

SAND CREEK METROPOLITAN DISTRICT
Adams and Denver Counties, Colorado

FINANCIAL STATEMENTS

With Independent Auditors' Report


December 31, 2024


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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Sand Creek Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Sand Creek 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 these 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.

Auditors' 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 auditors' report that includes our opinion. 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 general accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule for the General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

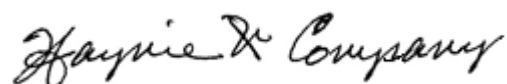
opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information as listed in the table of contents included in the report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and 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.

Sincerely,

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
September 3, 2025

**SAND CREEK METROPOLITAN DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended December 31, 2024**

History:

The District, a quasi-municipal corporation, was organized by order of the District Court on November 20, 1995 initially as Gateway Park Metropolitan District, but, on February 14, 1996, the name was changed to Sand Creek Metropolitan District (District). The District is governed pursuant to provisions in Title 32 of the Colorado Special District Act. The District operates under a service plan approved by the City of Aurora (City) and is subject to an intergovernmental agreement with the City requiring, inter alia, prior City approval for inclusions or exclusions of property into or out of the District, consolidation, and the future dissolution of the District. The District's service area is located partially in Adams County and partially in the City and County of Denver (Denver). The District was established to provide financing for and the construction and selected maintenance of roadway improvements, drainage structures, street safety controls, parks and recreation facilities, potable and irrigation water, sanitary sewer, landscaping improvements, television relay and translation systems and mosquito control.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction and guide to the District’s basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements:

The government-wide financial statements provide readers with a broad overview of the District’s financials, in a manner similar to those for private-sector businesses. The Statement of Net Position presents information on all the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources with the differences among the four reported as net position. The Statement of Activities presents information showing how the District’s net position changed during the most recent fiscal year.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has three funds, the General Fund, the Debt Service Fund and the Capital Projects Fund which are governmental funds. The District is required to present fund balance sheets and statements of revenues, expenditures and changes in fund balances.

General 2024:

District efforts in 2024 focused on (1) increasing the efficiency of its operation and maintenance activities; (2) capital projects including but not limited to (a) the construction of a park within the Aline District; (b) two new traffic signals at 40th and Salida and 41st and Salida; (c) the public utilities include water, reuse water, sewer, and storm sewer for the Aline District; (d) construction of the East Trail; (e) the installation of public improvement including curb, gutter and sidewalk for the Aline District; (f) fabrication of a pedestrian bridge over 40th Avenue. All current capital project are intended to be completed in 2025.

Major 2024 Milestones:

- Experienced an increase in assessed valuation from \$420,033,130 to \$431,424,980 due to new construction within the district and reassessment of certain properties within the District;
- Continued maintenance and repair of all District facilities and compliance with existing IGAs with the City, Denver, Denver Aviation (now DEN), bond covenants and continuing disclosures;
- Completion of public improvements for and completed construction of the public portions of the Building 28 project to support a 512,000 square foot distribution facility including by way of example and not limitation: E. 35th and E. 37th Avenues, conversion and expansion of the Pond C detention pond from a wet facility to a dry detention pond; potable water, sanitary sewerage and storm sewerage systems; deceleration lanes; a double left turn lane at Pena Boulevard and a new traffic signal at Walden and Salida Avenue; public walks and all associated landscape. Funds from the 2020 and 2023 bond issues are being used for these improvements at an estimated cost of \$7,200,000.
- Completion an amendment of a Cost Share and Right of Way agreement with CP Bedrocks successor Evergreen for the construction and shared financing of E. 45th Avenue in Denver and as needed to support the Denver 60 project. This agreement requires the District to design and construct E. 45th Avenue and utilities within Telluride Street including potable water, storm and sanitary sewerage systems, walks, curb and gutter, paving, street lights and landscape. Funds from the 2020 and 2024 bond issues will be used to defray these costs estimated to be \$2,400,000 with 50% of that cost to be reimbursed to the District by Evergreen.
- Construction of the public portions of the Aline District project to include Telluride Street, now known as Salida Way and associated utilities; the fourth leg of the traffic signal at E. 40th Avenue and Salida Way, multiple internal public roadways and utilities, two box culverts, a new traffic signal at E. 41st Avenue and a pedestrian bridge over E. 40th Avenue at an estimated cost of \$16,500,000 which will be funded with a combination of 2020 and 2023 bond proceeds, funds from the 2024 bond issuance, and cost share reimbursements.
- Bond issuance of \$15,675,000 for capital projects.

General Discussion of District Financial Position:

The following discussion should be read in conjunction with the Notes to the Financial Statements. The governmental funds financial statements focus on the measurement of current financial resources. Therefore, the balance sheet includes only current assets and liabilities and the statement of revenues, expenditures and changes in fund balances reports the sources and uses of current financial resources. The government-wide statements for the District include capital assets, lease receivable, lease payable and bonds payable that are not included in the fund financial statements. The financial statements also include reconciliations between the fund financial statements and the government-wide statements.

The following table presents the condensed statement of net position (deficit) for the District as of December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 22,572,283	\$ 20,114,978
Capital assets, net	<u>30,222,489</u>	<u>21,831,069</u>
Total assets	<u>52,794,772</u>	<u>41,946,047</u>
Deferred outflows of resources	<u>-</u>	<u>477,965</u>
Current liabilities	1,984,511	2,178,140
Long-term liabilities	<u>87,055,913</u>	<u>72,932,417</u>
Total liabilities	<u>89,040,424</u>	<u>75,110,557</u>
Deferred inflows of resources	<u>10,492,779</u>	<u>9,243,484</u>
Net position (deficit)		
Net investment in capital assets	(6,728,863)	(27,724,651)
Restricted	98,000	62,000
Unrestricted	<u>(40,107,568)</u>	<u>(14,267,378)</u>
Net position (deficit)	<u>\$ (46,738,431)</u>	<u>\$ (41,930,029)</u>

As shown in the Statement of Net Position of the Financial Statements, the District's total net deficit of \$46,738,431 as of December 31, 2024 results primarily from the District's issuance of long term general obligation bonds to fund capital infrastructure improvements and, when completed, the subsequent transfer of the majority of said improvements to third party governmental entities for perpetual operation and maintenance, while the long-term debt remains an obligation of the District.

The transfer of these assets to other governmental entities minimizes the District's ongoing operation and maintenance costs and is consistent with requirements of the City and Denver. Non-transferred assets remaining on the District's Statement of Net Position consist primarily of right-of-way landscaping, lakes/storm water detention facilities, entry monuments, various private drives/streets, storm water lift stations, streetlight systems, and limited sanitary, sewers, storm sewers, and box culverts. During 2024, the District transferred \$8,157,287 of capital assets to Aurora consisting of a traffic signal at the intersection of Salida Street and Walden Street.

As shown in the Statement of Activities, the net deficit increased by \$4,808,402 for the year ended December 31, 2024. Governmental Activities net program expenses of \$16,058,296 were offset by total general revenues of \$11,249,894. It is anticipated that the net deficit may increase in the short-term, but eventually stabilize and then decrease upon completion of all required public infrastructure within the District, when completed asset transfers to the Cities cease and long-term bond debt (non-recurring liabilities) is retired.

District activities are divided into three funds as described in Note 2 of the Financial Statements: General Fund, Debt Service Fund and Capital Projects Fund. Total General Fund expenditures for 2024 were \$3,238,724, the majority of which were related to landscape maintenance totaling \$1,322,180, office lease

expenses of \$269,822, repairs and maintenance of \$168,173 and utilities of \$640,545. Other District General Fund expenses include management fees, legal, accounting and audit, insurance and other miscellaneous expenditures. General Fund revenues are derived from office space sub-lease, lien and other reimbursements and fees and a 2024 operating mill levy of 6.00 mills. The 2025 operating mill levy of 8.00 mills, when assessed against the District's 2025 assessed valuation, is expected to generate sufficient revenue to cover 2025 budgeted operating expenditures. As of December 31, 2024, the District had \$6,169,539 available for anticipated major infrastructure repair and maintenance items in 2025. Reimbursement revenue received by the General Fund in excess of operating costs is anticipated to be held as an undesignated reserve for use by the District for any lawful purpose.

Capital project expenditures for 2024 were \$17,316,207 related to costs to complete the Building 26 and 27 project, the Denver 60 project and progress construction and/or entitlement of the other projects listed in the above major milestone section.

The Debt Service Fund balance at year end 2024 was \$1,708,476. In February 2024, the District issued bonds in the amount of \$15,675,000, the net proceeds of which will be used to finance the capital projects discussed above. The debt service payments and related costs are funded primarily with property tax revenues derived from the 2024 debt service mill levy of 16.00 mills. Debt service funds are used solely for payment of bond interest, bond principal and associated bond costs. While a debt service reserve is not required by any existing bond covenant, the District board of directors has directed that a minimum, voluntary \$2,000,000 be retained in the Debt Service Fund and that the debt service mill levy be set accordingly. Due to anticipated growth in the District's assessed valuation in future years, the debt service mill levy may be further reduced once the minimum voluntary reserve amount is reached.

The effect of growing uncertainty caused by unsettled geo-political affairs rising inflation and increasing interest rates on District growth is unknown but is mitigated by the Board's decision to establish and maintain the voluntary debt service reserve.

The following discussion and data tables compares the budget to actual 2023 and 2024 activity in the funds.

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
with Budget to Actual Amounts and Reconciliation to Change in Net Position (Deficit)
For the Year Ended December 31, 2024
With Comparative Amounts for the Year Ended December 31, 2023**

	Actual		Amended Budget	Variance Over (Under)
	2023	2024	2024	2024
Revenues:				
General revenues				
Property taxes	\$ 6,782,025	\$ 8,507,034	\$ 8,738,839	\$ (231,805)
Specific ownership taxes	451,161	423,434	490,200	(66,766)
Other revenues	316,214	1,552,084	2,569,524	(1,017,440)
Interest	611,923	770,094	424,000	346,094
Total revenues	<u>8,161,323</u>	<u>11,252,646</u>	<u>12,222,563</u>	<u>(969,917)</u>
Expenses:				
General government	2,063,181	3,238,724	3,296,600	(57,876)
Debt service	5,410,344	6,896,326	6,526,039	370,287
Capital	12,328,602	17,694,064	20,825,000	(3,130,936)
Total expenditures	<u>19,802,127</u>	<u>27,829,114</u>	<u>30,647,639</u>	<u>(2,818,525)</u>
Excess of expenditures over revenues	<u>(11,640,804)</u>	<u>(16,576,468)</u>	<u>(18,425,076)</u>	<u>1,848,608</u>
Other financing sources (uses):				
Transfer to other funds	-	-	-	-
Transfer to refunding escrow agent	-	-	-	-
Bond issuance costs	-	-	(395,310)	395,310
Bond proceeds	9,605,000	15,675,000	17,410,067	(1,735,067)
Bond premium	758,407	1,778,509	-	1,778,509
Total other financing sources (uses)	<u>10,363,407</u>	<u>17,453,509</u>	<u>17,014,757</u>	<u>438,752</u>
Net change in fund balances	<u>(1,277,397)</u>	<u>877,041</u>	<u>\$ (1,410,319)</u>	<u>\$ 2,287,360</u>
Adjustments to reconcile net changes in fund balances to change in net position				
Capital outlay in excess of depreciation	9,842,057	16,548,707		
Dedication of capital assets to other government	(764,499)	(8,157,287)		
Write-off of costs from work-in-process	-	-		
Bond proceeds	9,605,000	15,675,000		
Bond premium	758,407	1,778,509		
Lease receivable, net	3,972	(2,752)		
Debt payments in excess of accrual and amortization	(7,145,420)	(14,074,111)		
Total adjustments	<u>12,299,517</u>	<u>11,768,066</u>		
Change in net position of governmental activities	658,713	(4,808,402)		
Net position (deficit) - beginning of year	(42,588,742)	(41,930,029)		
Net position (deficit) - end of year	<u>\$ (41,930,029)</u>	<u>\$ (46,738,431)</u>		

Capital Assets: The District reported \$30,222,489 in capital assets net of depreciation for its governmental-type activities for the year ended December 31, 2024. Additions during 2024 totaled \$17,316,207 for construction in process, offset by a transfer of completed assets to the City of Aurora of \$8,157,287, resulting in an overall capital asset (net of depreciation) increase of \$8,391,420. Additional information on the District's capital assets can be found in Note 4 on page 14 of this report.

Long-Term Debt: As of December 31, 2024, the District had outstanding general obligation bonds and bond premiums totaling \$87,055,913. Additional information on the District's long-term debt can be found in Note 5 on pages 15 through 24 of this report. The assessed value increase coupled with the District's debt service cash reserves will result in a stable debt service mill levy over the near term.

Revenues: Due to the delay of the Denver 60 construction project, reimbursement revenue from cost share and lien release sources in the general fund were \$1,233,523 less than that budgeted but total actual 2024 revenues were sufficient to cover all 2024 General Fund expenditures. Debt Service Fund revenues were \$95,205 lower than budgeted, primarily due to property tax revenue. Interest income in the Capital Projects Fund was \$139,537 higher than budgeted.

Expenditures: Total 2024 General Fund expenditures of \$3,238,724 were under budget by \$57,896. Debt Service expenditures were \$45,222 less than budget primarily due to lower debt service costs than anticipated. Capital project expenditures for 2024 were \$17,316,207 related to the work described in the Major Milestones section of this MD&A, but significantly less than budget due to the construction start delays referenced above.

Fund Balances: The General Fund starting balance was \$2,567,357 and the 2024 ending balance was \$3,360,343. The Debt Service Fund starting balance was \$1,507,894 and the 2024 ending balance was \$1,708,476. The Capital Projects Fund starting balance was \$5,181,874 and the 2024 ending balance was \$5,065,347.

2025 Expectations: In budget year 2025, the District will be focused on completing the projects listed in the Major Milestone Section of this MD&A, and, with the combination of current available capital funds from the 2023 and 2024 bond issuances, the District is expected to have enough funds to complete the items in the Major Milestone section and efficiently performing its on-going maintenance and repair obligations.

Requests for Information:

This financial report is designed to provide a general overview of Sand Creek Metropolitan District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Ryan Stachelski,
District Manager
(303) 371-9000
Sand Creek Metropolitan District
100 St. Paul Street, Suite 300, Denver, CO 80206

SAFE HARBOR DISCLAIMER:

Statements in this report that are not historical are forward-looking statements subject to risk and uncertainties that could cause actual results to differ materially. Such risk and uncertainties include fluctuations in economies worldwide and within the District's markets, fluctuations in the District's customer's demands, changes in environmental and other governmental regulations, changes in terms from lenders, ability to retain key management and to reach agreement on intergovernmental agreements, changes in the District's ability to obtain capital for expansion and changes in energy and water prices.

BASIC FINANCIAL STATEMENTS

**SAND CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
December 31, 2024**

	<u>Governmental Activities</u>
ASSETS	
Cash and investments - unrestricted	\$ 2,411,662
Cash and investments - restricted	9,351,126
Prepaid bond insurance, net of amortization	572,883
Due from county treasurer	32,746
Prepaid expenses	21,891
Property taxes receivable	10,090,189
Lease receivable	91,786
Capital assets, net of depreciation	<u>30,222,489</u>
Total assets	<u>52,794,772</u>
LIABILITIES	
Accounts payable and retainage	1,693,291
Accrued interest payable	291,220
Noncurrent liabilities	
Due within one year	3,310,210
Due in more than one year	<u>83,745,703</u>
Total liabilities	<u>89,040,424</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred lease inflows	81,754
Deferred gain on refunding	320,836
Deferred property tax revenue	<u>10,090,189</u>
Total deferred inflows of resources	<u>10,492,779</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	(6,728,863)
Restricted for emergencies	98,000
Unrestricted	<u>(40,107,568)</u>
Total net position (deficit)	<u>\$ (46,738,431)</u>

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

SAND CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
General government	\$ 4,497,927	\$ -	\$ -	\$ -	\$ (4,497,927)
Interest and expenses on long-term debt	3,403,082	-	-	-	(3,403,082)
Contribution of assets to other government	8,157,287	-	-	-	(8,157,287)
	<u>\$ 16,058,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(16,058,296)</u>
General revenues:					
Taxes:					
Property taxes					8,507,034
Specific ownership taxes					423,434
Reimbursements					1,233,523
Assessments and miscellaneous					60,270
Contract revenue					27,608
Rental income					221,036
Interest					776,989
Total general revenues					<u>11,249,894</u>
Change in net position					(4,808,402)
Net position (deficit) - beginning of year					<u>(41,930,029)</u>
Net position (deficit) - end of year					<u>\$ (46,738,431)</u>

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

**SAND CREEK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024**

	General	Debt Service	Capital Projects	Total
ASSETS				
Cash and investments - unrestricted	\$ 2,411,662	\$ -	\$ -	\$ 2,411,662
Cash and investments - restricted	-	1,835,116	7,516,010	9,351,126
Interfund	1,496,966	(150,495)	(1,346,471)	-
Due from county treasurer	8,891	23,855	-	32,746
Lease receivable	91,786	-	-	91,786
Prepaid expenditures	21,891	-	-	21,891
Property tax receivable	3,187,389	6,902,800	-	10,090,189
Total assets	\$ 7,218,585	\$ 8,611,276	\$ 6,169,539	\$ 21,999,400
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and retainage	\$ 589,099	\$ -	\$ 1,104,192	\$ 1,693,291
Total liabilities	589,099	-	1,104,192	1,693,291
DEFERRED INFLOWS OF RESOURCES				
Deferred lease inflows	81,754	-	-	81,754
Deferred property tax revenue	3,187,389	6,902,800	-	10,090,189
Total deferred inflows of resources	3,269,143	6,902,800	-	10,171,943
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	21,891	-	-	21,891
Restricted:				
Emergency reserves	98,000	-	-	98,000
Debt service	-	1,708,476	-	1,708,476
Capital projects	-	-	5,065,347	5,065,347
Unassigned	3,240,452	-	-	3,240,452
Total fund balances	3,360,343	1,708,476	5,065,347	10,134,166
Total liabilities, deferred inflows of resources and fund balances	\$ 7,218,585	\$ 8,611,276	\$ 6,169,539	
Amount reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				30,222,489
Deferred (inflows) outflows of resources represent flows of resources which relate to future periods and, therefore, are not available in the fund financial statements.				
Deferred gain on refunding				(320,836)
Long-term assets, such as prepaid bond insurance, are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds.				
Bond insurance, net				572,883
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued interest on bonds payable			(291,220)	
Bonds payable and lease liability			(80,815,210)	
Bond premium, net			(6,240,703)	(87,347,133)
Net position (deficit) of governmental activities				\$ (46,738,431)

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

SAND CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Property taxes	\$ 2,318,887	\$ 6,188,147	\$ -	\$ 8,507,034
Specific ownership taxes	113,254	310,180	-	423,434
Reimbursements	1,233,523	-	-	1,233,523
Contract revenue	27,608	-	-	27,608
Rental income	230,683	-	-	230,683
Assessments and miscellaneous	60,270	-	-	60,270
Interest	47,485	183,072	539,537	770,094
Total revenues	<u>4,031,710</u>	<u>6,681,399</u>	<u>539,537</u>	<u>11,252,646</u>
Expenditures				
General				
Accounting and audit	246,855	-	-	246,855
Administrative	183,622	-	-	183,622
County treasurer fees	32,698	87,296	-	119,994
Insurance	19,540	-	-	19,540
Landscape maintenance	1,322,180	-	-	1,322,180
Legal	63,456	-	-	63,456
Management fees	271,138	-	377,857	648,995
Miscellaneous	20,695	-	-	20,695
Office lease	269,822	-	-	269,822
Repairs and maintenance	168,173	-	-	168,173
Utilities	640,545	-	-	640,545
Debt service				
Bond principal	-	2,865,000	-	2,865,000
Bond interest	-	3,412,844	-	3,412,844
Bond issuance costs	-	415,509	-	415,509
Miscellaneous	-	-	-	-
Paying agent and cash management fees	-	27,605	-	27,605
Property tax rebates	-	88,072	-	88,072
Capital outlay				
Infrastructure	-	-	17,316,207	17,316,207
Total expenditures	<u>3,238,724</u>	<u>6,896,326</u>	<u>17,694,064</u>	<u>27,829,114</u>
Excess of revenues over (under) expenditures	<u>792,986</u>	<u>(214,927)</u>	<u>(17,154,527)</u>	<u>(16,576,468)</u>
Other financing sources/(uses)				
Bond proceeds	-	15,675,000	-	15,675,000
Bond premium	-	1,778,509	-	1,778,509
Transfer to/from other funds	-	(17,038,000)	17,038,000	-
Total other financing sources	<u>-</u>	<u>415,509</u>	<u>17,038,000</u>	<u>17,453,509</u>
Net change in fund balances	792,986	200,582	(116,527)	877,041
Fund balances - beginning of year	<u>2,567,357</u>	<u>1,507,894</u>	<u>5,181,874</u>	<u>9,257,125</u>
Fund balances - end of year	<u>\$ 3,360,343</u>	<u>\$ 1,708,476</u>	<u>\$ 5,065,347</u>	<u>\$ 10,134,166</u>

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

SAND CREEK METROPOLITAN DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Net change in fund balance of governmental funds \$ 877,041

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

Certain revenues in the government-wide statement of activities that do
not provide current financial resources are not reported as revenue
in the governmental funds. (2,752)

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense.

Capital outlay	17,316,207	
Depreciation expense	(767,500)	
Assets transferred to other governments	<u>(8,157,287)</u>	8,391,420

The issuance of long-term debt provides current financial resources
to governmental funds, while the repayment of principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect on net position.
The net effect of these differences in the treatment of long-term
debt is as follows:

Bond principal payment	2,865,000	
Change in accrued bond interest	(55,801)	
Bond proceeds	(15,675,000)	
Bond premium	(1,778,509)	
Prepaid bond insurance	129,492	
Amortization of bond premium	372,749	
Amortization of bond insurance	(34,573)	
Amortization of gain on refunding	20,299	
Lease liability principal payment	<u>82,232</u>	<u>(14,074,111)</u>

Change in net position of governmental activities \$ (4,808,402)

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

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - DEFINITION OF REPORTING ENTITY

Sand Creek Metropolitan District (District), a quasi-municipal corporation, was organized by order of the District Court on November 20, 1995 initially as Gateway Park Metropolitan District, and as of February 14, 1996 the name was changed to Sand Creek Metropolitan District. It is governed pursuant to provisions of the Colorado Special District Act. The District operates under a service plan approved by the City of Aurora and subject to an intergovernmental agreement requiring prior city approval for inclusions or exclusions of property into or from the District, consolidation and the future dissolution of the District. The District's service area is located partially in Adams County and partially in the City and County of Denver. The District was established to provide financing for the construction and installation of streets, drainage structures, street safety controls, parks and recreation facilities, water, sewer and landscaping improvements, television relay, translation systems and mosquito control.

The District's service plan anticipates that the District will provide ongoing services only to the extent that the City and County of Denver and the City of Aurora do not provide such services. The District will not operate and maintain water, sanitary sewer or street safety facilities except through the creation of an intergovernmental agreement with the City and County of Denver and the City of Aurora. However, it is intended that the District supplement the services of these cities in the area of street maintenance, including supplemental street sweeping, snow plowing and minor repairs, landscape and open space installation and maintenance including park, streetscape and drainage facilities and has entered into a "Border Streets" agreement with both cities to do so. The District may construct, acquire or contract with these cities to install and maintain the operation and maintenance of television relay and translation facilities internal and specific to the District and the operation and maintenance of mosquito control services. The District may also provide continuing operation and maintenance of transportation facilities such as park and ride facilities and public parking lots, bus shelters and facilities or services related to bus service and light or heavy rail facilities transporting people and cargo.

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 contracts for all of its management and professional services (see Note 9).

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Expenditures for capital assets are shown as increases in assets and redemptions of bonds and other long-term liabilities are recorded as reductions in liabilities.

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 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 period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

The General Fund is the primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in other funds.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs on the long-term debt obligations. Expenditures in the Debt Service Fund are limited to bond principal and interest payments, payment of service fees related to property tax collections, bond issuance expenses, property tax rebates, and inter-fund transfers to primarily the capital projects fund.

The Capital Projects Fund accounts for financial resources to be used for capital expansion and building projects. Revenues are typically derived from issuance of tax-exempt bonds and from reimbursement income.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts. Actual results could differ from these estimates.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements and after a public hearing. The budget includes each fund on its basis of accounting unless otherwise indicated. For the year ended December 31, 2024, the District's board of directors approved the modification of appropriations for the General, Debt Service and Capital Projects Funds.

Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has no items that qualify for reporting in this category.

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. The District has three items that qualify for reporting in this category. Accordingly, these items, deferred lease inflows, deferred gain on refunding and property tax revenue are deferred and recognized as inflows of resources in the period that the amounts become available.

Property Taxes

Property taxes are levied by the District's board of directors. The levy is based on assessed valuations determined by the Adams and Denver county assessors generally as of January 1 of each year. The levy is normally set by December 15 of each year 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 in full April 30 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, net of collection fees, monthly to the District.

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

Property Tax Rebates

The District's service plan has been amended to exclude certain properties from District boundaries. The excluded properties are no longer subject to the District's operating mill levy and are no longer subject to any debt service mill levy for new debt issued by the district. The excluded property, however, remains subject to the District's debt service mill levy for that proportion of the District's outstanding obligations and interest thereon existing immediately prior to the effective date of the exclusion order. In addition, the District has no further obligation to extend and provide services to such properties and therefore, there is no financial impact from the exclusion of the properties from within the boundaries of the District. The District currently has approximately 96 acres of property that are part of the exclusion adjusted taxing area. For the year ended December 31, 2024, the District paid \$84,641 in property tax rebates related to the excluded properties.

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessor

The District entered into two lease agreements for the sublease of office space leased by the District. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Lessee

The District is a lessee for a noncancellable lease of office space. The District recognizes a lease liability reported with long-term debt and a right-to-use lease asset, reported with other capital assets, in the government-wide financial statements. At the commencement of a lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Lease assets are initially recorded at the initial measurement of the liability, plus lease payments made at or before commencement of the lease term. Subsequently, lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments for leases

A key estimate for leases is the discount rate used to discount the expected lease payments to present value. When this rate is not provided, the District uses its estimated incremental borrowing rate as the discount rate. The lease term includes the noncancellable period of the lease as well as the option renewals that are reasonably certain to be exercised.

Bond Premium, Prepaid Bond Insurance Costs and Bond Refunding Gain

In the fund financial statements, governmental fund types recognize bond premiums and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt issuances, are reported as debt expenditures.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide financial statements, prepaid bond insurance costs and bond refunding deferred gain from the issuance of long-term debt are being amortized over the term of the bonds using the straight-line method. The bond premium is being amortized over the term of the bonds using the effective interest method. As of December 31, 2024, the accumulated amortization of the bond insurance costs, the bond premium and the deferred gain on refunding were \$113,916, \$1,239,276 and \$85,137, respectively.

Capital Assets

Governmental capital assets typically result from expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. All capital assets are capitalized at cost and updated for additions and retirements during each budget year. The District maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized if they exceed the capitalization threshold and have a life of a year or more. The costs of normal maintenance and repairs are expensed. All reported capital assets are depreciated except for land, landscape, lakes, and construction in progress. The District does not depreciate its landscape or lake assets because it has an annual maintenance program for care and replacement under which costs are expensed. The District does not have potable water systems. Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Class Life (Depreciable Years)</u>
Municipal Sewer	20
Sidewalks	15
Roads (Surface Improvements Only)	15
Bridges & Monuments	15
Boardwalks	15
Fencing	15
Land Improvements	10
Equipment	7
Office Equipment	5

Fund Balances – Governmental Funds

Fund balance classifications, provide for a hierarchy of spending constraints for spendable resources and disclosure for non-spendable resources. In the fund financial statements, the District classifies governmental fund balances as follows:

Non-spendable – Includes fund balance amounts that cannot be spent, either because they are not in spendable form or because of legal or contractual constraints.

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (i.e. the board) and does not lapse at year-end. The board is responsible for establishing, modifying, or rescinding the commitment.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The board authorizes management to assign amounts related to a specific purpose.

Unassigned – Includes fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available, unless there are legal documents/contracts that prohibit doing this. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Net Position

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

Net position represents the differences between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent proceeds, they are not included in the calculation of net investment in capital assets.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed through constitution provisions or enabling legislation. All other assets are unrestricted.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted – This component of net position consists of all other categories of net position.

When an expense is incurred for purposes which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the supplementary information in order to provide an understanding of the changes in the financial position and operations of these funds.

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	\$ 2,411,662
Cash and investments - restricted	<u>9,351,126</u>
Total cash and investments	<u><u>\$ 11,762,788</u></u>

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

Deposits with financial institutions	<u>\$ 11,762,788</u>
Total cash and investments	<u><u>\$ 11,762,788</u></u>

As of December 31, 2024, the District’s cash deposits had a bank balance of \$12,987,513 and a carrying balance of \$11,762,788.

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 form a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is maintained by another institution or held in trust.

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. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted formal investment policies; however, it follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts and local government investment pools.

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.

The District had no investments as of December 31, 2024.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets during the year ended December 31, 2024 is as follows:

Description	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Capital assets not being depreciated				
Construction in progress	\$ 12,305,611	\$ 17,316,207	\$ (8,734,559)	\$ 20,887,259
Total capital assets not being depreciated	<u>12,305,611</u>	<u>17,316,207</u>	<u>(8,734,559)</u>	<u>20,887,259</u>
Capital assets being depreciated				
Water wells	181,049	-	-	181,049
Streets and drainage	14,341,937	577,272	-	14,919,209
Open space	5,216,105	-	-	5,216,105
Office equipment	5,753	-	-	5,753
Leasehold improvements	143,667	-	-	143,667
Leased building	355,555	-	-	355,555
Total capital assets being depreciated	<u>20,244,066</u>	<u>577,272</u>	<u>-</u>	<u>20,821,338</u>
Less accumulated depreciation	<u>(10,718,608)</u>	<u>(767,500)</u>	<u>-</u>	<u>(11,486,108)</u>
Total capital assets being depreciated, net	<u>9,525,458</u>	<u>(190,228)</u>	<u>-</u>	<u>9,335,230</u>
Total capital assets, net	<u>\$ 21,831,069</u>	<u>\$ 17,125,979</u>	<u>\$ (8,734,559)</u>	<u>\$ 30,222,489</u>
			Less capital debt	(42,760,703)
			Add unspent bond proceeds	6,169,539
			Bond insurance, net of amortization	572,883
			Retainage	(612,235)
			Deferred gain on refunding	(320,836)
			Net investment in capital assets	<u>\$ (6,728,863)</u>

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Transfers

Water, sewer and street improvements that are dedicated to the City of Aurora, City and County of Denver, Xcel, the Mile High Flood Control District or other entities for perpetual maintenance and ownership are removed from the capital assets once accepted by the other entities. The district has in the past and may in the future enter into agreements with the City of Aurora and the City and County of Denver for the District to perform ongoing maintenance of certain landscaping, streets and other facilities such as lift stations.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2024:

	<u>Balance at December 31, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2024</u>	<u>Due Within One Year</u>
General obligation bonds					
Series 2012AB	\$ 9,280,000	\$ -	\$ 45,000	\$ 9,235,000	\$ 50,000
Series 2013AB	6,755,000	-	35,000	6,720,000	40,000
Series 2014AB	6,410,000	-	170,000	6,240,000	180,000
Series 2015AB	6,225,000	-	450,000	5,775,000	470,000
Series 2017	5,000,000	-	-	5,000,000	-
Series 2020AB	24,630,000	-	2,165,000	22,465,000	2,305,000
Series 2023	9,605,000	-	-	9,605,000	-
Series 2024	-	15,675,000	-	15,675,000	165,000
Bond premium	4,834,943	1,778,509	372,749	6,240,703	-
General obligation bonds total	<u>72,739,943</u>	<u>17,453,509</u>	<u>3,237,749</u>	<u>86,955,703</u>	<u>3,210,000</u>
Other debt					
Lease liability	192,474	-	92,264	100,210	100,210
Other debt total	<u>192,474</u>	<u>-</u>	<u>92,264</u>	<u>100,210</u>	<u>100,210</u>
Total long-term obligations	<u>\$ 72,932,417</u>	<u>\$ 17,453,509</u>	<u>\$ 3,330,013</u>	<u>\$ 87,055,913</u>	<u>\$ 3,310,210</u>

\$5,545,000 General Obligation Limited Tax Refunding Bonds, Series 2012A and \$4,190,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2012B

On June 28, 2012, the District issued \$5,545,000 General Obligation Limited Tax Refunding Bonds, Series 2012A and \$4,190,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2012B (collectively the 2012 Bonds), the net proceeds of which were used to partially pay the District’s 2003 and 2004 bonds. Interest is payable semiannually on June 1 and December 1 and principal payments are due on December 1 each year. The 2012 Bonds are subject to redemption prior to maturity, in whole or in part in integral multiples of \$5,000, on or after December 1, 2023, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The following tables set forth the interest rates and estimated debt service payment schedule for the principal and interest on the 2012 Bonds:

Series 2012A		Series 2012B	
Maturity Date (December 1)	Interest Rate	Maturity Date (December 1)	Interest Rate
2024-2026	3.750%	2024-2026	3.750%
2027-2029	4.000%	2027-2039	4.000%
		2040	4.375%

Year Ending December 31,	Principal	Interest	Total
2025	\$ 50,000	\$ 374,213	\$ 424,213
2026	1,925,000	372,337	2,297,337
2027	2,000,000	300,150	2,300,150
2028	1,300,000	220,150	1,520,150
2029	1,360,000	168,150	1,528,150
2030-2034	760,000	536,594	1,296,594
2035-2039	1,500,000	276,938	1,776,938
2040	340,000	14,875	354,875
	\$ 9,235,000	\$ 2,263,407	\$ 11,498,407

\$3,375,000 General Obligation Limited Tax Refunding Bonds, Series 2013A and \$5,345,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2013B

On February 27, 2013, the District issued \$3,375,000 General Obligation Limited Tax Refunding Bonds, Series 2013A and \$5,345,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2013B (collectively the 2013 Bonds), the net proceeds of which were used to partially pay the District's 2003 and 2004 bonds. Interest is payable semiannually on June 1 and December 1 and principal payments are due on December 1 each year. The 2013 Bonds are subject to redemption prior to maturity, in whole or in part in integral multiples of \$5,000, on or after December 1, 2023, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The following tables set forth the interest rates and estimated debt service payment schedule for the principal and interest on the 2013 Bonds:

Series 2013A		Series 2013B	
Maturity Date (December 1)	Interest Rate	Maturity Date (December 1)	Interest Rate
2024-2029	3.125%	2024-2028	3.000%
2030-2031	4.000%	2029	3.125%
		2030-2031	4.000%

Year Ending December 31,	Principal	Interest	Total
2025	\$ 40,000	\$ 253,181	\$ 293,181
2026	5,000	251,982	256,982
2027	10,000	251,830	261,830
2028	795,000	251,525	1,046,525
2029	815,000	227,668	1,042,668
2030-2031	5,055,000	313,800	5,368,800
	\$ 6,720,000	\$ 1,549,986	\$ 8,269,986

\$5,985,000 General Obligation Limited Tax Refunding Bonds, Series 2014A and \$3,320,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2014B

On March 5, 2014, the District issued \$5,985,000 General Obligation Limited Tax Refunding Bonds, Series 2014A and \$3,320,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2014B (collectively the 2014 Bonds), the net proceeds of which were used to pay the remaining outstanding balance of the District's 2003 bonds and partially pay the District's 2004 bonds. Interest is payable semiannually on June 1 and December 1 and principal payments are due on December 1 each year. The 2014 Bonds are subject to redemption prior to maturity, in whole or in part in integral multiples of \$5,000, on or after December 1, 2023, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The following tables set forth the interest rates and estimated debt service payment schedule for the principal and interest on the 2014 Bonds:

Series 2014A		Series 2014B	
Maturity Date (December 1)	Interest Rate	Maturity Date (December 1)	Interest Rate
2024-2025	4.000%	2024-2040	5.000%
2026-2031	5.000%		

Year Ending December 31,	Principal	Interest	Total
2025	\$ 180,000	\$ 310,200	\$ 490,200
2026	670,000	303,000	973,000
2027	700,000	269,500	969,500
2028	305,000	234,500	539,500
2029	320,000	219,250	539,250
2030-2034	1,690,000	842,000	2,532,000
2035-2039	1,930,000	410,250	2,340,250
2040	445,000	22,250	467,250
	\$ 6,240,000	\$ 2,610,950	\$ 8,850,950

\$1,765,000 General Obligation Limited Tax Refunding Bonds, Series 2015A and \$7,290,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2015B

On December 15, 2015, the District issued \$1,765,000 General Obligation Limited Tax Refunding Bonds, Series 2015A and \$7,290,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2015B (collectively the 2015 Bonds), the net proceeds of which were used to pay the remaining outstanding balance of the District's 2004 bonds and to partially pay the District's 2006 bonds. Interest is payable at a rate of 4.0% per year with payments due semiannually on June 1 and December 1 and principal payments are due on December 1 each year. The 2015 Bonds are subject to redemption prior to maturity, in whole or in part in integral multiples of \$5,000, on or after December 1, 2025, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5- LONG-TERM OBLIGATIONS (CONTINUED)

The following table sets forth the estimated debt service payment schedule for the principal and interest on the 2015 Bonds:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 470,000	\$ 231,000	\$ 701,000
2026	485,000	212,200	697,200
2027	505,000	192,800	697,800
2028	940,000	172,600	1,112,600
2029	980,000	135,000	1,115,000
2030-2031	2,395,000	150,800	2,545,800
	<u>\$ 5,775,000</u>	<u>\$ 1,094,400</u>	<u>\$ 6,869,400</u>

\$5,000,000 General Obligation Limited Tax Bonds, Series 2017

On November 15, 2017, the District issued \$5,000,000 General Obligation Limited Tax Bonds, Series 2017 (2017 Bonds), the net proceeds of which were used to finance the acquisition, construction and installation of capital projects for the benefit of the District. Interest is payable at a rate of 4.0% per year with payments due semiannually on June 1 and December 1 and principal payments are due on December 1 each year. The 2017 Bonds are subject to redemption prior to maturity, on or after December 1, 2027, in whole or in part in integral multiples of \$5,000, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

The following table sets forth the estimated debt service payment schedule for the principal and interest on the 2017 Bonds:

Year Ending December 31,	Principal	Interest	Total
2025	\$ -	\$ 200,000	\$ 200,000
2026	-	200,000	200,000
2027	-	200,000	200,000
2028	-	200,000	200,000
2029	-	200,000	200,000
2030-2034	1,475,000	942,400	2,417,400
2035-2039	2,875,000	483,800	3,358,800
2040	650,000	26,000	676,000
	<u>\$ 5,000,000</u>	<u>\$ 2,452,200</u>	<u>\$ 7,452,200</u>

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

**\$10,400,000 General Obligation Limited Tax Refunding Bonds, Series 2020A and
\$20,160,000 General Obligation Limited Tax Refunding Bonds, Series 2020B**

On October 6, 2020, the District issued \$10,400,000 General Obligation Limited Tax Refunding Bonds, Series 2020A and \$20,160,000 General Obligation Limited Tax Refunding Bonds, Series 2020B (collectively the 2020 Bonds), the net proceeds of which were used to fully refund a portion of the 2010A Bonds, refund all of the 2010B bonds and provide funds to finance the acquisition, construction and installation of capital projects for the benefit of the District. Interest is payable at a rate of 4.0% per year with payments due semiannually on June 1 and December 1 and principal payments are due on December 1 each year. The Series 2020A Bonds are not subject to optional redemption prior to maturity. The 2020B Bonds are subject to redemption prior to maturity, on or after December 1, 2031, in whole or in part in integral multiples of \$5,000, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

The following table sets forth the estimated debt service payment schedule for the principal and interest on the 2020 Bonds:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 2,305,000	\$ 898,600	\$ 3,203,600
2026	480,000	806,400	1,286,400
2027	500,000	787,200	1,287,200
2028	520,000	767,200	1,287,200
2029	545,000	746,400	1,291,400
2030-2034	6,155,000	3,267,400	9,422,400
2035-2039	9,770,000	1,641,000	11,411,000
2040	2,190,000	87,600	2,277,600
	<u>\$ 22,465,000</u>	<u>\$ 9,001,800</u>	<u>\$ 31,466,800</u>

\$9,605,000 General Obligation Limited Tax Improvement Bonds, Series 2023

On January 19, 2023, the District issued \$9,605,000 General Obligation Limited Tax Improvement Bonds, Series 2023 (2023 Bonds), the net proceeds of which are to be used to finance the acquisition, construction and installation of capital projects for the benefit of the District. Interest is payable semi-annually on June 1 and December 1 each year and principal payments are due on December 1 each year. The current interest rate on the 2023 Bonds is 5.0% per annum through November 30, 2037 and 4.0% thereafter.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The following table sets forth the estimated debt service payment schedule for the principal and interest on the 2023 Bonds:

Year Ending December 31,	Principal	Interest	Total
2025	\$ -	\$ 443,700	\$ 443,700
2026	-	443,700	443,700
2027	-	443,700	443,700
2028	-	443,700	443,700
2029	-	443,700	443,700
2030-2034	2,760,000	2,085,000	4,845,000
2035-2039	5,580,000	1,008,450	6,588,450
2040	1,265,000	50,600	1,315,600
	<u>\$ 9,605,000</u>	<u>\$ 5,362,550</u>	<u>\$ 14,967,550</u>

\$15,675,000 General Obligation Limited Tax Improvement Bonds, Series 2024

On March 1, 2024, the District issued its \$15,675,000 General Obligation Limited Tax Improvement Bonds, Series 2024 (2024 Bonds), the net proceeds of which were used to finance the acquisition, construction and installation of capital projects for the benefit of the District. Interest on the 2024 Bonds is payable semi-annually on June 1 and December 1 each year commencing on June 1, 2024. The payment of principal on the 2024 Bonds is due on December 1 each year commencing on December 1, 2024 and the 2024 Bonds mature on December 1, 2040. The interest rate on the 2024 Bonds is 5.0% per annum.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The following table sets forth the estimated debt service payment schedule for the principal and interest on the 2024 Bonds:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 165,000	\$ 783,750	\$ 948,750
2026	195,000	775,500	970,500
2027	200,000	765,750	965,750
2028	220,000	755,750	975,750
2029	225,000	744,750	969,750
2030-2034	4,355,000	3,422,750	7,777,750
2035-2039	8,375,000	1,782,500	10,157,500
2040	1,940,000	97,000	2,037,000
	<u>\$ 15,675,000</u>	<u>\$ 9,127,750</u>	<u>\$ 24,802,750</u>

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

Year ending December 31,	Principal	Interest	Total
2025	\$ 3,210,000	\$ 3,494,644	\$ 6,704,644
2026	3,760,000	3,365,119	7,125,119
2027	3,915,000	3,210,930	7,125,930
2028	4,080,000	3,045,425	7,125,425
2029	4,245,000	2,884,918	7,129,918
2030-2034	24,645,000	11,560,744	36,205,744
2035-2039	30,030,000	5,602,938	35,632,938
2040	6,830,000	298,325	7,128,325
Total	<u>\$ 80,715,000</u>	<u>\$ 33,463,043</u>	<u>\$ 114,178,043</u>

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Pledged Revenue - All District Bond Issues

All of the District bonds are secured by pledged revenue, which consists of moneys derived by the District from the following sources, after payment of the costs of collection (including any interest income thereon): (a) the District's limited mill levy, after deduction of any amounts due under certain inclusion agreements, (b) the specific ownership taxes distributed to the District as a result of the imposition of the limited mill levy and (c) any other legally available funds of the District deposited into the bond accounts. The limited mill levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount, when combined with other legally available funds in the bond accounts, is sufficient to pay the principal of, premium (if any) and interest on the bonds as the same become due and payable, but not in excess of 42.5 mills in any calendar year.

Events of Default – All District Bond Issues

Significant events of default by District include (i) failure to impose or collect the limited mill levy or apply other available pledged revenues, (ii) defaults in the performance or observance of any of the covenants, agreements or conditions in the indenture or the bond resolutions and (iii) legal proceedings filed under federal bankruptcy laws seeking to adjust the obligations represented by the bonds.

Upon the occurrence and continuance of an event of default, the owners of the bonds may proceed to protect and enforce the rights of the owners under the bond resolutions by mandamus or such other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction. In addition, acceleration of the bonds shall not be an available remedy for an event of default.

Authorized but Unissued Debt

As of December 31, 2024, the District had authorized but unissued indebtedness remaining of \$142,463,960 for various capital improvements and \$172,059,040 for bond refundings.

Service Plan Debt Limit

The service plan, as amended on August 3, 2020, imposes a separate debt limitation of \$105,000,000 upon the District (excluding costs associated with refundings). As of December 31, 2024, based on debt outstanding, the District will be entitled under the service plan to issue \$8,810,000 of additional debt, subject to other restrictions contained in the service plan. These restrictions are based upon the ratio of debt to assessed value of the District. The District may, however, amend these restrictions by obtaining an amendment to the service plan through the City of Aurora, which historically the District has done.

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Leases

Lease Payable

The District entered into a lease agreement as lessee for the use of office space. The lease expires on December 31, 2025. At the commencement of the lease, the District measured the lease liability at the present value of payments expected to be made during the lease term using an interest rate of 5.0%.

Annual requirements to amortize this lease liability and related interest are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 100,210	\$ 2,308	\$ 102,518
	<u>\$ 100,210</u>	<u>\$ 2,308</u>	<u>\$ 102,518</u>

Subleases

The District receives payments under two long-term leases related to the sublease of office space leased by the District. The lease receivable is recorded in an amount equal to the present value of the expected future minimum lease payments received, discounted by an applicable interest rate of 5.0%. The leases expire on December 31, 2025. The leases are amortized as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 91,786	\$ 2,505	\$ 94,291
	<u>\$ 91,786</u>	<u>\$ 2,505</u>	<u>\$ 94,291</u>

NOTE 6 – FUND EQUITY

As of December 31, 2024, the classifications of fund equity are as follows:

Nonspendable Fund Balance

The amount of \$21,891 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

Restricted Fund Balance

The amount of \$98,000 in the General Fund is comprised of the emergency reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

**SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024**

NOTE 6 – FUND EQUITY (CONTINUED)

The amount of \$1,708,476 in the Debt Service Fund is to be used exclusively for future payment of bond principal, interest and related costs (see Note 5).

The amount of \$5,065,347 in the Capital Projects Fund is to be used exclusively for capital projects.

Unassigned Fund Balance

The unassigned fund balance in the General Fund is \$3,240,452.

NOTE 7 – NET POSITION (DEFICIT)

Net position consists of three components: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets owned by the District, net of accumulated depreciation and reduced by the outstanding balances of long-term obligations that are attributable to the acquisition, construction or improvement of assets owned by the District and assets transferred to other governments.

As of December 31, 2024, the District had a net deficit in capital assets of \$6,728,863.

The restricted portion of the net position includes amounts that are restricted either externally by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District’s restricted net position as of December 31, 2024 is as follows:

	Total
Restricted net position:	
Emergency reserve (Note 11)	\$ 98,000
Restricted net position	\$ 98,000

Unrestricted net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 –REIMBURSEMENT AND INTERGOVERNMENTAL AGREEMENTS

The District assumed the Developer’s cost sharing agreements with the City of Aurora for public improvements related to streets and utility improvements for portions of 40th Avenue, 38th Avenue and Tower Road, which are subject to an annexation agreement of land within the District into the City of Aurora.

The District has ongoing cost sharing and reimbursement agreements with the City of Aurora and other entities within and outside of the District for both maintenance and capital construction projects, reimbursements and liens on various properties in the District. During 2024, the district received \$891,461 under these agreements.

Evergreen Cost Share Agreement

On January 5, 2022, amended September 3, 2024, the District entered into a cost sharing and construction right-of-way agreement with Evergreen-Green Valley Ranch & Telluride Land, LLC (Evergreen), formally known as C.P. Bedrock, LLC, setting forth certain responsibilities regarding construction and payment related to certain street improvements, utilities and easements for a portion of 45th Avenue, North Rifle Water Line, Xcel Energy million volt feeder and pavement of North Telluride. Costs related to District improvements are to be paid by the District, provided that the actual costs do not exceed \$5,334,685 without the prior written approval of Evergreen. Upon completion, the Improvements are expected to be conveyed to the City and County of Denver by the District and Evergreen is to reimburse the District for 50% of the costs. To date the District has received \$891,461 of reimbursement from Evergreen.

NOTE 9 – THE DEVELOPER / RELATED PARTY

The Developer of the property within the District is Gateway Business Park, LLC (the Developer). The board of directors of the District are owners, previous employees or consultants associated with the Developer, and may have conflicts of interest in dealing with the District as well as ownership of other entities related to the development of the project.

The District has contracted with a related entity of the Developer, PaulsCorp, LLC, for construction, management, administrative, and clerical services. During 2024, the District incurred management expenditures related to PaulsCorp, LLC in the amount of \$564,488. As of December 31, 2024, the District owed PaulsCorp, LLC. \$135,719. This amount is included in the District payables.

SAND CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 10 - 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 one of approximately 360 special districts, which are members of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by an intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. The Pool provides for liability coverage for claims up to \$2,000,000. Employment related wrongful termination claims are shared 50% with the Pool up to \$200,000. Workers' compensation claims are covered up to statutory limits with claims related to employer's liability up to \$2,000,000. Settled claims have not exceeded this coverage in any of the last three fiscal years.

The District pays annual premiums to the Pool for liability and public officials' coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from insurance 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 that 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.

By election on November 7, 2000, the voters approved an exemption from the above tax, revenue and spending limitations in 2000 and annually thereafter through and including 2028. TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bond debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. For the year ended December 31, 2024, the District calculated the reserve as 3% of total expenditures in the General and restricted this amount to comply with TABOR.

The District's management believes it complies 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.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SAND CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024

	<u>Actual 2023</u>	<u>2024 Budget Amounts</u>		<u>Actual 2024</u>	<u>Variance with Final Budget - Positive (Negative)</u>
		<u>Original</u>	<u>Final</u>		
Revenues					
Property taxes	\$ 1,601,984	\$ 2,354,335	\$ 2,354,335	\$ 2,318,887	\$ (35,448)
Specific ownership taxes	111,026	118,100	118,100	113,254	(4,846)
Reimbursements	44,979	2,300,000	2,300,000	1,233,523	(1,066,477)
Contract revenue	22,365	35,524	35,524	27,608	(7,916)
Office sublease revenue	234,120	234,000	234,000	230,683	(3,317)
Assessments and miscellaneous	14,750	-	-	60,270	60,270
Interest	64,815	4,000	4,000	47,485	43,485
Total revenues	<u>2,094,039</u>	<u>5,045,959</u>	<u>5,045,959</u>	<u>4,031,710</u>	<u>(1,014,249)</u>
Expenditures					
Accounting and audit	156,516	60,000	247,000	246,855	145
Administrative	-	62,000	185,000	183,622	1,378
County treasurer fees	22,818	35,315	35,000	32,698	2,302
Insurance	19,616	16,000	16,000	19,540	(3,540)
Landscape maintenance	819,155	1,144,000	1,355,000	1,322,180	32,820
Legal	32,272	20,000	65,000	63,456	1,544
Management fees	161,662	400,000	280,000	271,138	8,862
Miscellaneous	12,009	11,000	5,000	20,695	(15,695)
Office lease	251,522	241,000	270,000	269,822	178
Repairs and maintenance	234,935	200,000	175,000	168,173	6,827
Tax rebates and liens	-	13,600	13,600	-	13,600
Utilities	352,676	490,500	650,000	640,545	9,455
Total expenditures	<u>2,063,181</u>	<u>2,693,415</u>	<u>3,296,600</u>	<u>3,238,724</u>	<u>57,876</u>
Excess of revenues over expenditures	30,858	2,352,544	1,749,359	792,986	(956,373)
Other financing uses					
Transfer to other funds	-	(2,300,000)	(2,300,000)	-	2,300,000
Total other financing uses	<u>-</u>	<u>(2,300,000)</u>	<u>(2,300,000)</u>	<u>-</u>	<u>2,300,000</u>
Net change in fund balance	30,858	52,544	(550,641)	792,986	1,343,627
Fund balance - beginning of year	2,536,499	2,619,399	2,718,207	2,567,357	(150,850)
Fund balance - end of year	<u>\$ 2,567,357</u>	<u>\$ 2,671,943</u>	<u>\$ 2,167,566</u>	<u>\$ 3,360,343</u>	<u>\$ 1,192,777</u>

SUPPLEMENTARY INFORMATION

SAND CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended December 31, 2024

	Actual 2023	2024 Budget Amounts		Actual 2024	Variance with Final Budget - Positive (Negative)
		Original	Final		
Revenues					
Property taxes	\$ 5,180,041	\$ 6,384,504	\$ 6,384,504	\$ 6,188,147	\$ (196,357)
Specific ownership taxes	340,135	372,100	372,100	310,180	(61,920)
Interest	139,395	20,000	20,000	183,072	163,072
Total revenues	<u>5,659,571</u>	<u>6,776,604</u>	<u>6,776,604</u>	<u>6,681,399</u>	<u>(95,205)</u>
Expenditures					
County treasurer fees	71,901	95,768	95,768	87,296	8,472
Bond principal	2,755,000	2,865,000	2,865,000	2,865,000	-
Bond interest	2,491,069	3,485,271	3,485,271	3,412,844	72,427
Paying agent and cash management fees	2,090	80,000	80,000	27,605	52,395
Miscellaneous	5,643	-	-	-	-
Property tax rebates	84,641	-	-	88,072	(88,072)
Total expenditures	<u>5,410,344</u>	<u>6,526,039</u>	<u>6,526,039</u>	<u>6,480,817</u>	<u>45,222</u>
Excess of revenues over (under) expenditures	<u>249,227</u>	<u>250,565</u>	<u>250,565</u>	<u>200,582</u>	<u>(49,983)</u>
Other financing sources (uses)					
Bond proceeds	-	17,410,067	17,410,067	15,675,000	(1,735,067)
Bond issuance costs	-	(395,310)	(395,310)	(415,509)	(20,199)
Bond premium	-	-	-	1,778,509	1,778,509
Transfers to (from) other funds	-	(17,000,000)	(17,038,000)	(17,038,000)	-
Total other financing sources (uses)	<u>-</u>	<u>14,757</u>	<u>(23,243)</u>	<u>-</u>	<u>23,243</u>
Net change in fund balance	<u>249,227</u>	<u>265,322</u>	<u>227,322</u>	<u>200,582</u>	<u>(26,740)</u>
Fund balance - beginning of year	<u>1,258,667</u>	<u>904,562</u>	<u>1,382,950</u>	<u>1,507,894</u>	<u>124,944</u>
Fund balance - end of year	<u>\$ 1,507,894</u>	<u>\$ 1,169,884</u>	<u>\$ 1,610,272</u>	<u>\$ 1,708,476</u>	<u>\$ 98,204</u>

SAND CREEK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED DECEMBER 31, 2023
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2024

	Actual 2023	2024 Budget Amounts		Actual 2024	Variance with Final Budget - Positive (Negative)
		Original	Final		
Revenues					
Interest	\$ 407,713	\$ 400,000	\$ 400,000	\$ 539,537	\$ 139,537
Total revenues	<u>407,713</u>	<u>400,000</u>	<u>400,000</u>	<u>539,537</u>	<u>139,537</u>
Expenditures					
General					
Professeional services	-	150,000	150,000	-	150,000
Repairs and maintenance	457,388	-	-	-	-
Management fees	338,740	350,000	350,000	377,857	(27,857)
Landscape maintenance	125,075	-	-	-	-
Debt service					
Bond interest	384,540	-	-	-	-
Bond issuance costs	417,108	-	-	-	-
Paying agent and cash management fees	251	-	-	-	-
Capital outlay					
Infrastructure	10,605,500	20,325,000	20,325,000	17,316,207	3,008,793
Total expenditures	<u>12,328,602</u>	<u>20,825,000</u>	<u>20,825,000</u>	<u>17,694,064</u>	<u>3,130,936</u>
Excess of expenditures over revenues	<u>(11,920,889)</u>	<u>(20,425,000)</u>	<u>(20,425,000)</u>	<u>(17,154,527)</u>	<u>3,270,473</u>
Other financing sources					
Bond proceeds	9,605,000	-	-	-	-
Bond premium	758,407	-	-	-	-
Transfer from other funds	-	19,300,000	19,338,000	17,038,000	(2,300,000)
Total other financing sources	<u>10,363,407</u>	<u>19,300,000</u>	<u>19,338,000</u>	<u>17,038,000</u>	<u>(2,300,000)</u>
Net change in fund balance	(1,557,482)	(1,125,000)	(1,087,000)	(116,527)	970,473
Fund balance - beginning of year	6,739,356	5,773,976	6,893,927	5,181,874	(1,712,053)
Fund balance (deficit) - end of year	<u>\$ 5,181,874</u>	<u>\$ 4,648,976</u>	<u>\$ 5,806,927</u>	<u>\$ 5,065,347</u>	<u>\$ (741,580)</u>

OTHER INFORMATION

**SAND CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
BONDED DEBT OBLIGATIONS**

December 31, 2024

Interest Due June 1 and December 1

Principal Due December 1

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,310,210	\$ 3,053,252	\$ 6,363,462
2026	3,760,000	3,365,119	7,125,119
2027	3,915,000	3,210,930	7,125,930
2028	4,080,000	3,045,425	7,125,425
2029	4,245,000	2,884,918	7,129,918
2030	4,410,000	2,716,800	7,126,800
2031	5,160,000	2,534,800	7,694,800
2032	4,805,000	2,324,300	7,129,300
2033	5,020,000	2,106,350	7,126,350
2034	5,250,000	1,878,494	7,128,494
2035	5,485,000	1,640,100	7,125,100
2036	5,735,000	1,390,919	7,125,919
2037	5,995,000	1,130,250	7,125,250
2038	6,270,000	857,625	7,127,625
2039	6,545,000	584,044	7,129,044
2040	6,830,000	298,325	7,128,325
	<u>\$ 80,815,210</u>	<u>\$ 33,021,651</u>	<u>\$ 113,836,861</u>

SAND CREEK METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, PROPERTY TAXES COLLECTED AND EXCLUSION ADJUSTMENTS
December 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy			Percent Increase	Mills Levied		Prior Year Assessed Valuation - Denver Debt Only	Total Adjusted Assessed Valuation	Mills Levied - Denver Debt	Total Property Taxes		Percentage Collected to Levied
	City and County of Denver	Adams County	Total		General	Debt Service				Levied	Collected	
2019	\$ 36,756,170	\$ 168,144,910	\$ 204,901,080	-	6.500	21.000	\$ 14,435,470	\$ 219,336,550	16.000	\$ 5,865,748	\$ 5,866,231	100.01%
2020	\$ 48,594,240	\$ 198,265,620	\$ 246,859,860	-	5.750	18.500	\$ 17,369,470	\$ 264,229,330	16.000	\$ 6,264,264	\$ 6,206,030	99.07%
2021	\$ 51,792,950	\$ 219,275,090	\$ 271,068,040	0.10	5.750	18.000	\$ 17,364,660	\$ 288,432,700	16.000	\$ 6,715,701	\$ 6,577,363	97.94%
2022	\$ 43,442,650	\$ 234,952,470	\$ 278,395,120	2.70%	5.750	17.000	\$ 24,909,280	\$ 303,304,400	16.000	\$ 6,732,037	\$ 6,587,431	97.85%
2023	\$ 45,364,070	\$ 236,513,590	\$ 281,877,660	1.25%	5.750	17.000	\$ 23,617,860	\$ 305,495,520	16.000	\$ 6,790,603	\$ 6,782,025	99.87%
2024	\$ 55,621,100	\$ 336,768,140	\$ 392,389,240	58.95%	6.000	15.200	\$ 26,637,710	\$ 419,026,950	15.200	\$ 8,738,839	\$ 8,507,034	97.35%
Estimated for the year ending December 31, 2025	\$ 62,070,290	\$ 336,353,390	\$ 398,423,680	1.54%	8.000	16.000	\$ 33,001,300	\$ 431,424,980	16.000	\$ 10,090,189		

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.