

**JACKSON CREEK NORTH
METROPOLITAN DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jackson Creek North Metropolitan District
El Paso County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024, and the respective changes in financial position 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our 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, as listed in the table of contents, 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 accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Duzzio & Associates, P.C.

February 4, 2026

BASIC FINANCIAL STATEMENTS

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 94,010
Cash and Investments - Restricted	6,600
Receivable from County Treasurer	1,246
Property Tax Receivable	232,149
Capital Assets:	
Capital Assets Not Being Depreciated	5,949,120
Total Assets	6,283,125
LIABILITIES	
Accounts Payable	11,517
Noncurrent Liabilities:	
Due in More Than One Year	6,153,652
Total Liabilities	6,165,169
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	232,149
Total Deferred Inflows of Resources	232,149
NET POSITION	
Restricted for:	
Emergency Reserve	5,600
Capital Projects	1,000
Net Position - Unrestricted	(120,793)
Total Net Position	\$ (114,193)

See accompanying Notes to Basic Financial Statements.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 30,271	\$ -	\$ -	\$ -	\$ (30,271)
Interest on Long-Term Debt and Related Costs	283,995	-	-	-	(283,995)
Total Governmental Activities	\$ 314,266	\$ -	\$ -	\$ -	(314,266)
GENERAL REVENUES					
Property taxes					162,254
Specific ownership taxes					15,234
Interest Income					2,945
Other Revenue					4,755
Total General Revenues and Transfers					185,188
CHANGES IN NET POSITION					(129,078)
Net Position - Beginning of Year					14,885
NET POSITION - END OF YEAR					\$ (114,193)

See accompanying Notes to Basic Financial Statements.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 94,010	\$ -	\$ -	\$ 94,010
Cash and Investments - Restricted	5,600	-	1,000	6,600
Receivable from County Treasurer	1,246	-	-	1,246
Property Tax Receivable	-	232,149	-	232,149
	<u>\$ 100,856</u>	<u>\$ 232,149</u>	<u>\$ 1,000</u>	<u>\$ 334,005</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 11,517	\$ -	\$ -	\$ 11,517
Total Liabilities	11,517	-	-	11,517
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	-	232,149	-	232,149
Total Deferred Inflows of Resources	-	232,149	-	232,149
FUND BALANCES				
Restricted for:				
Emergency Reserves	5,600	-	-	5,600
Capital Projects	-	-	1,000	1,000
Assigned to:				
Subsequent Year's Expenditures	58,105	-	-	58,105
Unassigned	25,634	-	-	25,634
Total Fund Balances	<u>89,339</u>	<u>-</u>	<u>1,000</u>	<u>90,339</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 100,856</u>	<u>\$ 232,149</u>	<u>\$ 1,000</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				5,949,120
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued Interest				(10,472)
Bonds Payable				(4,000,000)
Developer Advance Payable				(2,143,180)
Net Position of Governmental Activities				<u>\$ (114,193)</u>

See accompanying Notes to Basic Financial Statements.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property taxes	\$ 162,254	\$ -	\$ 162,254
Specific ownership taxes	15,234	-	15,234
Interest Income	2,945	-	2,945
Other Revenue	4,755	-	4,755
Total Revenues	185,188	-	185,188
EXPENDITURES			
Current:			
Accounting	11,236	-	11,236
County Treasurer's Fee	2,515	-	2,515
Dues and Membership	351	-	351
Election	201	-	201
Insurance	100	-	100
Legal	15,135	-	15,135
Utilities	733	-	733
Bond issue costs	-	127,250	127,250
Capital Projects:			
Capital outlay	-	5,949,120	5,949,120
Total Expenditures	30,271	6,076,370	6,106,641
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	154,917	(6,076,370)	(5,921,453)
OTHER FINANCING SOURCES (USES)			
Bond issuance proceeds	-	4,000,000	4,000,000
Developer advance	-	5,949,120	5,949,120
Repay developer advance	-	(4,000,000)	(4,000,000)
Transfers to other fund	(128,250)	-	(128,250)
Transfers from other funds	-	128,250	128,250
Total Other Financing Sources (Uses)	(128,250)	6,077,370	5,949,120
NET CHANGE IN FUND BALANCES	26,667	1,000	27,667
Fund Balances - Beginning of Year	62,672	-	62,672
FUND BALANCES - END OF YEAR	\$ 89,339	\$ 1,000	\$ 90,339

See accompanying Notes to Basic Financial Statements.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 27,667

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay 5,949,120

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Issuance (4,000,000)
Developer Advance (5,949,120)
Repay Developer Advance 4,000,000

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.

Accrued Interest Payable - Change in Liability (10,472)
Accrued Interest Payable Developer Advance - Change in Liability (146,273)

Changes in Net Position of Governmental Activities \$ (129,078)

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 165,742	\$ 162,254	\$ (3,488)
Specific ownership taxes	-	15,234	15,234
Interest Income	-	2,945	2,945
Other Revenue	-	4,755	4,755
Total Revenues	<u>165,742</u>	<u>185,188</u>	<u>19,446</u>
EXPENDITURES			
Accounting	5,000	11,236	(6,236)
County Treasurer's Fee	2,486	2,515	(29)
Dues and Membership	500	351	149
Election	-	201	(201)
Insurance	-	100	(100)
Legal	8,500	15,135	(6,635)
Miscellaneous	27,275	-	27,275
Utilities	-	733	(733)
Total Expenditures	<u>43,761</u>	<u>30,271</u>	<u>13,490</u>
EXCESS OF REVENUES OVER EXPENDITURES	121,981	154,917	32,936
OTHER FINANCING SOURCES (USES)			
Developer advance	280,451	-	(280,451)
Repay developer advance	(96,000)	-	96,000
Transfers to other fund	-	(128,250)	(128,250)
Total Other Financing Sources (Uses)	<u>184,451</u>	<u>(128,250)</u>	<u>(312,701)</u>
NET CHANGE IN FUND BALANCE	306,432	26,667	(279,765)
Fund Balance - Beginning of Year	<u>59,052</u>	<u>62,672</u>	<u>3,620</u>
FUND BALANCE - END OF YEAR	<u>\$ 365,484</u>	<u>\$ 89,339</u>	<u>\$ (276,145)</u>

See accompanying Notes to Basic Financial Statements.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 DEFINITION OF REPORTING ENTITY

Jackson Creek North Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Order and Decree of the District Court of El Paso County, Colorado on November 21, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Monument (the Town) on September 17, 2018. The District's boundaries and service area is located in the Town. The District was established to provide water, sanitary sewage, drainage, landscaping, public transportation, street improvements, traffic and safety controls, parks and recreation facilities, and television relay and translation systems.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

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

The Capital Projects Fund accounts for all financial resources or the capital projects of the government.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The Capital Projects Fund budget was amended in 2024.

Excess Expenditures over Appropriation

The District incurred expenditures in excess of appropriation for the year ended December 31, 2024 in the Capital Projects Fund, which may be in violation of the State Budget Law.

Pooled Cash and Investments

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

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow 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.

Capital Assets

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

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports 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 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. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: 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:

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

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

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 94,010
Cash and Investments - Restricted	6,600
Total Cash and Investments	\$ 100,610

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

Deposits with Financial Institutions	\$ 13,955
Investments	86,655
Total Cash and Investments	\$ 100,610

Deposits with Financial Institutions

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

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

At December 31, 2024, the District's cash deposits had a bank balance and a carrying balance of \$13,955.

Investments

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

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

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

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted-Average Under 60 Days	\$ 86,655
		<u>\$ 86,655</u>

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 5,949,120	\$ -	\$ 5,949,120
Total Capital Assets, Not Being Depreciated	<u>\$ -</u>	<u>\$ 5,949,120</u>	<u>\$ -</u>	<u>\$ 5,949,120</u>

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable					
General Obligation Bonds					
Series 2024 G.O. Bonds	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -
Accrued Interest					
Series 2024 G.O. Bonds	-	10,472	-	10,472	-
Subtotal Bonds Payable	-	4,010,472	-	4,010,472	-
Borrowings and Direct Placements					
Other Debts					
Developer Advance	39,512	-	-	39,512	-
Developer Advance - Capital	-	5,949,120	4,000,000	1,949,120	-
Accrued Interest on:					
Developer Advance	8,275	2,074	-	10,349	-
Developer Advance - Capital	-	144,199	-	144,199	-
Total Long-Term Obligations	\$ 47,787	\$ 10,105,865	\$ 4,000,000	\$ 6,153,652	\$ -

Series 2024 Limited Tax General Obligation Bonds

On December 18, 2024, the District issued \$4,000,000 Limited Tax General Obligation Bonds (the Bonds). The proceeds of the Bonds were used to reimburse the Developer for capital infrastructure costs and to pay bond issuance costs. The Bonds bear interest at 7.25% and mature on December 1, 2054. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate borne by such Bond; and to the extent interest on any Bond is not paid when due, such interest shall compound on each Interest Payment Date until paid at the rate borne by such Bond.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

The Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Pledged Revenue, and the Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Pledged Revenue.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) Property Tax Revenues derived from the Required Mill Levy, 2) Specific Ownership Tax Revenues derived from the Required Mill Levy, and 4) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2024 Limited Tax General Obligation Bonds (Continued)

The Required Mill levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Bonds when due but not in excess of 15 mills provided however, that in the event the method of calculating assessed valuation is or was changed on or after January 1, 2018, the Required Mill Levy will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2029, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2029, to November 30, 2030	3.00%
December 1, 2030, to November 30, 2031	2.00
December 1, 2031, to November 30, 2032	1.00
December 1, 2032, and thereafter	0.00

Mandatory Redemption

The Bonds are subject to mandatory redemption, as a whole or in part on December 1 of each year, commencing December 1, 2025 to the extent of Pledged Revenue on deposit in the Pledged Revenue Fund, less an O&M Carve-out amounting to \$45,000, annually, such amount increasing by three-percent (3%) annually using 2025 as base year, at a redemption price equal to the principal amount of the Bonds or portion thereof.

Events of Default for the Bonds

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an event of default under the Indenture:

- i. The District fails or refuses to impose the required mill levy or to apply the pledged revenue as provided in the Bond Resolution.
- ii. the District defaults in the performance of any other of its material covenants in this Bond Resolution, and such default continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to the District by the Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, or
- iii. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Series 2024 Limited Tax General Obligation Bonds (Continued)

Events of Default for the Bonds

It is acknowledged that, due to the limited nature of the Pledged Revenue, so long as the District imposes the Required Mill Levy and applies the Pledged Revenue as required by the Bond Resolution, the inability to pay the principal of or interest on the Bonds when due shall not, in and of itself, constitute an Event of Default.

Upon the occurrence and continuance of an Event of Default, any Owner may proceed to protect and enforce the rights of the Owners under this Resolution by mandamus or such other suit, action or special proceedings, in equity or at law, in any court of competent jurisdiction; provided, however, that acceleration of the Bonds shall not be an available remedy for an Event of Default. All such proceedings shall be instituted, had and maintained for the equal benefit of the Owners of all Bonds then outstanding.

Any unpaid amounts remaining due on the Bonds on December 2, 2054 shall automatically be discharged and the Bonds shall be deemed paid and satisfied in full.

No Acceleration

Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

Authorized Debt

On November 6, 2018, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$48,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized November 6, 2018 Election</u>	<u>Series 2024 Authorization Used</u>	<u>Authorized but Unissued</u>
Public Improvements	\$ 32,000,000	\$ 4,000,000	\$ 28,000,000
Operations & Maintenance	4,000,000	-	4,000,000
Debt refunding	8,000,000	-	8,000,000
Private & Intergovernmental Agreements	4,000,000	-	4,000,000
Total	<u>\$ 48,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 44,000,000</u>

The District's Service Plan limits the aggregate debt issuance of the Districts to \$4,000,000, with a maximum debt mill levy of 15.000 mills, as may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 5,600
Capital Projects Reserve	1,000
Total Restricted Net Position	\$ 6,600

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Creekside Developers, Inc. (the Developer). The members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District.

Amended and Restated Improvement Acquisition Agreement

On December 21, 2018, the District entered into an Amended and Restated Improvement Acquisition Agreement (the “Acquisition Agreement”) with the Developer for the purpose of financing, constructing, and acquiring certain public improvements within the District’s boundaries.

The Agreement supersedes the original Improvement Acquisition Agreement executed on the same date. Under the Acquisition Agreement, the Developer may design, construct, or cause to be constructed various public improvements including local residential roadways and associated infrastructure as described in Exhibit A of the Acquisition Agreement.

Pursuant to the Acquisition Agreement, upon completion of improvements and submission of a Purchase Application, the District is obligated to acquire eligible improvements at a purchase price equal to the District-certified costs. These costs include construction, engineering, and other allowable soft costs, but exclude overhead and profit charged by the Developer. The Acquisition Agreement requires that all improvements be reviewed and certified by a Colorado-licensed professional engineer and inspected by the District prior to acceptance.

The Acquisition Agreement provides that the District may fund the acquisition of improvements through the issuance of general obligation bonds, subordinate obligations, or other legally available revenues. If bond proceeds are insufficient to pay the full purchase price, the District may issue subordinate obligations to the Developer, which are payable

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 RELATED PARTIES (CONTINUED)

Amended and Restated Improvement Acquisition Agreement (Continued)

solely from funds determined by the District to be reasonably available and are subject to the terms of applicable bond documents.

As of the date of these financial statements, the District continues to evaluate and acquire public improvements constructed or caused to be constructed by the Developer in accordance with the procedures established in the Acquisition Agreement. The District has no obligation to acquire work-in-process improvements unless formally approved through the Improvement Notice process. All right-of-way underlying road improvements will ultimately be dedicated to the Town of Monument, and ongoing maintenance responsibilities will be assumed by Triview Metropolitan District following expiration of applicable warranty periods.

Funding and Reimbursement Agreement

On December 21, 2018, the District and the Developer entered into a Funding and Reimbursement Agreement (Operations and Maintenance Costs) (the OFA) whereby the Developer agreed to advance funds to the District for operations and maintenance expense not to exceed \$500,000. Simple interest accrues at the rate a rate of 2% plus the current Federal Reserve Bank Prime Rate from the date such loan advance is made to the District.

The Developer's obligations to advance funds to the District in accordance with this Agreement shall terminate on December 31, 2019, except to the extent advance requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date. The Parties may elect to renew this Agreement after the initial Term for successive one-year terms upon written approval of the Parties, subject to annual appropriations.

As of December 31, 2024, the District had an outstanding principal balance of \$39,512 and accrued interest of \$10,349.

Advance and Reimbursement Agreement

On December 21, 2018, the District and the Developer entered into a Funding and Reimbursement Agreement (Capital Costs) (the FRA) whereby the Developer agreed to advance funds to the District for costs related to the provision of public improvements in the nature of capital costs, including but not limited to costs incurred in the organization of the Districts, engineering, architectural, surveying, construction planning and related legal, accounting and other professional services (the Capital Costs) not to exceed \$4,000,000. Simple interest accrues at the rate a rate of 2% plus the current Federal Reserve Bank Prime Rate from the date such loan advance is made to the District.

These funds have been or shall be advanced to the Districts in one or a series of installments and shall be available to the Districts or for the Districts' benefit during calendar years 2018 through 2038, which shall constitute the "Funding Obligation Term" of this Agreement.

As of December 31, 2024, the District had an outstanding principal balance of \$1,949,120 and accrued interest of \$144,199.

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 RISK MANAGEMENT

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

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

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

NOTE 9 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.

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 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.

On November 6, 2018, the District's voters approved an annual increase in taxes of \$3,000,000 for general operations and maintenance and capital costs without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

SUPPLEMENTARY INFORMATION

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Amended Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Accounting	-	10,000	-	10,000
Capital outlay	-	3,790,000	5,949,120	(2,159,120)
Bond issue costs	-	200,000	127,250	72,750
Total Expenditures	-	4,000,000	6,076,370	(2,076,370)
EXCESS OF REVENUES UNDER EXPENDITURES	-	(4,000,000)	(6,076,370)	(2,076,370)
OTHER FINANCING SOURCES (USES)				
Bond issuance proceeds	-	4,000,000	4,000,000	-
Developer advance	-	3,790,000	5,949,120	2,159,120
Repay developer advance	-	(3,790,000)	(4,000,000)	(210,000)
Transfers from other funds	-	-	128,250	128,250
Total Other Financing Sources	-	4,000,000	6,077,370	2,077,370
NET CHANGE IN FUND BALANCE	-	-	1,000	1,000
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 1,000	\$ 1,000

OTHER INFORMATION

**JACKSON CREEK NORTH METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levies	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2020	\$ 207,940	0.000	\$ -	\$ -	- %
2021	967,350	0.000	-	-	- %
2022	2,071,910	3.000	6,216	6,216	100.00 %
2023	3,792,400	15.000	56,886	56,886	100.00 %
2024	10,816,950	15.000	162,254	162,254	100.00 %
Estimated for Year Ending December 31, 2025	\$ 14,749,000	15.74	\$ 232,149		

Note: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessments.