

Serratoga Falls Metropolitan District No. 1
Weld County, Colorado

Financial Statements
December 31, 2024





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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Serratoga Falls Metropolitan District No 1
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Serratoga Falls Metropolitan District No 1 as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Serratoga Falls Metropolitan District No 1, as of December 31, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Serratoga Falls Metropolitan District No 1 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 opinion.

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; this includes 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 Serratoga Falls Metropolitan District No 1'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Serratoga Falls Metropolitan District No 1'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 Serratoga Falls Metropolitan District No 1'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

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

Supplementary Information

Our audit was made for the purpose of forming opinions on the financial statements. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account 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 taken as a whole.

Haynie & Company

Littleton, Colorado
July 31, 2025

BASIC FINANCIAL STATEMENTS

Serratoga Falls Metropolitan District No. 1
Statement of Net Position
December 31, 2024

	Governmental Activities
Assets	
Cash and Investments	\$ 62,912
Property Taxes Receivable	589,599
Due From County Treasurer	523,304
Intergovernmental Receivable	138,042
Assessment and Fees Receivable	130,059
Prepaid Expenses	6,100
Capital Assets, Net	14,635,510
Total assets	16,085,526
 Liabilities	
Accounts payable	104,082
Deposits	55,500
Retainage payable	240,488
Prepaid assessments	12,887
Interest payable	1,399,545
Developer payable	1,192,642
Bonds and notes payable	
Due in more than one year	14,567,000
Total Liabilities	17,572,144
 Deferred Inflows of Resources	
Deferred property tax revenue	589,599
Total deferred inflows of resources	589,599
 Net Position	
Net investment in capital assets	
Restricted	497,219
Emergencies	1,724
Unrestricted	(2,575,160)
Total net position	\$ (2,076,217)

The accompanying notes are an integral part of these financial statements.

Serratoga Falls Metropolitan District No. 1
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government
		Charges for Services and other fees	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 354,367	\$ 206,324	\$ 47,858	\$ -	\$ (100,185)
Interest and related costs on long term debt	1,125,965	-	-	-	(1,125,965)
	<u>\$ 1,480,332</u>	<u>\$ 206,324</u>	<u>\$ 47,858</u>	<u>\$ -</u>	<u>(1,226,150)</u>
General revenues:					
Property tax					485,631
Specific ownership tax					30,414
Interest income					28,127
					<u>544,172</u>
					(681,978)
					<u>(1,394,239)</u>
					<u>\$ (2,076,217)</u>

The accompanying notes are an integral part of these financial statements.

Serratoga Falls Metropolitan District No. 1
Governmental Funds Balance Sheet
and Statement of Net Position
December 31, 2024

	General Fund	Special Revenue Fund Pumphouse	Special Revenue Fund Operations	Debt Service Fund	Capital Projects Fund	Total Governmental Total
Assets						
Cash and cash equivalents	\$ 58,248	\$ 2,809	\$ -	\$ -	\$ 1,855	\$ 62,912
Assessments & fees receivable	7,400	37,734	84,925	-	-	130,059
Property taxes receivable	114,263	-	-	475,336	-	589,599
Due from County Treasurer	104,751	-	-	418,553	-	523,304
Due from Capital Projects	20,807	-	-	-	-	20,807
Due from Special Revenue Pumphouse	-	-	132,755	-	-	132,755
Intergovernmental Receivable	-	134,843	3,199	-	-	138,042
Prepaid expenses	5,592	508	-	-	-	6,100
Total assets	<u>\$ 311,061</u>	<u>\$ 175,894</u>	<u>\$ 220,879</u>	<u>\$ 893,889</u>	<u>\$ 1,855</u>	<u>\$ 1,603,578</u>
Liabilities						
Accounts payable	\$ 31,394	\$ 31,184	\$ 175	\$ 7,000	\$ 1,431	\$ 71,184
Retainage payable	-	-	-	-	240,488	240,488
Due to Special Revenue Fund	40,373	-	-	-	-	40,373
Due to General Fund	-	92,382	-	-	20,807	113,189
Due to others	8,878	24,020	-	-	-	32,898
Deposits	55,500	-	-	-	-	55,500
Prepaid assessments	-	-	12,887	-	-	12,887
Total liabilities	<u>136,145</u>	<u>147,586</u>	<u>13,062</u>	<u>7,000</u>	<u>262,726</u>	<u>566,519</u>
Deferred Inflows of Resources						
Deferred property tax revenue	114,263	-	-	475,336	-	589,599
Total deferred inflows of resources	<u>114,263</u>	<u>-</u>	<u>-</u>	<u>475,336</u>	<u>-</u>	<u>589,599</u>
Fund Balance						
Nonspendable	5,592	508	-	-	-	6,100
Restricted	1,724	-	-	411,553	-	413,277
Committed	-	27,800	207,817	-	-	235,617
Unassigned	53,337	-	-	-	(260,871)	(207,534)
Total Fund Balances	<u>60,653</u>	<u>28,308</u>	<u>207,817</u>	<u>411,553</u>	<u>(260,871)</u>	<u>447,460</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 311,061</u>	<u>\$ 175,894</u>	<u>\$ 220,879</u>	<u>\$ 893,889</u>	<u>\$ 1,855</u>	<u>\$ 1,603,578</u>

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

Total fund balance - governmental funds	\$ 447,460
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	14,635,510
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	
Interest payable	(1,399,545)
Developer payable	(1,192,642)
Bonds and notes payable	(14,567,000)
Net position of governmental activities	<u>\$ (2,076,217)</u>

The accompanying notes are an integral part of these financial statements.

Serratoga Falls Metropolitan District No. 1
Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2024

	General Fund	Special Revenue Fund Pumphouse	Special Revenue Fund Operations	Debt Service Fund	Capital Projects Fund	Total
Revenues						
Property Taxes	\$ 97,126	\$ -	\$ -	\$ 388,505	\$ -	\$ 485,631
Specific Ownership Taxes	6,083	-	-	24,331	-	30,414
Nonpotable water fees	-	52,090	-	-	-	52,090
Assessment fees	-	-	123,364	-	-	123,364
Operation fees	5,350	-	-	-	-	5,350
Tap fees	-	24,020	-	-	-	24,020
Fines	1,500	-	-	-	-	1,500
Interest	10,788	3,568	-	13,762	9	28,127
Intergovernmental revenues	50	47,808	-	-	-	47,858
Total Revenues	<u>120,897</u>	<u>127,486</u>	<u>123,364</u>	<u>426,598</u>	<u>9</u>	<u>798,354</u>
Expenditures						
Current:						
General government:						
Audit and legal	41,978	-	-	-	-	41,978
Management and accounting services	22,490	39,463	-	-	-	61,953
Utilities	21,097	33,261	909	-	-	55,267
Tap fees	-	24,020	-	-	-	24,020
Landscape contract	-	-	3,762	-	-	3,762
Landscape maintenance and repairs	3,115	-	-	-	-	3,115
Irrigation and drainage system	-	16,970	-	-	-	16,970
Water assessments	-	7,866	-	-	-	7,866
Meter equipment and software	-	19,836	-	-	-	19,836
Office and administration	1,623	-	-	-	-	1,623
Recreational lease	-	-	6,661	-	-	6,661
Insurance	5,373	-	-	-	-	5,373
Treasurer fees	2,011	-	-	8,045	-	10,056
Paying agent fees	-	-	-	7,000	-	7,000
Miscellaneous	-	13,669	-	-	4,065	17,734
Total Expenditures	<u>97,687</u>	<u>155,085</u>	<u>11,332</u>	<u>15,045</u>	<u>4,065</u>	<u>283,214</u>
Other financing sources (uses):						
Developer advances	30,000	-	-	-	-	30,000
Transfer in/out	-	-	-	-	-	-
Total other financing sources (uses)	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Excess of revenues over (under) expenditures	<u>53,210</u>	<u>(27,599)</u>	<u>112,032</u>	<u>411,553</u>	<u>(4,056)</u>	<u>545,140</u>
Net change in fund balances	<u>53,210</u>	<u>(27,599)</u>	<u>112,032</u>	<u>411,553</u>	<u>(4,056)</u>	<u>545,140</u>
Fund balances:						
Beginning of the year	<u>7,443</u>	<u>55,907</u>	<u>95,785</u>	<u>-</u>	<u>(256,815)</u>	<u>(97,680)</u>
End of the year	<u>\$ 60,653</u>	<u>\$ 28,308</u>	<u>\$ 207,817</u>	<u>\$ 411,553</u>	<u>\$ (260,871)</u>	<u>\$ 447,460</u>

The accompanying notes are an integral part of these financial statements.

Serratoga Falls Metropolitan District No. 1
Reconciliation of Governmental Funds Statement
of Revenues, Expenditures, and Changes in Fund
Balances to the Statement of Activities
December 31, 2024

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

Net change in fund balance—total governmental funds	\$	545,140
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Governmental funds report capital outlays as expenditures. In the Statement of Activities, capital outlay is not reported as an expenditure; however, the Statement of Activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation		(71,153)
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Long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Developer Advances		(30,000)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in accrued interest on long-term obligations		<u>(1,125,465)</u>
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Change in net position of governmental activities	\$	<u><u>(681,478)</u></u>
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The accompanying notes are an integral part of these financial statements.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

1. Summary of Reporting Entity

Serratoga Falls Metropolitan District No. 1 (the District), was organized in May 2006, under the State of Colorado statutory authority, as a quasi-municipal corporation and is governed by a five-member Board of Directors pursuant to the provisions of the Colorado Special District Act (Title 31, Article I, Colorado Revised Statutes). The District was organized concurrently with Serratoga Falls Metropolitan District Nos. 2 and 3 (District Nos. 2-3), collectively referred to as the Districts. The Districts' service area is located in the town of Timnath, Larimer County, Colorado. The Districts were formed to provide public improvements to be dedicated to the Town of Timnath, Colorado or other governmental entities or retained by the Districts for the use and benefit of the residents and visitors of the Districts.

The District was originally intended to serve as the operating district with District Nos. 2-3 intended to serve as the financing districts. In April 2016, District No. 2 entered into an Intergovernmental Agreement (2016 IGA), under which District No. 2 shall be responsible to operate and maintain services for the public improvements constructed for the use and benefits of taxpayers of District No. 2. In August 2022, the District and District No. 2 entered into a First Amendment to the IGA under which they further revised certain responsibilities.

As required by US GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local government entities. The District has no component units as defined by the Governmental Accounting Standards Board ("GASB"), Statement No. 14, *The Reporting Entity*, and GASB No. 39, *Determining Whether Certain Organizations are Component Units*.

All operations and administrative functions are contracted.

2. Summary of Significant Accounting Policies

The accounting policies of the Serratoga Falls Metropolitan District No. 1 (the "District") conform to the accounting principles generally accepted in the United States of America ("US GAAP") as applicable to governmental entities. The following is a summary of the more significant policies consistently applied in the preparation of the basic financial statements of the District.

The accompanying financial statements are presented in accordance with GASB Statement No. 34, *Special Purpose Governments*.

Government-wide Statements

The government-wide financial statements, the Statement of Net Position, and the Statement of Activities report information on all of the governmental activities of the District.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program or general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Revenues and expenditures are recorded on the accrual basis of accounting.

Governmental Fund Financial Statements

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if the revenues are collectible within the current period, or soon thereafter, to pay liabilities of the current period. For that purpose, the District considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period.

Governmental Funds

For 2024, the district has four Governmental funds:

- *General Fund* – The General Fund is the general operating fund of the District. It is used to account for all of the financial resources not accounted for and reported in another fund.
- *Special Revenue Fund - Pumphouse*– accounts for committed fees received from homeowners and other governmental entities for the non-potable irrigation system required to be used for the operation and maintenance of their irrigation system and ground maintenance or any other budgeted expense
- *Special Revenue Fund - Operations* – accounts for restricted fees received from homeowners required to be used for operation and maintenance expenses, included to maintain publicly-owned landscaping, drainage facilities, fulfill the District’s easement related obligations and to shovel and maintain sidewalks.
- *Debt Service Fund* – The Debt Service Fund is used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal, interest, and other debt-related costs.
- *Capital Projects Fund* – The Capital Projects Fund is used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition of capital facilities, and other assets.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

During the course of operations, the district has activity between funds for various purposes. Any residual balances outstanding at yearend are reported as due to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/(out). As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits

District management considers cash and cash equivalents to include cash on hand, demand deposits, and money market accounts. Investments, as applicable, of the District are reported at fair value.

District management may at times follow the practice of pooling cash, and investments of all funds to maximize investment earnings. Except when required by regulations or other agreements, all cash is deposited to, and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements may be pooled for deposit, and investment flexibility. As applicable, investment earnings are allocated periodically to participating funds based upon each fund's average equity balance in total cash.

Capital Assets

The district's capital assets, as applicable, are recorded at cost, if purchased or constructed. Donated capital assets are valued at the estimated fair value at the time of donation. The District has a capitalization policy of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. The District's Board of Directors has the option to capitalize certain items costing less than \$5,000 in certain circumstances.

The cost of normal maintenance, and repairs, as incurred, that do not add value to, or materially extend the life of, the related capital asset, are charged to expense as incurred.

Depreciation is provided under the straight-line method, with an estimated service life ranging from 10-20 years for non-potable irrigation system and 10 years for landscaping.

Receivables

Accounts receivable-homeowners consist of homeowner irrigation, operation and other miscellaneous fees due at December 31, 2024. The District considers all accounts receivable-homeowners collectible at December 31, 2024.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Intergovernmental receivables consist of funds due from District No. 2 and No. 3 to operate and maintain public improvements in the service area as part of an intergovernmental agreement, see Note 4.

Fair Value of Financial Instruments

The District's financial instruments include, as applicable, cash and cash equivalents, various receivables, and accounts payable. The District estimates that the fair value of these financial instruments, as of December 31, 2024, does not differ materially from the aggregate carrying values used in the accompanying financial statements. The carrying amount of these financial instruments approximates the fair value due to the short of maturity of these financial instruments.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the District did not have any items in this reporting category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time frame. In the current year, the District had one item that qualified for reporting in this category, unavailable revenue – property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Leases

The District determines if an arrangement is or contains a lease at inception. Leases are recognized as a lease liability and intangible right-to-use lease asset (leased assets) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more. Leased assets are reported as other capital assets and lease liabilities are reported with long-term debt in the statement of net position. Short-term leases are leases with a maximum contract of 12 months or less and are recognized as outflows of resources based on the payment provisions of the lease contract.

Long-Term Debt Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activity.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with US GAAP involves the use of management's estimates which affect the reported amounts of assets, and liabilities as of the date of the financial statements, and the reported amounts of revenue, and expenditures during the reporting period. These estimates are based upon management's best judgment, after considering past events, and assumptions about future events. Actual results could differ from those estimates.

Property Tax

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year that they are levied, and measurable since they normally are not available nor are they budgeted as a resource until the subsequent year. Property taxes are recorded as revenue in the subsequent year when they are available or collected.

Under the Service Plan, the maximum Mill Levy for the District shall be 50 mills, subject to statutory adjustment.

Fund Balance

The District utilizes the fund balance presentation as required under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances, as applicable are categorized as non-spendable, restricted, committed, assigned, or unassigned.

Non-spendable – represents amounts that cannot be spent because they are either in non-spendable form or legally required to remain intact;

Restricted – represents amounts with external constraints placed on the use of these resources or imposed by enabling legislation;

Committed – represents amounts that may only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the District's

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Board of Directors. Committed resources cannot be used for any other purpose, unless the District's Board of Directors remove or change the specific use by the same type of action used to commit those amounts, either by resolution or by ordinance;

Assigned – represents amounts that the District intends to use for specific purposes, as expressed by the District's Board of Directors or a District official delegated the authority to assign such amounts;

Unassigned – represents the residual classification for the general fund or deficit balances in other funds, as applicable.

Amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted, and unrestricted (committed, assigned, or unassigned) amounts are available. Unrestricted amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of these unrestricted fund balances classifications could be used.

Net Position

The district's net position represents the difference between the District's assets, liabilities, and deferred inflow of resources. The District may report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets;

Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets;

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.

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

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

3. Budget Information

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with State Budget Law, the District’s Board of Directors holds a public hearing in the fall of each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditure 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 total appropriation can only be modified upon completion of a budget amendment approved following a public hearing on the same. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year-end.

For the year ended December 31, 2024 appropriations in the Special Revenue Fund Pumphouse exceeded expenditures by \$40,048, which may be a violation of state statute.

4. Cash and Investments

Cash and Investments

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

As of December 31, 2024, all of the district's deposits were either insured by the FDIC or held in eligible depositories. Cash and investments are reported on the Statement of Net Position as follows:

Cash and investments	\$ 61,892
Cash and investments - restricted	<u>1,020</u>
	\$ 62,912

At December 31, 2024, the District had \$62,912 in deposits held at financial institutions.

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

The District has not adopted a formal investment policy, however, it follows state statute regarding investments. At December 31, 2024, the District does not hold any investments.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

5. Long-Term Debt

Authorized Debt

At December 31, 2024, the District had total authorized debt of \$240 million of which \$15,729,641 has been issued, leaving an authorized but unissued balance of \$224,270,359, including debt refinancing of \$40 million. Under the 2021 Service Plan, the District has total authorized but unissued balance of \$9,270,359, not including debt refinancing. As noted below, the District has \$10,433,000 available in authorized but unissued debt, and \$1,162,641 of this total authorized but unissued amount is expected to be used to pay down the outstanding developer debt, thus resulting in an anticipated unissued balance of \$9,270,359.

Senior General Obligation Limited Tax Bonds, Series 2023A and Subordinate General Obligation Limited Tax (Convertible to Tax-Exempt) Bonds, Series 2023B

On December 20, 2023, the District issued its \$25,000,000 maximum aggregate par amount of private placement bonds with an affiliate of the Developer. The District issued a maximum aggregate par amount of \$16,245,000 Senior General Obligation Limited Tax Bonds, Series 2023 and a maximum aggregate par amount of \$8,755,000 Subordinate General Obligation Limited Tax (Convertible to Tax-exempt) Bonds, Series 2023B. The bonds were issued as draw down bonds for the purpose of reimbursing the costs of public improvements of the District and paying issuance costs. At December 31, 2024, the District had drawn \$14,567,000 of the 2023A Senior Bonds and can draw the remaining \$10,433,000 in future periods. Advances on the Bonds shall be made in the amount of \$100,000 or an integral in excess thereof.

The 2023A Senior Bonds bear interest at 7.5%, calculated on the basis of a 360-day year of twelve 30-day months, payable annually on each December 1, commencing on December 1, 2024, to the extent pledged revenue is available, maturing on December 1, 2063. The 2023B Subordinate Bonds bear interest at a rate of 7.57%, calculated on the basis of a 360-day year of twelve 30-day months, payable annually on December 15, commencing on December 15, 2024, to the extent that pledged revenue is available, maturing on December 15, 2063.

The Bonds are cash flow bonds and are subject to mandatory sinking fund redemption commencing on December 1, 2024 for the 2023A Senior Bonds and December 15, 2024 for the 2023B Subordinate Bonds, to the extent of moneys on deposit, if any, in the respective Bond fund on October 16th for the 2023A Senior Bonds and November 15th for the 2023B Subordinate Bonds. Amounts shall be applied first to interest and then to principal after accrued interest has been paid. There were no payments made on the bonds in 2024.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

5. Long-Term Debt (continued)

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2030, and on any date thereafter, upon payment of principal and accrued interest with redemption premiums ranging from 0% to 3%.

The Bonds are secured by pledged revenues which include property tax revenue, specific ownership taxes collected as a result of the required mill levy, and other legally available moneys which the District determines, in its sole discretion, to credit the respective bond fund. The senior mill levy is 40 mills (as adjusted), or less, to generate sufficient funds to make debt service payments.

Events of Default

Events of default as defined in respective indentures of trust for Bonds include (1) failure by the District to impose the necessary required mill levy or apply the proceeds thereof as required by the trust indenture, (2) default by the District in performance or observance of any other covenants on the part of the District in the indenture, and failure to remedy after notice, and (3) the District files a petition under federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the bonds. Failure to pay principal and interest on the Bonds when due shall not, of itself, constitute an event of default. Remedies available in the event of default include receivership, suit for judgement, and mandamus or another suit. The District's obligation to repay the Bonds shall terminate December 31, 2063 regardless of the amount of principal and interest paid prior to the termination date.

Developer Advances

On May 3, 2018, the District, acting on behalf of District No. 3 and Kitchel Lake Partners, LLC (Developer) entered into an Advance, Acquisition and Reimbursement Agreement for the purpose of understanding the commitment between the District, District No. 3 and the Developer related to the funding and repayment of certain costs including but not limited to reimbursable costs. The Reimbursement Agreement allows for the District to request and for the Developer to pay for the public improvements and any management, operating and administrative expenses if the District has insufficient funds. The Developer shall have no obligation to make an advance. Interest under this agreement shall commence at the date of transfer of the public improvements to the District or the date of the advance at 7% per annum. The District's obligation under this agreement shall terminate at the earlier of repayment in full or December 31, 2057, whichever occurs first.

On January 5, 2021 the District entered into an Amended and Restated Advance, Acquisition and Reimbursement Agreement for Serratoga Falls Metropolitan District No. 3 between the District,

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

5. Long-Term Debt (continued)

District No. 3 and the Developer and Serratoga Falls, LLC (SFLLC) the former Developer for the outlining reimbursable costs related to the development of District No. 3. The Amended Reimbursement Agreement replaced the Reimbursement Agreement in its entirety with respect to District No. 3. Interest under this agreement shall commence at the date of transfer of the public improvements to District No. 3 or other governmental entity or the date of the advance at 7% per annum. District No. 3's obligation under this agreement shall terminate at the earlier of repayment in full or December 31, 2057, whichever occurs first. The District has no reimbursement obligation under this agreement.

On November 16, 2023, the District entered into an Amended and Restated Advance, Acquisition and Reimbursement Agreement for Public Improvements Serratoga Falls Metropolitan District No. 1 among the District, the Developer, Kitchel Lake F3, LLC and Kitchel Lake F3 Development Corporation to amend and restate the Reimbursement Agreement with regards to the District and to acknowledge boundary changes and the corresponding changes in responsibilities between the District and District No. 3 as well as the assignment to Front Range Securities LLC, (the "Investor") of any and all rights which they have or may claim reimbursement from the District.

At December 31, 2024, unpaid accrued interest under the developer advances amounted to \$1,399,545.

Changes in the District's Long-Term Debt

The changes in the District's long-term debt for the year ended December 31, 2024 are as follows:

	<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>
<u>Private Placement Bonds:</u>					
2023A Bonds	\$ 14,567,000	\$ -	\$ -	\$ 14,567,000	\$ -
	<u>\$ 14,567,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,567,000</u>	<u>\$ -</u>
<u>Direct Borrowings:</u>					
Developer Advances	\$ 1,162,641	\$ 30,000	\$ -	\$ 1,192,641	\$ -
	<u>\$ 1,162,641</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 1,192,641</u>	<u>\$ -</u>

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

6. Long-Term Debt (continued)

Future Maturities

Due to the “cash flow” structure of the Series 2023A and 2023B Bonds, the future minimum required payments cannot be projected. As such, the entire outstanding balance is reflected in the year of maturity.

7. Capital Assets

Changes in the District’s capital assets for the year ended December 31, 2024 are as follows:

	<u>Balance at December 31, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2024</u>
Capital assets, not being depreciated				
Construction in progress	\$ 14,622,881	\$ -	\$ -	\$ 14,622,881
Total capital asset not being depreciated	<u>14,622,881</u>	<u>-</u>	<u>-</u>	<u>14,622,881</u>
Capital assets being depreciated				
Non-potable irrigation system	106,501	-	-	106,501
Landscape	<u>381,989</u>	<u>-</u>	<u>(381,989)</u>	<u>-</u>
Total capital asset being depreciated	<u>488,490</u>	<u>-</u>	<u>(381,989)</u>	<u>106,501</u>
Less accumulated depreciation				
Non-potable irrigation system	(82,141)	(11,731)	-	(93,872)
Landscape	<u>(322,567)</u>	<u>(59,422)</u>	<u>381,989</u>	<u>-</u>
Total accumulated depreciated	<u>(404,708)</u>	<u>(71,153)</u>	<u>381,989</u>	<u>(93,872)</u>
Capital assets being depreciated, net	<u>83,782</u>	<u>(71,153)</u>	<u>-</u>	<u>12,629</u>
Capital assets, net	<u>\$ 14,706,663</u>	<u>\$ (71,153)</u>	<u>\$ -</u>	<u>\$ 14,635,510</u>

Depreciation expense of \$71,153 was charged to general government expense.

8. Agreements

Inter-District Intergovernmental Agreement – District No. 3

In 2015, the District and District No. 3 entered into an Inter-District Intergovernmental Agreement for the purpose of implementation of their service plan. The IGA establishes the operating and financing districts’ responsibilities noting that the District, as the operating district,

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

8. Agreements (continued)

owned, operated and maintained all public improvements in the service area. Additionally, District No. 3, as the Financing District, shall assign revenues from all sources to the operating district.

Consistent with the 2021 Service Plan, in April 2023, the District and District No. 3 entered into a Memorandum of Understanding (MOU) as a temporary agreement to be replaced by a permanent Amended and Restated Intergovernmental Agreement (Future IGA) to be negotiated by and between the Districts after the May 2023 election.

The MOU was entered into to set forth the basic rights and responsibilities of the District and District No. 3 due to reconfiguration of the Districts as set forth in the 2021 Service Plan. Under the 2021 Service Plan, the District is to include residential and commercial taxable property, and each district is generally responsible to provide its own services and tax properties within its own boundaries to generate revenue.

In May 2023, the District and District No.3 entered into an Amended and Restated Inter-District Intergovernmental Agreement to amend and restate in their entirety the original Inter-District IGA and MOU. Under the 2023 IGA, the District and District No.3 shall be individually responsible for design, acquisition, installation, construction, installation, relocation, funding, financing, operation, and maintenance of public improvements within each respective district except as outlined in the agreement.

In connection with the 2023 IGA, in May 2023, the District also entered into an Agreement and Release Agreement with District No. 3 and Kitchel Lake Partners, LLC and Kitchel Lake Development Corporation (collectively the “Developers”). The District, as the operating district, incurred costs associated with the operations of District No. 3. As the District is no longer the operating district for District No. 3, the Developers will pay the District \$181,940 for expenses incurred by the District on behalf of District No. 3. This amount shall not be repaid by the District or District No. 3. Upon receipt of the payment from the Developers, District No. 3 shall release the Developers of any and all obligations to District No. 3 with regard to public improvements and the District shall release District No. 3 with regard to any obligations to reimburse the District for costs paid on behalf of the District No. 3 as the operating district through the date of the agreement.

The District and District No. 3 will each be responsible for payment of 50% of the annual fee under the Recreational Improvements Agreement between the District and Kitchell Reservoir Company, see Note 5. The District will operate and maintain any recreational improvements which are anticipated to include a community pool, clubhouse, dock and/or water storage. The District will invoice District No. 3 for amounts due under this agreement. The amount due December 31, 2024 is \$124, 373 and is included in the Intergovernmental receivable at December 31, 2024. No payments were made from District No. 3 to the District in 2024.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

8. Agreements (continued)

Inter-District Intergovernmental Agreement – District No. 2

In 2016, the District and District No. 2 terminated their prior Inter-District Agreement dated July 31, 2006. Under the new IGA, the District is no longer the operating District as it relates to District No. 2. Under the 2016 IGA, District No.2 had agreed to pay a percentage of shared costs for the Pump House. Pump House costs include the operation and maintenance costs of all pumps as outlined in the agreement.

On August 31, 2022, the District and District No. 2 entered into a First Amendment to the 2022 IGA to amend the 2016 IGA to revise the responsibilities for maintenance of certain areas as outlined in the agreement and to update the method for calculating and paying for non-potable irrigation water.

Under the 2022 IGA, District No. 2 has agreed to continue to pay a percentage of shared costs for the Pump House, however, these costs will be determined based on a new allocation percentage to include the actual volume of non-potable water used by District No. 2 up to a maximum of 50 acre-feet per year. Amounts in excess of 50 acre-feet per year will be billed as outlined in the 2022 IGA.

Additionally, in order to properly track actual volume used, District No.2 shall pay for the installation of water meters. After installation, ownership of such meters shall be transferred to the District and thereafter owned and maintained by the District. District No. 2 will be responsible for reimbursing the District for costs associated with maintenance of such meters.

District No. 2 shall have access to Kitchel Reservoir upon payment of 14.44% of the annual lease price for the year of access but must notify the District no later than November 15 of the prior year. District No. 2 did not elect access during 2024.

At December 31, 2024, revenue under the IGA amounted to \$13,801, all of which is due as of December 31, 2024. This payment was received on April 17, 2025.

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Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

9. Interfund Receivables, Payables, and Transfers

The composition of interfund balances, due from/to other funds at December 31, 2024 is as follows:

Receivable Fund	Payable Fund			
	General Fund	Capital Projects Fund	Special Fund Pumphouse	Total
General Fund	\$ -	\$ 20,807	\$ 92,382	\$ 113,189
Special Fund - Operations	40,373	-	-	40,373
	\$ 40,373	\$ 20,807	\$ 92,382	\$ 153,562

At December 31, 2024, the outstanding balances between the funds is the result of the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

10. Short-term Leases

In July 2015, the District entered into a recreational use agreement with Kitchell Reservoir Company to lease the recreational rights associated with Kitchel Reservoir. The agreement expires in 2025 with the option to renew for two additional ten-year periods. Both parties have the right to terminate the agreement at any time. Rent under the agreement is \$5,000 annually and increases each year by the greater of 2% or the percentage change in the general consumer price index for all items for the preceding full calendar year. The District plans on renewing the lease in 2025. It is expected that the lease terms of the lease will remain the same.

Future minimum lease payments under the lease agreement is as follows:

Year Ended	
December 31, 2025	<u>\$ 6,661</u>
Total	<u>\$ 6,661</u>

Short-term lease cost under this agreement for 2024 amounted to \$6,661.

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

10. Fund Balance/Net Position

As of December 31, 2024, the District’s Fund balance consisted of the following:

Fund Balances	General Fund	Special Revenue Pump House Fund	Special Revenue Operation Fund	Debt Service Fund	Capital Projects Fund	Total
Nonspendable	\$ 5,592	\$ 508	\$ -	\$ -	\$ -	\$ 6,100
Restricted	1,724	-	-	411,553	-	413,277
Committed	-	27,800	207,817	-	-	235,617
Unassigned	53,337	-	-	-	(260,871)	(207,534)
Total Fund						
Balances (deficit)	\$ 60,653	\$ 28,308	\$ 207,817	\$ 411,553	\$ (260,871)	\$ 447,460

11. Related Parties

All members of the Board of Directors are associated with the Developer and may have conflicts or interest in dealing with the District. The District has a funding agreement with the Developer and issued the Bonds with an affiliate of the Developer as noted above. Management believes that all potential conflicts, if any, have been disclosed to the Board.

12. Risk Management

The District is exposed to various risks of loss related to torts, errors or omissions, and natural disasters, as well as theft of, damage to, or destruction of, property.

The District is a member of the Colorado Special Districts Property and Liability Pool (“Pool”) as of December 31, 2024. The Pool is an organization created by intergovernmental agreements to provide property, liability, public officials’ liability, boiler, and over coverage to its members.

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

13. Tax, Spending, and Debt Limitations

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

Serratoga Falls Metropolitan District No. 1
Notes to Financial Statements (continued)
December 31, 2024

13. Tax, Spending, and Debt Limitations (continued)

Spending and revenue limits are determined based upon 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 increase, with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded, unless the voters approve retention of such revenue.

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

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

14. Subsequent Events

The preparation of the District's financial statements and accompanying footnotes in conformity with United States Generally Accepted Accounting Principles requires District management to evaluate transactions and events subsequent to the balance sheet date involving the District. Management has evaluated subsequent transactions and events of the District through July 31, 2025, which is the date that the financial statements and accompanying notes were available for issuance.

Required Supplementary Information

Serratoga Falls Metropolitan District No. 1
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$ 97,152	\$ 97,126	\$ (26)
Specific Ownership Taxes	5,829	6,083	254
Operation fees	-	5,350	5,350
Interest	-	10,788	10,788
Intergovernmental revenues	123,600	50	(123,550)
Fines	7,000	1,500	(5,500)
Total Revenues	<u>233,581</u>	<u>120,897</u>	<u>(112,684)</u>
Expenditures			
Management & Accounting Services	22,000	22,490	(490)
Audit and legal	42,500	41,978	522
Design Review Fees	2,500	700	-
Utilities	3,960	21,097	(17,137)
Insurance	2,625	5,373	(2,748)
Treasurer's Fees	1,943	2,011	(68)
Office and administration	500	923	(423)
SDA Dues	1,500	-	1,500
Contingency	40,000	-	40,000
Landscape maintenance and repair	54,410	3,115	51,295
Total Expenditures	<u>171,938</u>	<u>97,687</u>	<u>72,451</u>
Excess Revenue Over (Under)			
Expenditures	<u>61,643</u>	<u>23,210</u>	<u>(38,433)</u>
Other financing sources (uses)			
Developer advances	-	30,000	30,000
Total other financing sources (uses)	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Net change in fund balances	61,643	53,210	(8,433)
Fund Balances—Beginning of year	<u>44,421</u>	<u>7,443</u>	<u>(36,978)</u>
Fund Balances—End of Year	<u>\$ 106,064</u>	<u>\$ 60,653</u>	<u>\$ (45,411)</u>

The accompanying notes are an integral part of these financial statements.

Serratoga Falls Metropolitan District No. 1
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Special Revenue Fund - Operations
For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Irrigation water fees	\$ 89,460	\$ -	\$ (89,460)
Assessment fees	-	123,364	123,364
Total Revenues	<u>89,460</u>	<u>123,364</u>	<u>33,904</u>
Expenditures			
Management & Accounting Services	30,000	-	30,000
Recreational lease	-	6,661	(6,661)
Contingency	2,500	-	2,500
Utilities	10,950	909	10,041
Landscape contract	64,243	3,762	60,481
Total Expenditures	<u>107,693</u>	<u>11,332</u>	<u>96,361</u>
Excess Revenue Over (Under)			
Expenditures	<u>(18,233)</u>	<u>112,032</u>	<u>130,265</u>
Other financing sources (uses)			
Transfer from other funds	5,800	-	(5,800)
Total other financing sources (uses)	<u>5,800</u>	<u>-</u>	<u>(5,800)</u>
Net change in fund balances	(12,433)	112,032	124,465
Fund Balances—Beginning of year	<u>95,785</u>	<u>95,785</u>	<u>-</u>
Fund Balances—End of Year	<u>\$ 83,352</u>	<u>\$ 207,817</u>	<u>\$ 124,465</u>

Serratoga Falls Metropolitan District No. 1
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Special Revenue Fund - Pump House
For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Nonpotable water fees	\$ 51,645	\$ 52,090	\$ 445
Tap fees	-	24,020	24,020
Interest	-	3,568	3,568
Intergovernmental revenues	72,000	47,808	(24,192)
Total Revenues	123,645	127,486	3,841
Expenditures			
Management & Accounting Services	10,000	39,463	(29,463)
Water assessment	-	7,866	(7,866)
Meter equipment and software	-	19,836	(19,836)
Miscellaneous	-	13,669	(13,669)
Insurance	4,725	-	4,725
Contingency	12,000	-	12,000
Utilities	34,772	33,261	1,511
Landscaping	53,540	16,970	36,570
Tap fees	-	24,020	(24,020)
Total Expenditures	115,037	155,085	(40,048)
Excess Revenue Over (Under)			
Expenditures	8,608	(27,599)	(36,207)
Net change in fund balances	8,608	(27,599)	(36,207)
Fund Balances—Beginning of year	19,538	55,907	-
Fund Balances—End of Year	\$ 28,146	\$ 28,308	\$ (36,207)

Other Supplementary Information

Serratoga Falls Metropolitan District No. 1
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Debt Service Fund
For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property tax	\$ 388,608	\$ 388,505	\$ (103)
Specific ownership tax	23,316	24,331	1,015
Interest income	-	13,762	13,762
Total Revenues	<u>411,924</u>	<u>426,598</u>	<u>14,674</u>
Expenditures			
Treasurer fees	7,772	8,045	(273)
Paying agent fees	4,000	7,000	(3,000)
Interest - 2023 Bonds	400,152	-	400,152
Total Expenditures	<u>411,924</u>	<u>15,045</u>	<u>396,879</u>
Excess Revenue Over (Under)			
Expenditures	<u>-</u>	<u>411,553</u>	<u>411,553</u>
Net change in fund balances	-	411,553	411,553
Fund Balances—Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances—End of Year	<u>\$ -</u>	<u>\$ 411,553</u>	<u>\$ 411,553</u>

Serratoga Falls Metropolitan District No. 1
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Capital Projects Fund
For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tap fees	\$ 706,822	\$ 9	\$ (706,813)
Total Revenues	706,822	9	(706,813)
Expenditures			
Management and Accounting	5,400	-	5,400
Miscellaneous	-	4,065	(4,065)
Tap Fee	706,822	-	706,822
Total Expenditures	712,222	4,065	708,157
Excess Revenue Over (Under)			
Expenditures	(5,400)	(4,056)	1,344
Other financing sources (uses)			
Other Financing Sources	12,500,000	-	(12,500,000)
Capital Projects	(12,500,000)	-	12,500,000
Total other financing sources (uses)	-	-	-
Net change in fund balances	(5,400)	(4,056)	1,344
Fund Balances—Beginning of year	74,227	(256,815)	-
Fund Balances—End of Year	\$ 68,827	\$ (260,871)	\$ 1,344