

**RANGE VIEW ESTATES METROPOLITAN  
DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2024**

## TABLE OF CONTENTS

### PAGE

#### **INTRODUCTORY SECTION**

Title Page

Table of Contents

#### **FINANCIAL SECTION**

Independent Auditors' Report

##### **Basic Financial Statements**

Government–Wide Financial Statements

Statement of Net Position 1

Statement of Activities 2

Fund Financial Statements

Balance Sheet – Governmental Funds 3

Statement of Revenues, Expenditures and Changes in Fund Balances –  
Governmental Funds 4

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances – Governmental Funds to the Statement of Activities 5

Notes to the Financial Statements 6 – 18

##### **Required Supplemental Information**

General Fund – Budgetary Comparison Schedule 19

## **FINANCIAL SECTION**



# JOHN CUTLER & ASSOCIATES

Board of Directors  
Range View Estates Metropolitan District  
Weld County, Colorado

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

#### *Opinions*

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Range View Estates Metropolitan District as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows, 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 Range View Estates Metropolitan District and to meet our 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 the 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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 budgetary information on page 19 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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 not presented the management's discussion and analysis that governmental 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 is not affected by this missing information.

*John Cutler & Associates, LLC*

August 4, 2025

## **BASIC FINANCIAL STATEMENTS**

RANGE VIEW ESTATES METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2024

	Governmental Activities	
	2024	2023
<b>ASSETS</b>		
Cash and Investments	\$ 27,363	\$ 55,524
Restricted Cash and Investments	516,825	443,325
Accounts Receivable	223,487	73,210
Property Taxes Receivable	5,029	157,615
Prepaid Expenses		
Capital Assets, not Depreciated	4,003,483	4,003,483
<b>TOTAL ASSETS</b>	<b>4,776,187</b>	<b>4,733,157</b>
<b>LIABILITIES</b>		
Accounts Payable	-	-
Accrued Interest	76,666	76,666
Noncurrent Liabilities		
Due in One Year	844,307	668,246
Due in More than One Year	4,037,135	4,059,132
<b>TOTAL LIABILITIES</b>	<b>4,958,108</b>	<b>4,804,044</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Taxes	5,029	157,615
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,029</b>	<b>157,615</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	(437,800)	(357,236)
Restricted for Emergencies	15,600	6,300
Restricted for Debt Service	516,825	399,115
Restricted for Capital Projects	-	123,685
Unrestricted, Unreserved	(281,575)	(400,366)
<b>TOTAL NET POSITION</b>	<b>\$ (186,950)</b>	<b>\$ (228,502)</b>

See the accompanying independent auditors' report.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position	
			Governmental Activities	
			2024	2023
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 209,699	\$ 299,699	\$ 90,000	\$ (75,672)
Interest and Other Fiscal Charges	268,601	-	(268,601)	(188,229)
Total Governmental Activities	<u>\$ 478,300</u>	<u>\$ 299,699</u>	(178,601)	(263,901)
GENERAL REVENUES				
Property Taxes			188,269	96,620
Specific Ownership Taxes			5,907	3,506
Interest and Other Income			25,977	109,485
TOTAL GENERAL REVENUES AND SPECIAL ITEMS			<u>220,153</u>	<u>209,611</u>
CHANGE IN NET POSITION			41,552	(54,290)
NET POSITION, Beginning			<u>(228,502)</u>	<u>(174,212)</u>
NET POSITION, Ending			<u>\$ (186,950)</u>	<u>\$ (228,502)</u>

See the accompanying independent auditors' report.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2024

	GENERAL FUND	
	2024	2023
ASSETS		
Cash and Investments	\$ 27,363	\$ 55,524
Restricted Cash and Investments	516,825	443,325
Accounts Recivable	223,487	73,210
Property Taxes Receivable	5,029	157,615
TOTAL ASSETS	<u>\$ 772,704</u>	<u>\$ 729,674</u>
LIABILITIES		
Accounts Payable	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Taxes	5,029	157,615
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,029</u>	<u>157,615</u>
FUND EQUITY		
Fund Balance		
Restricted for Emergencies	15,600	6,300
Restricted for Debt Service	516,825	399,115
Restricted for Capital Projects	-	123,685
Unassigned	235,250	42,959
TOTAL FUND EQUITY	<u>767,675</u>	<u>572,059</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.	4,003,483	4,003,483
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This includes bonds payable (\$3,990,000), bond premium (\$47,135), developer payable (\$844,307) and accrued interest of (\$76,666).	(4,958,108)	(4,804,044)
Net position of governmental activities	<u>\$ (186,950)</u>	<u>\$ (228,502)</u>

See the accompanying independent auditors' report.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2024

	GENERAL FUND	
	2024	2023
REVENUES		
Property Taxes	\$ 188,269	\$ 96,620
Specific Ownership Taxes	5,907	3,506
Service Fees	299,699	-
Interest and Other Income	25,977	109,485
TOTAL REVENUES	519,852	209,611
EXPENDITURES		
Current		
General Government	203,140	77,669
Capital Outlay	8,556	-
Debt Service		
Principal	-	-
Interest	268,601	260,625
TOTAL EXPENDITURES	480,297	338,294
EXCESS OF REVENUES OVER (UNDER) EXPENSES	39,555	(128,683)
OTHER FINANCING SOURCES (USES)		
Proceeds from Debt	156,061	140,000
TOTAL OTHER FINANCING SOURCES (USES)	156,061	140,000
NET CHANGE IN FUND BALANCE	195,616	11,317
FUND BALANCES, Beginning	572,059	560,742
FUND BALANCES, Ending	\$ 767,675	\$ 572,059

See the accompanying independent auditors' report.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2024

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 195,616
Debt proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.	(156,061)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amortization of bond premium.	<u>1,997</u>
Change in Net Position of Governmental Activities	<u><u>\$ 41,552</u></u>

See the accompanying independent auditors' report.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Range View Estates Metropolitan District (the “District”) was formed, pursuant to the Colorado Special District Act, Article 1 of Title 32 of the Colorado Revised Statutes, in June 2014, as a quasi-municipal corporation and a political subdivision of the State of Colorado. The District is governed by a five-member Board of Directors. The District is located entirely in the Town of Mead, Colorado in Weld County in northern Colorado.

The District was formed as part of a plan to serve the needs of the Range View Estates Development and for the purpose of providing, operating and maintaining various public facilities and services for the use and benefit of the property owners, taxpayers, and other visitors to the District. For development planning purposes the District has been divided into three parcels, with parcels 1 and 2 comprising the Eastern Development area and parcel 3 comprising the Western Development area.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

In accordance with governmental accounting standards, the Range View Estates Metropolitan District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: **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 the 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*.

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected 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.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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.

In the fund financial statements, 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 District, except those required to be accounted for in another fund.

**Cash and Investments**

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the 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 and an estimated useful life in excess of one year. 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the estimated useful lives between twenty-five and thirty years.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position and balance sheets 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 and fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**Net Position**

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets* includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

**Net Position/Fund Balance Classification**

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Net Position/Fund Balance Classification** (Continued)

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District did not report any resources as nonspendable as of December, 31, 2024.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2024.
- Assigned – This classification includes amounts that the District intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The District did not have any assigned resources as of December 31, 2024.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Property Taxes**

Property taxes are levied on December 15 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15<sup>th</sup>, District Management submits to the Board of Directors a proposed operating 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.
- District 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 Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**(Continued)

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

**Legal Compliance**

The actual expenditures of the general fund exceeded the budgeted amount by \$116,465. This may be a violation of State statute.

**NOTE 3: CASH AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2024 follows:

Deposits	\$ 11,495
Investments	<u>532,693</u>
Total	<u>\$ 544,188</u>

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations.

At December 31, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The District has no policy regarding custodial credit risk for deposits.

At December 31, 2024, the District had deposits with financial institutions with a carrying amount of \$11,495. The bank balances with the financial institutions were \$11,503 all of which was covered by federal depository insurance.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 3: CASH AND INVESTMENTS** (Continued)

**Investments**

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The District had invested \$532,693 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 3: CASH AND INVESTMENTS** (Continued)

**Fair Value**

The District categorizes its fair value measurements 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; Level 3 inputs are significant observable inputs.

The District has no investments that required categorization as of December 31, 2024.

**Restricted Cash**

Cash in the amount of \$516,825 is restricted for debt service and capital project costs.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2024, is summarized below:

	<u>Balances</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/2024</u>
<b>Governmental Activities</b>				
Capital Assets, not depreciated				
Construction in process	\$ <u>4,003,483</u>	\$ _____	\$ _____	\$ <u>4,003,483</u>

**NOTE 5: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	<u>Balance</u> <u>12/31/2023</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2024</u>	<u>Due In</u> <u>One Year</u>
Series 2020A Bonds	\$ 3,475,000	\$ -	\$ -	\$ 3,475,000	\$ -
Series 2020B Bonds	515,000	-	-	515,000	-
Bond Premium	49,132	-	1,997	47,135	-
Developer Payable	<u>688,246</u>	<u>156,061</u>	<u>-</u>	<u>844,307</u>	<u>844,307</u>
Total	<u>\$ 4,589,375</u>	<u>\$ 156,061</u>	<u>\$ 1,997</u>	<u>\$ 4,881,442</u>	<u>\$ 844,307</u>

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 5: LONG-TERM DEBT** (Continued)

**Limited Tax Obligation Bonds**

Series 2020A Bonds

In March 2020, the District issued Limited Tax General Obligation Bonds, Series 2020A, ("Series 2020A Bonds") with a par value of \$3,475,000. The Series 2020A Bonds were issued at a premium of \$56,920, resulting in gross proceeds of \$3,531,920. The Series 2020A Bonds were issued for the purpose of funding the costs of the public improvements, paying the cost of issuance of the bonds, and funding a portion of the initial interest on the Series 2020A Bonds. The Series 2020A Bonds have a final maturity of December 1, 2059, and bear interest from the issuance date at a rate of 5% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent Senior Pledged Revenues, as defined in the Senior Trust Indenture, are available semiannually on each June 1 and December 1, commencing June 1, 2020, until the Series 2020A Bonds are deemed to be paid in full or are redeemed prior to maturity.

Series 2020B Bonds

In March 2020, the District issued Subordinate Limited Tax General Obligation Bonds, Series 2020B, ("Series 2020B Bonds") in the amount of \$515,000. The Series 2020B Bonds were issued for the purpose of funding the costs of the public improvements. The Series 2020B Bonds have a final maturity of December 15, 2059, and shall bear interest at a rate of 7.75% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Subordinate Pledged Revenues, as defined in the Subordinate Trust Indenture, are available annually on each December 15, commencing December 15, 2020, to the extent of the Subordinate Pledged Revenue available therefor, until the Series 2020B Bonds are paid in full or are redeemed prior to maturity.

**Developer Advances**

In August 2019, the District and the Developer entered into an Advance and Reimbursement Agreement. The Developer has previously expended funds and agrees to advance funds to the District in the future for the design, construction, and installation of certain public improvements and the District agrees to reimburse the Developer for such expended funds. As such, the District has determined that it is necessary to authorize the issuance of a Revenue and Limited Tax Obligation Subordinate Promissory Note ("Subordinate Promissory Note") in a principal amount not to exceed the authorized, but not issued debt limit. The Subordinate Promissory Note will bear simple interest at a rate equal the current Federal Reserve Board Prime Rate plus 2%. The Developer's obligation shall renew on an annual basis at the discretion the Developer by providing notice to the District no later than December 15. As of December 31, 2024, there were no outstanding advances.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 5: LONG-TERM DEBT** (Continued)

Future debt service requirements for the bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 173,750	\$ 173,750
2026	30,000	173,750	203,750
2027	55,000	172,250	227,250
2028	65,000	169,500	234,500
2029	65,000	166,250	231,250
2030-2034	420,000	776,750	1,196,750
2035-2039	595,000	655,000	1,125,000
2040-2044	830,000	483,750	1,313,750
2045-2049	<u>1,930,000</u>	<u>246,750</u>	<u>2,176,750</u>
Total	<u>\$ 3,990,000</u>	<u>\$ 3,017,750</u>	<u>\$ 7,007,750</u>

**NOTE 6: DEBT AUTHORIZATION**

As of December 31, 2024, the amount of the voter authorized, but unissued, debt for the Range View Estates Metropolitan District was \$86,800,000. However, the District's Service Plan limits its total debt issuance to \$6,200,000. As such, the District has \$2,210,000 in remaining authorized, but unissued debt. In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. However, the amount and timing of any debt issuances, if any, are not determinable.

**NOTE 7: RELATED PARTIES**

Members of the Board of Directors are employees, owners or members of the Developer. The District, pursuant to the outstanding "District" promissory notes for public improvement advances made by the Developer or its affiliates, owes \$844,307 in principal for public improvements costs certified as constructed and dedicated by the Developer as of December 31, 2025.

**NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets and natural disasters. These risks are covered by commercial insurance purchased from independent insurance brokers. Settled claims have not exceeded this commercial coverage in any of the past three years.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 9: DEFICIT NET POSITION**

As of December 31, 2024 the District had a government-wide net asset deficit of \$549,357. This deficit was created as the District used loan proceeds from the Developer to construct capital assets that were later transferred to other governments.

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

**Water Supply Agreement for Non-Potable Water**

In May 2021, the District and WMD entered to the Water Supply Agreement for Non-Potable Water (“Supply Agreement”) under which WMD agrees to provide to the District and the District agrees to pay for irrigation water for the purpose of watering of outside irrigation through the WMD System for the common areas within the District and for the supply of irrigation water to the District non-potable water users within the District or its service area.

The District shall pay WMD a fee for the use of the irrigation water based upon the amount of water used by the District. The Districts expressly recognize and agree that the water provided and received is non-potable water and is not intended for human or animal consumption.

The initial term of the Supply Agreement shall begin on the date of the Supply Agreement and shall terminate at the end of the District’s and WMD’s then-current fiscal year. The Supply Agreement shall automatically renew for consecutive one-year terms coinciding with the fiscal year of the District.

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2024, the emergency reserve of \$15,600 was recorded as a restriction of fund balance in the General Fund.

RANGE VIEW ESTATES METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

**NOTE 11: SUBSEQUENT EVENTS**

Potential subsequent events were considered through the date of the financials. It was determined that no events were required to be disclosed through this date.

**REQUIRED SUPPLEMENTAL INFORMATION**

RANGE VIEW ESTATES METROPOLITAN DISTRICT

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2024

	2024		VARIANCE Positive (Negative)	2023 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ 22,011	\$ 188,269	\$ 166,258	\$ 96,620
Specific Ownership Taxes	1,321	5,907	4,586	3,506
Service Fees	295,500	299,699	4,199	-
Interest and Other Income		25,977	25,977	109,485
<b>TOTAL REVENUES</b>	<b>318,832</b>	<b>519,852</b>	<b>201,020</b>	<b>209,611</b>
EXPENDITURES				
Current				
General Government				
Accounting and Audit	24,750	23,500	1,250	17,115
District Management	18,000	18,000	-	24,478
Engineering		-	-	1,186
Insurance	3,805	3,805	-	3,096
Legal	14,100	9,317	4,783	20,445
Office, Dues and Other	1,500	3,619	(2,119)	9,901
Treasurers Fees	518	2,799	(2,281)	1,448
Utilities	7,067	-	7,067	-
Non-Potable Water Fees	283,100	142,100	141,000	-
Capital Outlay	-	8,556	(8,556)	-
Debt Service				
Principal	-	-	-	-
Interest and Other Fiscal Charges	-	268,601	(268,601)	260,625
Contingency	10,992	-	10,992	-
<b>TOTAL EXPENDITURES</b>	<b>363,832</b>	<b>480,297</b>	<b>(116,465)</b>	<b>338,294</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<b>(45,000)</b>	<b>39,555</b>	<b>84,555</b>	<b>(128,683)</b>
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt	45,000	156,061	111,061	140,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>45,000</b>	<b>156,061</b>	<b>111,061</b>	<b>140,000</b>
NET CHANGE IN FUND BALANCE	-	195,616	195,616	11,317
FUND BALANCE, Beginning	-	572,059	572,059	560,742
FUND BALANCE, Ending	\$ -	\$ 767,675	\$ 767,675	\$ 572,059

See the accompanying independent auditors' report.