076	524
Legal fees	8,000	11,418	(3,418)
Indirect Cost Allocation	-	-	-
Contingency	1,700	-	1,700
Total General and Administration	\$ 43,300	\$ 49,708	\$ (6,408)
LANDSCAPING MAINTENANCE			
Ground maintenance fees	39,000	18,324	20,676
Tree maintenance & replacement	4,000	1,768	2,232
Sprinkler repairs	9,000	2,387	6,613
Backflow valve maintenance	1,200	735	-
Sprinklers – electricity	1,000	266	148
Sprinklers - water	35,700	47,672	-
Landscaping projects	7,000	25,615	(18,615)
Detention pond maintenance	-	-	-
Miscellaneous landscape costs	7,000	3,709	3,291
Total Landscaping Maintenance	\$ 103,900	\$ 100,476	\$ 14,345
CAPITAL ASSET MAINTENANCE			
Playground maintenance	-	-	-
Property insurance	5,000	425	4,575
Community mailbox maintenance	-	-	-
Monument sign maintenance	1,000	-	1,000
Total Capital Asset Maintenance	\$ 6,000	\$ 425	\$ 5,575
OTHER DISTRICT EXPENSES			
Snow removal	20,000	440	19,560
Vandalism	1,000	-	1,000
Newsletter Publication/mailing	500	-	500
Park and recreation events	500	-	500
Dumpster services	-	280	(280)
Covenant enforcement services	8,700	6,410	2,290
Covenant enforcement - administrative costs	1,000	11,065	(10,065)
Total Other District Expenses	\$ 31,700	\$ 18,195	\$ 13,505

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
TOWNHOME FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Operations and maintenance fee	217,800	229,537	11,737
Capital contributions	-	9,600	9,600
Cost reimbursement charges	-	5,718	5,718
Net investment income	500	-	(500)
Other income	-	50	50
Total Revenues	218,300	244,905	26,605
EXPENDITURES			
General and administration	35,500	13,129	22,371
Landscaping maintenance	85,800	50,049	35,751
Trash pick-up services	38,100	38,744	644
Other district expenses	41,500	8,556	32,944
Total Expenditures	200,900	110,478	91,710
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,400	134,427	117,027
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(17,400)	(17,400)	-
Total Other Financing Sources (Uses)	(17,400)	(17,400)	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER	-	117,027	117,027
FUND BALANCE – BEGINNING OF YEAR	-	(16,041)	(16,041)
FUND BALANCE – END OF YEAR	\$ -	\$ 100,986	\$ 100,986

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
TOWNHOME FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
Management and accounting fees	\$ 19,500	\$ 13,000	\$ 6,500
Administrative costs	2,000	12	1,988
Legal fees	7,000	17	6,983
Collection services	5,000	-	5,000
Indirect Cost Allocation	-	100	(100)
Contingency	2,000	-	2,000
Total General and Administration	<u>\$ 35,500</u>	<u>\$ 13,129</u>	<u>\$ 22,371</u>
LANDSCAPING MAINTENANCE			
Ground maintenance fees	32,000	22,432	9,568
Tree maintenance & replacement	3,000	-	3,000
Sprinkler repairs	8,600	140	8,460
Sprinklers – electricity	1,200	497	703
Sprinklers - water	30,000	26,832	3,168
Landscaping projects	5,000	-	5,000
Property insurance premiums	3,000	-	3,000
Miscellaneous landscape costs	3,000	148	2,852
Total Landscaping Maintenance	<u>\$ 85,800</u>	<u>\$ 50,049</u>	<u>\$ 35,751</u>
OTHER DISTRICT EXPENSES			
Snow removal	35,000	5,820	29,180
Vandalism	-	-	-
Dumpster services	-	558	(558)
Playground maintenance	500	-	500
Parking enforcement services	3,000	1,999	1,001
Parking lot/alleyway maintenance	3,000	179	2,821
Total Other District Expenses	<u>\$ 41,500</u>	<u>\$ 8,556</u>	<u>\$ 32,944</u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
12-Month Period Ended December 31, 2024

NOTE 1 – DEFINITION OF REPORTING ENTITY

Lupton Village Residential Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 25, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by City of Fort Lupton (City) in February 2006 and amended with City approval on February 04, 2020. The District's service area is located in Weld County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, sanitary sewer, storm drainage and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was also established to (1) maintain various public parks and open spaces within the District (not otherwise owned and maintained by the City), (2) provide covenant enforcement and architectural review services to the Lupton Village covenant-controlled community and (3) maintain certain public infrastructure serving all District inhabitants including monument signage and storm water drainage systems.

The District also provides services specific to the 254 townhome units located within the District and charges services fees to the 254 units to fund the provision of such services. Such public services include (1) weekly trash pick-up services, (2) parking lot and alleyway management services and (3) landscape maintenance and snow removal services around the townhome buildings.

On November 18, 2019, the District changed its name from Cottonwood Greens Metropolitan District No 3 to Lupton Village Residential Metropolitan District.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are as follows:

Government-wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred inflows and the sum of liabilities and deferred outflows 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 governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The Townhome Fund accounts for the resources accumulated and payments made to provide maintenance of the landscaping around the townhome units, weekly trash pick-up service and parking enforcement and snow removal services on and around the alleyways and parking spaces servicing the 254 townhome units.

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.

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

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

Budgets

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

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

Property Taxes

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

The Service Plan establishes a Maximum Debt Mill Levy of 55.277 mills that can be assessed on property owners within the District to fund the District's debt repayment costs. The Maximum Debt Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2019. As of January 01, 2019, the ratio was 7.15%. The ratio for 2024 was 6.70% for residential properties, which caused the Maximum Debt Mill Levy for 2024 to be 58.990.

The Service Plan establishes a Maximum Mill Levy (which includes the Operations and Debt Mill Levies) of 70 mills that can be assessed on property owners within the District. The Maximum Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2019. As of January 01, 2019, the ratio was 7.15%. The ratio for 2024 was 6.70% for residential properties, which caused the Maximum Mill Levy for 2024 to be 74.701.

Per the Senior Bond Indenture of Trust, the "Required Debt Mill Levy" to fund the District's 2021 Senior Bonds is 50 mills. The Required Debt Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2019. As of January 01, 2019, the ratio was 7.15%. The ratio for 2024 was 6.70% for residential properties, which caused the Required Debt Mill Levy for 2024 to be 53.358.

For the collection year 2024, the District adopted a mill levy of 15.646 for operations and 53.358 for debt service. The calculation is reflected on page 2 of the budget. The District's 2024 adopted mill levy for general operations generated \$70,150 in property tax revenue—approximately \$929,850 below the \$1 million property tax floor established by the voters.

Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the county. In 2024, the District's share of Specific ownership taxes was equal to approximately 3.9% of the property taxes collected.

The District allocates specific ownership tax revenue proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Townhome Operations & Maintenance Fees

The District levies a quarterly service fee of \$275 (levied in January, April, July, October) on each townhome unit that has been constructed, sold and occupied to fund the cost of providing services that are unique to the townhome units (i.e. services not provided to all property owners within the District). Such public services include (1) weekly trash pick-up services, (2) parking lot and alleyway management services and (3) landscape maintenance and snow removal services around the townhome buildings.

As of December 31, 2024, all of the 254 townhome units were sold and occupied by homeowners.

Capital Contribution Fees

The District levies an administrative setup fee of \$100 on each home lot at the time ownership of the home lot changes

Property Maintenance Fines

Covenant violation fines are assessed, in accordance with the District's covenant enforcement policy, on properties that the District deems to be in violation of the restrictive covenants provided in the Declaration of Covenants, Conditions and Restrictions for Lupton Village PUD and Lupton Village Residential Metropolitan District filed with the Weld County Clerk & Recorder's Office on August 05, 2021 at reception number 4743200 (the Declaration). Covenant violation fines are recognized as income after the violation has been identified, the homeowner has been notified and the period has expired for the homeowner to request a hearing to dispute the violation. Pursuant to 32-1-1001(1)(j)(l) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien.

Reimbursable Costs

Legal fees and other costs incurred by the District related to covenant enforcement actions and other services provided to specific properties within the District are charged back to the respective properties. The District presents reimbursable costs on a net basis. Factors considered by the District in determining whether to present reimbursable cost chargeback revenue on a gross or net basis include whether risks exist that the District will be unable to recover such costs from property owners. Pursuant to 32-1-1001(1)(j)(l) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien, which has priority over all other encumbrances on a property.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2023 are comprised of property taxes due from Weld County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District has assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets that are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets.

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

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: non-spendable, 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 a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a 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 a 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 a 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 a fund balance that does not meet any of the criteria described above.

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

NOTE 3 – CASH AND INVESTMENTS

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

Statement of net position:	
Cash and investments – unrestricted	\$ 109,999
Cash and investments – restricted	108,653
Total cash and investments	\$ 218,652

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

Deposits with financial institutions	\$ 120,829
Investments	97,823
Total cash and investments	\$ 218,652

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.

As of December 31, 2024, the District's cash deposits had a bank balance of \$113,631 and a carrying balance of \$120,829.

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 listed 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 disclosure requirements or subject to 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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 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 purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2024, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 97,823

CSAFE

The District invests in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAmmf by Fitch Ratings.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the 12-month period ended December 31, 2024, follows:

	Balance at Dec. 31, 2023	Additions	Retirements	Balance at Dec. 31, 2024	Accumulated Depreciation
Parking Lots	\$ 675,000	\$ -	\$ -	\$ 675,000	(\$ 45,002)
Alleyways	1,235,000	-	-	1,235,000	(98,800)
Playground Equipment	50,000	-	-	50,000	(6,666)
Monument Signs	60,000	-	-	60,000	(12,000)
Backflow Valves	36,000	-	-	36,000	(10,286)
Sidewalks	300,000	-	-	300,000	(15,000)
Benches	25,000	-	-	25,000	(3,334)
Mailbox Stations	149,500	-	-	149,500	(11,960)
Alleyway Lights	40,000	-	-	40,000	(2,666)
Dog Park Fencing	30,000	-	-	30,000	(4,000)
Statue at S Rollie & WCR 12	25,000	-	-	25,000	(2,000)
Storm drain outlet structures	150,000	-	-	150,000	(12,000)
Capital assets, net	\$ 2,775,500	\$ -	\$ -	\$ 2,775,500	(\$ 223,714)

NOTE 5 – LAND AND NON-DEPRECIABLE ASSETS

The District owns 20 land tracts within the District totaling designated for use as public parks, open spaces and alleyway access to the 254 townhomes totaling approximately 26 acres, which are zoned for residential use. The land is recorded by the District at a nominal value of \$1,000/acre totaling \$26,000. The District also assigns a value of \$160,000 to the water rights and taps for the eight water meters servicing the District's parks and open spaces.

NOTE 6 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2024:

	Balance at Dec. 31, 2023	Additions	Retirements	Balance at Dec. 31, 2024
Series 2021 Bonds	\$ 10,130,000	\$ -	\$ -	\$ 10,130,000
Accrued Interest – Series 2021 Bonds	1,139,303	521,206	(220,232)	1,440,277
Series 2023 Fill-up Note	1,120,856	-	-	1,120,856
Total	\$ 12,390,159	\$ 521,206	(\$ 220,232)	\$ 12,691,133

Details regarding the District's long-term obligations are as follows:

Series 2021 Senior Bonds

On September 01, 2021, the District issued \$10,130,000 General Obligation Limited Tax Bonds, Series 2021 ("Senior Bonds"). The proceeds from the sale of the Senior Bonds were used as follows:

- i. \$9,745,106 was allocated to the Project Fund for financing or reimbursing the costs of public improvements related to development within the District;
- ii. \$384,894 was allocated to pay the costs of issuing the Senior Bonds.

The Senior Bond was issued as a term bond that bear interest at 4.625%, and is payable annually on December 1, beginning on December 01, 2021. The Bonds are structured as “cash flow” bonds, meaning there are no scheduled payments of principal thereof prior to the final scheduled maturity date. Instead, principal on the Bonds is payable annually on each December 1 from, and to the extent of, Pledged Revenue on deposit, if any, in the Bond Fund, pursuant to a special mandatory redemption. The Senior Bonds mature on December 1, 2051. In the event any amounts due and owing on the Senior Bonds remain outstanding on December 02, 2061, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) all Capital Fees (which includes all fees, rates, tolls, penalties, and charges of a capital nature imposed by the District);
- d) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Senior Bond Indenture does not provide for any reserve fund, surplus fund or any other fund or account from which debt service on the Bonds may be paid, other than the Bond Fund.

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on September 01, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
September 01, 2026, to August 31, 2027	3.0%	\$ 303,900
September 01, 2027, to August 31, 2028	2.0%	\$ 202,600
September 01, 2028, to August 31, 2029	1.0%	\$ 101,300
September 01, 2029 and thereafter	0.0%	\$ -

No debt-to-maturity schedule is provided for the Senior Bonds because such obligations are payable from Subordinate Pledged Revenue, if and when such revenue is available to repay the Senior Bonds.

Events of Default – Series 2021 Senior Bonds

The following events are considered events of default under the Series 2021 Senior Bonds indenture of trust: (1) the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee, Bond Insurer or Bond Owners or (3) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the

District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

Series 2023 Subordinate “Fill-up” Note

On March 28, 2023, the District issued to Lupton Village Commercial Metropolitan District (LVCMD) a Special Obligation Capital Funding Subordinate Note (“Subordinate Note”) with a maximum principal balance of \$2,977,637. The Subordinate Note does not accrue any interest. The Subordinate Note is subordinate to the Senior Bonds in every respect. The District shall make no payments on the Subordinate Note in any year unless and until all required payments are made and all other obligations are met in connection with the Senior Bonds. Any and all payments on the Subordinate Note shall be made in accordance with the Senior Bond’s Indenture of Trust and other financing documents.

In the event that the Bonds are refinanced, the District agrees to use good faith best efforts to pay off the then-outstanding balance of the Subordinate Note.

During the time that the Bonds are outstanding, any District payments on the Subordinate Note shall be subject to annual appropriation by the board of directors of the District. It is expressly understood and agreed between the Parties that the board of directors of the District shall determine annually the amount of the payment to be made on the Subordinate Note based upon a determination that any payment to LVCMD shall not impair the District’s ability to service the debt and reserve fund requirements of the Series 2021 Senior Bonds.

If any portion of the Subordinate Note remains unpaid on the date that the Series 2021 Senior Bonds are fully paid, then the Subordinate Note shall automatically convert to a multiple fiscal year contractual obligation not subject to annual appropriation and an amount equal to the Pledged Revenue for the Series 2021 Senior Bonds shall automatically become Pledged Revenue for purposes of making the principal-only payments on the Subordinate Note until it is paid in full.

Per the 2024 GSR Agreement (see Note 7), the balance on the Series 2023 Subordinate Note was locked at \$1,120,855 and LVCMD was prohibited from taking any additional actions to increase the balance of the Series 2023 Subordinate Note.

Remedies existing in law or in equity are available to the District and LVCMD for any breach of the terms of the Subordinated Note.

Debt Authorization – TABOR

On May 02, 2006, the District’s two electors (all of whom were individuals qualified by the Developer to vote in the election) unanimously voted to authorize the District to issue debt at net effective interest rates not to exceed 18% per annum in amounts not totaling more than \$22 million to fund infrastructure improvements, \$150,000 to fund the District’s operations and maintenance costs and \$22 million to refund any outstanding debt.

On November 03, 2020, the District’s five electors (all of whom were individuals qualified by the Developer to vote in the election) unanimously voted to authorize the District to issue debt at net effective interest rates not to exceed 18% per annum in amounts not totaling more than \$189.24 million to fund infrastructure improvements, \$18.924 million to fund the District’s operations and maintenance costs and \$18.924 million to refund any outstanding debt.

The District’s authorized but unissued indebtedness in the following amounts allocated for the following purposes is as follows:

	Authorized May 2006 Election	Authorized Nov. 2020 Election	Authorized Used – 2021 Bonds	Authorization Used – 2023 Fill-up Note	Unused Voter Authorization
Street improvements	\$ 10,363,905	\$ 18,924,000	(\$ 2,228,600)	(\$ 360,856)	\$ 26,698,449
Water	3,784,484	18,924,000	(1,620,800)	(150,000)	20,937,684
Storm water and sanitary sewers	5,322,370	18,924,000	(2,431,200)	-	21,815,170
Park & recreation facilities	2,529,241	18,924,000	(2,532,500)	(610,000)	18,310,741
Transportation facilities	-	18,924,000	-	-	18,924,000
Television relay	-	18,924,000	-	-	18,924,000
Mosquito control	-	18,924,000	-	-	18,924,000
Traffic safety protection	-	18,924,000	(1,316,900)	-	17,607,000
Security facilities & equip	-	18,924,000	-	-	18,924,000
Operations	150,000	18,924,000	-	-	19,074,000
Intergov. agreements	-	18,924,000	-	-	18,194,000
Subtotal	22,150,000	208,164,000	(10,130,000)	(1,120,856)	219,063,144
Refunding of debt	22,000,000	18,924,000	-	-	40,924,000
Total	\$ 44,150,000	\$ 227,088,000	(\$ 10,130,000)	(\$ 1,120,856)	\$ 259,987,144

Per C.R.S 32-1-1101(2), the remaining, unused debt issuance authorization obtained from the District’s electors will expire as follows:

- \$32,899,144 will expire in May 2026 – 20 years after the original debt authorization election; and
- \$227,088,000 will expire in November 2040 - 20 years after the original debt authorization election

Debt Authorization – Service Plan

The District’s 2020 Amended and Restated Service Plan authorizes the District to issue up to \$18,924,000 in debt and establishes a Maximum Mill Levy, subject to certain conditions and restrictions, the District is permitted to impose on taxable property within the District for the payment of debt. As of December 31, 2024, total remaining debt issuance authorization under the District’s 2020 Amended and Restated Service Plan is as follows:

Authorized maximum debt issuance per Service Plan	\$ 18,924,000
Less:	
Series 2021 Bonds	(10,130,000)
Series 2023 Fill-up Note	(1,120,856)
Unused Service Plan debt issuance authorization	\$ 7,673,144

NOTE 7 – AGREEMENTS

On January 04, 2024, the District Board entered into a Global Settlement and Release Agreement (GSR Agreement) with LVCMD, FTL Land Assemblage, LLLP and Lupton Village Land Developers, LLC. The terms of the GSR Agreement include the following:

- a commitment from LVCMD to pay \$250,000 to the District by no later than June 01, 2024; and

- an agreement that the O&M Reimbursement Agreement, the FTL Infrastructure Acquisition Agreement and the FTL-LVLD Infrastructure Acquisition Agreements are all terminated effectively immediately; and
- The balance on the Series 2023 Subordinate Note (defined below) is \$1,120,855 and LVCMD shall be prohibited from taking any additional actions that increase the balance of the Series 2023 Subordinate Note; and
- each party to the GSR Agreement unconditionally releases the other parties to the GSR Agreement from any and all claims and future claims against each party – other than claims related to landscape installation work and related warranties.

NOTE 8 – NET POSITION (DEFICIT)

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2024 in the general fund, townhome fund, debt service fund and capital project fund totaled \$17,051, \$0, \$0, and \$0, respectively.

Restricted Net Position

The District's restricted net position as of December 31, 2024 in the general fund, townhome fund, debt service fund and capital projects fund totaled \$5,600, \$0, (\$203) and \$17,400, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 11 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2021 Bonds and 2023 Fill-up Note. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction of public infrastructure.

Unassigned Net Position

The District's unassigned net position as of December 31, 2024 totaled (\$9,743,073). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Fort Lupton and the District.

NOTE 9 – RELATED PARTIES

None of the directors serving on the District's board in 2024 reported conflicts of interest regarding their public service on the District's Board.

On March 28, 2023, when the District entered into an agreement with LVCMD creating the Fill-up Note, four of five directors serving on the District's board also served as directors on the LVCMD board.

The owner and developer of all land within the District was FTL Land Assemblage, LLLP, a Colorado limited liability company (the "Developer"). The Developer sold all 90 single family home lots to Baessler Residential Colorado, LLC and all 254 townhome units to Baessler Townhomes, LLC.

On September 01, 2021, when the District issued its Series 2021 Bonds totaling \$10.13 million, all directors serving on the Board were either owners of the Developer, spouses of owners of the Developer or employees of Baessler Homes. The net proceeds of the District's 2021 bonds was remitted to the Developer.

NOTE 10 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 11 – TAX, SPENDING AND DEBT LIMITATIONS

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). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

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

On November 3, 2020, five individuals qualified to vote by the Developer unanimously voted in approval of authorizing the District to:

- assess property taxes at no more than \$1 million annually, without limitation to rate, to pay the District's administrative, operations, maintenance and capital expenses; and
- levy fees on property owners at no more than \$2 million annually, without limitation to rate, to pay the District's administrative, operations, maintenance and capital expenses; and
- assess property taxes at no more than \$5 million annually, without limitation to rate, to fund any intergovernmental agreements or contracts between the District and other entities; and

- assess property taxes at no more than \$5 million annually, without limitation to rate, to fund the cost of installing regional improvements; and
- 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.

SUPPLEMENTARY INFORMATION

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 225,500	\$ 228,944	\$ 3,444
Specific ownership taxes	9,700	8,913	(787)
Net investment income	2,000	8,005	6,005
Total Revenues	237,200	245,862	8,662
EXPENDITURES			
Direct and indirect collection costs	9,400	10,736	(1,336)
Debt service			
Interest Expense - Series 2021 Bonds	227,800	220,232	7,568
Principal payment – Series 2021 Bonds	-	-	-
Principal payment – 2023 Fill-up Note	-	-	-
Total Expenditures	237,200	230,968	6,232
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	14,894	14,894
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Proceeds from Series 2023 Fill-up Note	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	14,894	14,894
FUND BALANCE – BEGINNING	-	(15,097)	(15,097)
FUND BALANCE – END OF YEAR	\$ -	\$ (203)	\$ (203)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
DEBT SERVICE FUND
COLLECTION COST DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
DIRECT AND INDIRECT COLLECTION COSTS			
Collection fees – County Treasurer	\$ 3,400	\$ 6,736	\$ (3,336)
Indirect Collection Cost Allocation	-	-	-
Bond paying agent fees	4,000	4,000	-
Miscellaneous	2,000	-	2,000
Total Direct and Indirect Collection Costs	\$ 9,400	\$ 10,736	\$ (1,336)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Net investment income	\$ -	\$ -	\$ -
Land received from Developer	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
General and administrative fees	-	-	-
Capital projects			
Major capital projects	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	17,400	17,400	-
Total Other Financing Sources (Uses)	17,400	17,400	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES	17,400	17,400	-
FUND BALANCE – BEGINNING OF YEAR	-	-	-
FUND BALANCE – END OF YEAR	\$ 17,400	\$ 17,400	\$ -

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
**SUMMARY OF ASSESSED VALUATION,
 MILL LEVY AND PROPERTY TAXES COLLECTED**
 December 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2018	\$ 20	-	-	\$ -	\$ -	N/A
2019	115,030	43.000	-	4,946	4,946	100.0%
2020	162,400	-	-	-	-	N/A
2021	5,510	55.277	-	305	305	100.0%
2022	46,820	15.104	50.349	3,100	3,057	98.6%
2023	937,607	15.083	50.322	61,300	60,718	99.1%
2024	4,226,990	15.646	53.358	291,600	299,094	102.6%
2025	6,001,639	17.926	63.945	491,400	[TBD]	[TBD]

NOTE A: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

OTHER SUPPLEMENTARY INFORMATION

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
CHANGE IN TOTAL OVERLAPPING MILL LEVY

December 31, 2024

	2023 Mill Levy **	2024 Mill Levy *	Change
Lupton Village Residential Metropolitan District	69.004	81.871	12.867
Fort Lupton City	36.359	42.353	5.994
Weld County	12.024	15.956	3.932
AIMS Junior College	6.336	6.305	(0.031)
School District Re8-Fort Lupton	17.197	18.508	1.311
Fort Lupton Fire District	9.592	9.446	(0.146)
High Plains Library District	3.196	3.179	(0.017)
Central Colorado Water SubDistrict	1.300	1.507	0.207
Central Colorado Water District	0.891	1.017	0.126
Northern Colorado Water District	1.000	1.000	-
Total Mill Levy	156.899	181.142	24.243

* -- For property tax collections in 2024

** -- For property tax collections in 2025

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
HISTORICAL DEBT RATIOS
 December 31, 2024

	2020	2021	2022	2023	2024
General obligation bonds	\$ -	\$ 10,130,000	\$ 10,130,000	\$ 10,130,000	\$ 10,130,000
Accrued, unpaid interest - Bonds	-	158,100	628,715	1,139,303	1,440,277
Series 2023 Fill-up Note	-	-	-	1,120,856	1,120,856
Restricted cash	-	(4,874,487)	(891,520)	14,258	883
Combined assessed property values within the District	5,510	46,820	937,607	4,226,990	6,001,639
Ratio of debt to assessed property values	N/A	11,562.6%	1,052.4%	293.5%	211.5%