

St. Vrain Lakes Metropolitan District No. 4

Financial Statements
with Independent Auditor's Report

December 31, 2024



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

St. Vrain Lakes Metropolitan District No. 4

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December 31, 2024

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Business Advisors

Independent Auditor's Report

Board of Directors
St. Vrain Lakes Metropolitan District No. 4
Weld County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of St. Vrain Lakes Metropolitan District No. 4 (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 present fairly, in all material respects, the respective financial position of governmental activities and each major fund of the District as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional 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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such 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. 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.



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

Supplementary Information

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

Hick & Company, PC

Englewood, Colorado
July 16, 2025



Basic Financial Statements

St. Vrain Lakes Metropolitan District No. 4
Statement of Net Position
December 31, 2024

	Governmental Activities
Assets	
Cash and Investments - Restricted	\$ 4,855,521
Property Taxes Receivable	5,768
Total Assets	4,861,289
Liabilities	
Due to District No. 1	1,148,389
Accrued Interest	225,978
Noncurrent Liabilities	
Due in More Than One Year	44,372,098
Total Liabilities	45,746,465
Deferred Inflows of Resources	
Property Tax Revenue	5,768
Total Deferred Inflows of Resources	5,768
Net Position	
Restricted	3,707,132
Unrestricted	(44,598,076)
Total Net Position	\$ (40,890,944)

St. Vrain Lakes Metropolitan District No. 4
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government				
<i>Governmental Activities</i>				
General Government	\$ 38,925,335	\$ -	\$ -	\$ (38,925,335)
Interest and Fiscal Charges on Long-Term Debt	<u>2,061,242</u>	<u>-</u>	<u>-</u>	<u>(2,061,242)</u>
Total Governmental Activities	<u>\$ 40,986,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,986,577)</u>
 General Revenues				
Property Taxes				3,483
Specific Ownership Taxes				125
Investment Income				<u>92,025</u>
Total General Revenues and Transfers				<u>95,633</u>
Change in Net Position				(40,890,944)
Net Position, Beginning of Year				<u>-</u>
Net Position, End of Year				<u>\$ (40,890,944)</u>

St. Vrain Lakes Metropolitan District No. 4

Balance Sheet Governmental Funds December 31, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash and Investments - Restricted	\$ -	\$ 4,855,521	\$ 4,855,521
Property Taxes Receivable	-	5,768	5,768
Total Assets	\$ -	\$ 4,861,289	\$ 4,861,289
Liabilities			
Due to District No. 1	\$ -	\$ 1,148,389	\$ 1,148,389
Total Liabilities	-	1,148,389	1,148,389
Deferred Inflows of Resources			
Property Tax Revenue	-	5,768	5,768
Fund Balance			
Restricted for:			
Debt Service	-	3,707,132	3,707,132
Unrestricted, Unassigned	-	-	-
Total Fund Balance	-	3,707,132	3,707,132
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ -	\$ 4,861,289	\$ 4,861,289

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.

Bond Payable	\$ (44,372,098)
Accrued Interest	(225,978)
Total Net Position of Governmental Activities	\$ (40,890,944)

St. Vrain Lakes Metropolitan District No. 4
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Debt Service Fund	Total Governmental Funds
Revenues			
Property Taxes	\$ 3,483	\$ -	\$ 3,483
Specific Ownership Taxes	125	-	125
Interest Income	-	92,025	92,025
	3,608	92,025	95,633
Total Revenues	3,608	92,025	95,633
Expenditures			
General Government	3,608	38,921,727	38,925,335
Debt Service			
Interest and Fiscal Charges	-	9,000	9,000
	-	9,000	9,000
Total Expenditures	3,608	38,930,727	38,934,335
Other Financing Sources (Uses)			
Bonds Proceeds - Face Amount	-	43,895,025	43,895,025
Cost of Issuance	-	(1,349,191)	(1,349,191)
	-	(1,349,191)	(1,349,191)
Total Other Financing Sources (Uses)	-	42,545,834	42,545,834
Net Change in Fund Balances	-	3,707,132	3,707,132
Fund Balances, Beginning of Year	-	-	-
Fund Balances, End of Year	\$ -	\$ 3,707,132	\$ 3,707,132

St. Vrain Lakes Metropolitan District No. 4

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities For the Year Ended December 31, 2024

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Net Change in Fund Balance of the Governmental Funds	\$ 3,707,132
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term debt liabilities in the statement of net position	
Proceeds from bonds payable	(43,895,025)
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.	
Accreted Bond Interest	(477,073)
Accrued Interest Payable	<u>(225,978)</u>
Change in Net Position of Governmental Activities	<u>\$ (40,890,944)</u>

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The accounting policies of the St. Vrain Lakes Metropolitan District No. 4 (the District), located in Weld County, Colorado, conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District is a quasi-municipal corporation and political subdivision of the State of Colorado organized on November 29, 2006 under the State of Colorado Special District Act. The District was organized as part of a service plan establishing the District, St. Vrain Lakes Metropolitan District No. 2 (District No. 2), St. Vrain Lakes Metropolitan District No. 3 (District No. 3), and St. Vrain Lakes Metropolitan District No. 4 (District No. 4). The District, District No. 2, District No. 3, and District No. 4 are collectively referred to as the *St. Vrain Districts*. District No. 1 is to be the service district and manages and oversees the permitted district activities. District Nos. 2, 3 and 4 are the financing districts. The District was established to provide for the construction and financing of the public improvements for the use and benefit of the residents and property owners within the service area. The District is governed by an elected Board of Directors.

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

The District follows the 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

As of December 31, 2024, no component unit has been identified as reportable to the District, nor is the District a component unit of any other primary governmental entity.

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The government-wide financial statements (i.e., the governmental funds balance sheet/statement of net position and the statement of governmental fund revenues, expenditures and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. The effect of interfund activity has been removed from these statements.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting 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 *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when the District receives the cash.

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

(Continued)

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be reported in another fund.

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

Budgets and Budgetary Accounting

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

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2024, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Deposits and Investments (Continued)

The District follows the practice of pooling cash of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities.

Deferred Outflows/Inflows 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

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

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Subsequent Events

We have evaluated subsequent events through July 16, 2025, the date the financial statements were available to be issued.

Note 2: Property Taxes

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

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

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 3: Cash and Investments

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

Deposits	\$ 46,920
Investments	<u>4,808,601</u>
	<u>\$ 4,855,521</u>

Deposits with Financial Institutions

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

At December 31, 2024, the District had no cash deposits in excess of federally insured amounts.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 3: Cash and Investments (Continued)

Investments (Continued)

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

COLOTRUST

Colorado Liquid Asset Trust (COLOTRUST)	\$ 1,191,601
MSILF Treasury Funds	<u>3,617,000</u>
	<u>\$ 4,808,601</u>

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST offers shares in two portfolios, COLOTRUST Prime and COLOTRUST Plus. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST Plus may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for COLOTRUST's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST is rated AAAM by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. As of December 31, 2024, the District has \$1,191,601 invested in COLOTRUST.

Morgan Stanley Institutional Liquidity Funds Treasury Portfolio

The District's funds that are included in the trust accounts at the UMB Bank are invested in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio (MSILF Treasury Fund). This fund is a money market fund and each share is equal in value to \$1.00. The fund is AAAM rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The maturity of the underlying securities is 30 days or less. As of December 31, 2024, the District had \$3,617,000 invested in the fund, all of which was restricted for the repayment of bond principal and interest.

Fair Value Measurement and Application

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. The District values its investment in COLOTRUST using the net asset value method (NAV) per share.

St. Vrain Lakes Metropolitan District No. 4
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2024 are as follows:

The following are descriptions of the District's long-term obligations.

	Balance 12/31/23	Additions	Accreted Interest	Reductions	Balance 12/31/24	Due Within One Year
General Obligation Bond						
2024A Bonds	\$ -	\$ 36,174,025	\$ 477,073	\$ -	\$ 36,651,098	\$ -
2024B Bonds	-	7,721,000	-	-	7,721,000	-
Total	\$ -	\$ 43,895,025	\$ 477,073	\$ -	\$ 44,372,098	\$ -

Series 2024 General Obligation Bonds

On September 20, 2024, the District issued \$43,895,025 Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2024A (Series 2024A Senior Bonds), and \$7,721,000 Subordinate Limited Tax General Obligation Bonds, Series 2024B (Series 2024B Bonds). The Series 2017 Bonds were issued for the purpose of financing public Improvements related to the Development; funding the initial deposit to the Senior Surplus Fund; and (iii) paying other costs in connection with the issuance of the 2024A Senior Bonds and 2024B Subordinate Bonds.

The Series 2024A Senior Bonds are capital appreciation bonds and appreciate in value through the Current Interest Conversion Date of December 1, 2030 at an accretion rate of 6.75% semi-annually on each June 1 and December 1, commencing December 1, 2024. After the Current Interest Conversion Date, the Series 2024A Senior Bonds are payable semiannually on June 1 and December 1 to the extent revenues are available, bear interest at 6.75% and maturing on September 20, 2054. The Series 2024A Senior Bonds are secured by and payable from the Senior Pledged Revenue which includes all Senior Property Tax Revenues; all Senior Specific Ownership Tax Revenues; and any other legally available moneys which District No. 4 determines, in its absolute discretion, to credit to the Senior Bond Fund. The Senior Surplus Fund is partially funded with proceeds of the 2024A Senior Bonds in the amount of the initial deposit of \$3,617,000 and is required to be additionally funded with excess Senior Pledged Revenue, if any, up to the maximum surplus amount of \$7,234,805.

The Series 2024B Bonds bear interest at 8.75% and mature on September 20, 2054. The Series 2024B Bonds are cash flow bonds with annual payments anticipated to be made on December 15. Unpaid interest compounds annually on December 15. Payments toward interest and principal can be made provided the Series 2024A Senior Bonds are current and the Senior Surplus Fund for the Series 2024A Bonds is full. The District is required to impose the minimum required mill levy of 50.000 mills until the Series 2024B Bonds are fully paid or discharged on December 15, 2064; however, only revenues resulting from the number of mills equal to 50.000 mills less the Senior Required Mill Levy are pledged to payment of the Series 2024B Bonds.

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 4: Long-term Obligations (Continued)

Series 2024 General Obligation Bonds (Continued)

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2024A Bonds. Due to the uncertainty in the timing of the payments on the Series 2024B Bonds, the annual long-term debt principal and interest requirements estimated debt service requirements are included.

<u>December 31, 2024</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030 - 2034	900,000	18,277,659	19,177,659
2035 - 2039	5,595,000	24,329,870	29,924,870
2040 - 2044	9,190,000	22,405,905	31,595,905
2045 - 2049	14,090,000	19,045,212	33,135,212
2050 - 2054	<u>32,531,000</u>	<u>6,291,586</u>	<u>38,822,586</u>
	<u>\$ 62,306,000</u>	<u>\$ 90,350,232</u>	<u>\$ 152,656,232</u>

Note 5: District Agreements

District Facilities Construction and Service Agreement (Master IGA)

On June 12, 2007, the District entered into a District Facilities Construction and Service Agreement (Master IGA) with District No. 1, District No. 3 and District No. 4. This Master IGA provides for the implementation of the principles and objectives set forth in the Districts' Service Plan regarding the financing, construction, operation and maintenance of the Districts' facilities. The Master IGA was superseded by (i) a Mill Levy Policy and Pledge Agreement dated as of November 9, 2016 (subsequently amended and restated by the Amended and Restated Mill Levy Policy and Pledge Agreement dated as of December 1, 2017, the Mill Levy Agreement), among the St. Vrain Districts; and (ii) a District Operating Services Agreement dated as of November 9, 2016 (the District Operating Services Agreement), among the *St. Vrain Districts*.

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 5: District Agreements (Continued)

Mill Levy Policy Agreement

On November 9, 2016, the District entered into the Mill Levy Policy and Pledge Agreement, as amended and restated, to establish an equitable allocation of the costs of providing and maintaining the public improvements throughout the development. The Mill Levy Agreement stipulates that any revenue collected by any of District Nos. 2, 3, and 4 from their respective debt service mill levies and specific ownership taxes which are not pledged for debt service purposed for their own obligations shall be pledged to District No. 1 for the payment of debt obligations of District No. 1.

District Operating Services Agreement

On November 9, 2016, the District entered into a District Operating Services Agreement which provides that the District will provide operational and maintenance services to District Nos. 2, 3, and 4, and District Nos. 2, 3, and 4 will impose an operations and maintenance mill levy and remit the proceeds thereof to District No. 1 to pay for such services.

Intergovernmental Agreement with the Town of Firestone

On December 9, 2015, the District entered into an Intergovernmental Agreement with the Town of Firestone (the Town) and District Nos. 2, 3 and 4 whereby, commencing with the certification of a mill levy in 2015 for collection in 2016, each of the Districts agree to annually impose, collect, transfer, convey and remit to the Town all revenues generated from a levy of five (5) mills that shall be imposed upon all taxable property of each such District. Each District shall remit these funds monthly to the Town. The Town will place these funds in a separate account to be used to maintain regional parks, regional trails and public streets within or benefiting the property within the boundaries of the Districts.

Note 6: Related Party Transactions

All of the Board of Directors are employees, owners or are otherwise associated with the developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 7: Risk Management

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

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

St. Vrain Lakes Metropolitan District No. 4

Notes to Financial Statements

December 31, 2024

Note 7: Risk Management (Continued)

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

Note 8: Tax, Spending and Debt Limitations

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

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

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

On November 7, 2006, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Required Supplementary Information

St. Vrain Lakes Metropolitan District No. 4
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 3,465	\$ 3,483	\$ 18
Specific Ownership Taxes	173	125	(48)
Interest Income	1,000	-	(1,000)
Total Revenues	<u>4,638</u>	<u>3,608</u>	<u>(1,030)</u>
Expenditures			
General Government	4,638	3,608	1,030
Total Expenditures	<u>4,638</u>	<u>3,608</u>	<u>1,030</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

St. Vrain Lakes Metropolitan District No. 4

Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the District. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The District follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, management submits to the District Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the District Board.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

St. Vrain Lakes Metropolitan District No. 4
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
General Property Taxes	\$ 11,651	\$ 11,651	\$ -	\$ (11,651)
Specific Ownership Taxes	583	406	-	(406)
Interest Income	1,000	-	92,025	92,025
Total Revenues	<u>13,234</u>	<u>12,057</u>	<u>92,025</u>	<u>79,968</u>
Expenditures				
General Government	13,234	41,586,138	38,921,727	2,664,411
Cost of Issuance	-	-	9,000	(9,000)
Total Expenditures	<u>13,234</u>	<u>41,586,138</u>	<u>38,930,727</u>	<u>2,655,411</u>
Other Financing Sources (Uses)				
Bonds Proceeds - Face Amount	-	42,574,081	43,895,025	(1,320,944)
Cost of Issuance	-	(1,000,000)	(1,349,191)	(349,191)
Total Other Financing Sources (Uses)	<u>-</u>	<u>41,574,081</u>	<u>42,545,834</u>	<u>(971,753)</u>
Net Change in Fund Balance	-	-	3,707,132	3,707,132
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,707,132</u>	<u>\$ 3,707,132</u>