

**REDTAIL RIDGE METROPOLITAN DISTRICT  
Boulder County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

**REDTAIL RIDGE METROPOLITAN DISTRICT  
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YEAR ENDED DECEMBER 31, 2024**

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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
**Redtail Ridge Metropolitan District**  
City of Louisville, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Redtail Ridge Metropolitan District ("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, 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 the 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

## **Other Matters**

### *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 which 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 opinions on the basic financial statements are 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 identified 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. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information, as identified in the table of contents. The other information 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 provide any 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.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 25, 2025

## **BASIC FINANCIAL STATEMENTS**

**REDTAIL RIDGE METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	Governmental Activities
<b>ASSETS</b>	
Property Tax Receivable	\$ 191
Capital Assets:	
Capital Assets Not Being Depreciated	1,928,166
Total Assets	1,928,357
<b>LIABILITIES</b>	
Accounts Payable	241,843
Noncurrent Liabilities:	
Due in More Than One Year	2,566,423
Total Liabilities	2,808,266
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	191
Total Deferred Inflows of Resources	191
<b>NET POSITION</b>	
Unrestricted	(880,100)
Total Net Position	\$ (880,100)

See accompanying Notes to Basic Financial Statements.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 821,577	\$ -	\$ -	\$ -	\$ (821,577)
Interest on Long-Term Debt and Related Costs	58,523	-	-	-	(58,523)
Total Governmental Activities	\$ 880,100	\$ -	\$ -	\$ -	(880,100)
<b>GENERAL REVENUES</b>					
Total General Revenues and Transfers					-
<b>CHANGES IN NET POSITION</b>					(880,100)
Net Position - Beginning of Year					-
<b>NET POSITION - END OF YEAR</b>					\$ (880,100)

See accompanying Notes to Basic Financial Statements.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Property Tax Receivable	\$ 191	\$ -	\$ 191
Total Assets	\$ 191	\$ -	\$ 191
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 88,810	\$ 153,033	\$ 241,843
Total Liabilities	88,810	153,033	241,843
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax	191	-	191
Total Deferred Inflows of Resources	191	-	191
<b>FUND BALANCES</b>			
Unassigned	(88,810)	(153,033)	(241,843)
Total Fund Balances	(88,810)	(153,033)	(241,843)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 191	\$ -	

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.	1,928,166
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advance Payable	(2,566,423)
Net Position of Governmental Activities	\$ (880,100)

See accompanying Notes to Basic Financial Statements.

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

	General	Capital Projects	Total Governmental Funds
<b>EXPENDITURES</b>			
Current:			
Accounting	\$ 66,157	\$ 9,862	\$ 76,019
Insurance	24,604	-	24,604
Legal	136,348	583,835	720,183
Website	771	-	771
Capital Projects:			
Capital Outlay	-	1,928,166	1,928,166
Total Expenditures	<u>227,880</u>	<u>2,521,863</u>	<u>2,749,743</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	139,070	2,368,830	2,507,900
Total Other Financing Sources	<u>139,070</u>	<u>2,368,830</u>	<u>2,507,900</u>
<b>NET CHANGE IN FUND BALANCES</b>	(88,810)	(153,033)	(241,843)
Fund Balances - Beginning of Year	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (88,810)</u>	<u>\$ (153,033)</u>	<u>\$ (241,843)</u>

See accompanying Notes to Basic Financial Statements.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENTS 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 \$ (241,843)

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 1,928,166

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.

Developer Advance (2,507,900)

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 Developer Advance - Change in Liability (58,523)

Changes in Net Position of Governmental Activities \$ (880,100)

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Accounting	\$ 25,000	\$ 67,000	\$ 66,157	\$ 843
Contingency	15,000	8,000	-	8,000
District Management	20,000	-	-	-
Election	5,000	-	-	-
Insurance	5,000	25,000	24,604	396
Legal	30,000	150,000	136,348	13,652
Website	-	-	771	(771)
Total Expenditures	<u>100,000</u>	<u>250,000</u>	<u>227,880</u>	<u>22,120</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	100,000	250,000	139,070	(110,930)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>250,000</u>	<u>139,070</u>	<u>(110,930)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(88,810)	(88,810)
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (88,810)</u>	<u>\$ (88,810)</u>

See accompanying Notes to Basic Financial Statements.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Redtail Ridge Metropolitan District, formerly known as Redtail Ridge Metropolitan District No. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), was organized by order and decree of the District Court in and for Boulder County, Colorado on June 17, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Louisville (the "City"), Boulder County, Colorado. The District was organized in conjunction with Redtail Ridge Metropolitan District No. 1 ("District No. 1"), Redtail Ridge Metropolitan District No. 2 ("District No. 2"), and Redtail Ridge Metropolitan District No. 4 ("District No. 4" and together with the District, District No. 1, and District No 2, the "Districts").

On February 18, 2020 the City concurrently approved Service Plans for each of the Districts. On August 20, 2024 the City approved an Amended and Restated Service Plan for each of the Districts, as the same may be amended from time to time (the "Service Plan"). The Districts were established to provide financing for the design, acquisition installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

The Districts are expected to work together to provide for the planning, acquisition, construction, installation, relocation, redevelopment and financing of the public improvements and the administration and operations for the development or property referred to as Redtail Ridge.

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.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

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

Separate financial statements are provided for 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 is due.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The District reports the following major governmental funds:

The General Fund is the 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 account 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 is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

The District had a deficit fund balance in the General Fund of \$(88,810) and in the Capital Projects Fund of \$(153,033). These will be cured in 2025 via property taxes and bond issuance proceeds.

**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 District amended its budget for the year ended December 31, 2024.

**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. At December 31, 2024, the District did not hold any cash or investment balances.

**Capital Assets**

Capital assets, which include property and infrastructure improvements, are reported in the government-wide financial statements. 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.

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.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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. Any construction in process that will be dedicated to another entity is not depreciated.

**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.

*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.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 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
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 1,928,166	\$ -	\$ 1,928,166
Total Capital Assets, Not Being Depreciated	-	1,928,166	-	1,928,166
 Governmental Activities Capital Assets, Net	 \$ -	 \$ 1,928,166	 \$ -	 \$ 1,928,166

**NOTE 4 LONG-TERM OBLIGATIONS**

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

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
<b>Other Debts:</b>					
Developer Advance - Operating	\$ -	\$ 139,070	\$ -	\$ 139,070	\$ -
Developer Advance - Capital	-	2,368,830	-	2,368,830	-
Accrued Interest on:					
Developer Advance - Operating	-	3,210	-	3,210	-
Developer Advance - Capital	-	55,313	-	55,313	-
Subtotal Other Debts	-	2,566,423	-	2,566,423	-
 Total Long-Term Obligations	 \$ -	 \$ 2,566,423	 \$ -	 \$ 2,566,423	 \$ -

**Authorized Debt**

The Districts were organized to provide services to the same service area pursuant to their respective Service Plans. The Districts, in aggregate, are limited in their ability to issue debt, as set forth in the respective Service Plans, to a total amount of \$228,079,821.20 (the "Service Plan Debt Issuance Limit"). In no event is the District authorized to issue debt, which in the aggregate with the debt issued by District No. 1, District No. 2, and District No. 4, is in excess of the Service Plan Debt Issuance Limit. Of the \$228,079,821.20 in Service Plan Debt Issuance Limit, the District issued \$150,165,000 on February 13, 2025 (the "Series 2025 Bonds") [See Note 11 Subsequent Event]. Therefore, the amount of debt authorization remaining within the Service Plan Debt Issuance Limit for the Districts combined is \$77,914,821.20 (the "Remaining Service Plan Authority").

<b>Service Plan Debt Issuance Limit</b>	<b>2025 Issuance</b>	<b>Remaining Service Plan Authority</b>
\$228,079,821.20	\$150,165,000 =	\$77,914,821.20
-		

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the elections the actual costs of construction were not known. Without knowing the costs of construction or the amount of debt to be issued by the District, District No. 1, District No. 2, and District No. 4, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets) or to each of the Districts.

In the future, the District may issue a portion or all of the Remaining Service Plan Authority for purposes of providing public improvements to support development as it occurs within the service area.

	Amount Authorized on May 05, 2020	Authorization Used Series 2025 Bonds	Authorized But Unused
Streets	\$ 168,750,000	\$ 29,020,249	\$ 139,729,751
Parks	10,000,000	10,000,000	-
Water	168,750,000	15,883,658	152,866,342
Storm / Sanitary Sewer	168,750,000	95,261,093	73,488,907
Public Transportation	20,000,000	-	20,000,000
Safety Protection	10,000,000	-	10,000,000
Security Services	5,000,000	-	5,000,000
O&M Debt	15,000,000	-	15,000,000
Refunding	168,750,000	-	168,750,000
IGA Debt	168,750,000	-	168,750,000
Total	<u>\$ 903,750,000</u>	<u>\$ 150,165,000</u>	<u>\$ 753,585,000</u>

**NOTE 5 AGREEMENTS**

**Memorandum of Understanding**

A Memorandum of Understanding was entered into on September 13, 2024, by and among the Districts pursuant to which the Districts agreed that the District shall provide for the financing, construction, design, operation and maintenance of the public improvements, as well as the overall administration of the Districts. District No. 1, District No. 2, and District No. 4 agreed to impose an operations and maintenance mill levy upon request by the District and if so requested, they will remit revenue to the District to fund operations and maintenance expenses.

**Multiple-Year Operation Funding Agreement**

On September 13, 2024 the District and Redtail Ridge Portfolio, LLC (the Developer) entered into a Multiple-Year Operation Funding Agreement (the "OFA"). The OFA provides for the Developer to advance funds for ongoing operations and maintenance expenses to the District until such time as the assessed valuation equals or exceeds \$140,000,000 (the "Developer Advances"). Pursuant to the process outlined in the OFA, the District shall provide the Developer with a budget of revenue and anticipated expenditures on or before October 15 of every year for the following fiscal year to determine the Annual Shortfall Amount (as defined therein).

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 AGREEMENTS (CONTINUED)**

Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by the Developer, until paid, at the rate of 8% per annum. Simple interest shall accrue on advances made by the Developer for amounts previously paid on behalf of the District for payment of operations and maintenance expenses from the date of the District's organization (the "Prior Advances"). Simple interest shall accrue on the Prior Advances from September 13, 2024, until paid, at the rate of 8% per annum. The District agrees that it is its intention to repay the Developer Advances and the Prior Advances to the extent it has funds available after the payment of any debt service obligations and annual operation and maintenance expenses, which repayment is subject to annual budget appropriation and expires on December 31, 2064.

As of December 31, 2024, outstanding advances under the agreement totaled \$139,070 and accrued interest totaled \$3,210.

**Facilities Funding Reimbursement and Acquisition Agreement**

On September 13, 2024 the District and the Developer entered into the Facilities Funding Reimbursement and Acquisition Agreement (the "FFRAA") pursuant to which the District and Developer set forth the rights, obligations, and procedures for the Developer to advance funds and for the District to reimburse the Developer for expenses incurred for the organization of the District (the "Organization Expenses") and expenses associated with the construction of the Public Improvements (the "Construction Related Expenses").

Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by the Developer, until paid, at the rate of 8% per annum. Simple interest shall accrue on advances made by the Developer for amounts previously paid on behalf of the District for payment of the District (the "Organization Expenses") and expenses associated with the construction of the Public Improvements (the "Construction Related Expenses") from the date of the District's organization (the "Prior Advances"). Simple interest shall accrue on the Prior Advances from September 13, 2024, until paid, at the rate of 8% per annum.

The District acknowledges in the FFRAA that the Developer has expended funds for the Organization Expenses. The Developer is required to provide written documentation regarding the Organization Expenses to the District's accountant, such documentation to be satisfactory to the District. Upon the District's accountant's verification of the documentation in determining the amount of the Organization Expenses, such amount shall be reimbursable to the Developer in accordance with the FFRAA. The Developer acknowledges in the FFRAA that in connection with the construction of the Public Improvements, the District will incur Construction Related Expenses in reliance upon the Developer's commitments in the FFRAA to provide funding.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 AGREEMENTS (CONTINUED)**

Subject to receipt of funding, the District agrees to make payment to the Developer for reimbursement of Developer Advances (defined therein), Verified Organization Related Expenses (defined therein) and Verified Reimbursable Costs (defined therein) (collectively, the "Verified Costs"). The District shall not be obligated to the Developer for the Verified Costs incurred by the Developer, but not invoiced to the District within 365 days of the date incurred; provided, however, that the foregoing 365 days limitation shall not apply to the reimbursement obligations for amounts incurred prior to the issuance of bonds. In the event the District has not paid or reimbursed the Developer for any Verified Costs by December 31, 2064, whether invoiced or not invoiced by such date, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

As of December 31, 2024, outstanding advances under the agreement totaled \$2,368,830 and accrued interest totaled \$55,313.

**Operation and Maintenance Agreement**

As required by the Service Plan, the District, the Developer, and the City entered into the Operation and Maintenance Agreement on December 11, 2024 and recorded with the Boulder County Clerk and Recorder on December 24, 2024 at Reception No. 04071344 (the "O&M Agreement") to establish the proposed maintenance responsibility for the District Public Improvements (as defined therein) and the COL Public Improvements (as defined therein); to grant the District a license for purposes of access and maintenance of the COL Public Improvements; to outline the District's Transportation Demand Management Plan (TDM) approved by the City; and to summarize the Developer's commitment to fund any operating shortfall, which the District agrees to reimburse the Developer in the future, for excess operating revenues.

The O&M Agreement generally obligates the District to operate and maintain, at the District's expense, the District Public Improvements and the COL Public Improvements in a manner acceptable to the City. The O&M Agreement obligates the District to implement the TDM which includes developing a shuttle service. The District is obligated to for the planning, implementation, and management of a shuttle service, including hiring a TDM coordinator, securing fees from property owners and/or tenants for annual allocation of proportional share of shuttle service operation, and securing funds for "EcoPasses."

Pursuant to the O&M Agreement each of the Districts will impose an annual Operations Mill Levy not to exceed ten (10) mills (the "Operations Mill Levy") to be remitted to the District to fund the operations and maintenance expenses. The O&M Agreement acknowledges that the District will not initially generate sufficient revenues to cover such costs and obligates the Developer to advance funds necessary to the District for operation and maintenance expenses through the year in which the certified assessed valuation for the next tax collection year equals or exceeds \$140,000,000.

The District agrees that it is its intention to repay the Developer for advances pursuant to the OFA to the extent it has funds available, which repayment is subject to annual budget appropriation.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 AGREEMENTS (CONTINUED)**

**Redtail Ridge Subdivision Improvements and Development Agreement**

The District, the Developer, and the City entered into the Redtail Ridge Subdivision Improvements and Development Agreement on December 11, 2024 and recorded with the Boulder County Clerk and Recorder on December 24, 2024 at Reception No. 04071341 (the "SIA"), which sets forth the rights and obligations of the parties regarding the initial design, construction, completion, and future maintenance of improvements to be dedicated to the public; the security mechanism to financially guarantee the completion of portions of the improvements (the "Secured Improvements"); and the Developer's additional commitments to the City in connection with future development (the "SIA").

The SIA obligates the District and, to the extent the District has insufficient funds for such purpose, the Developer, to finance, design and construct certain public improvements that will be dedicated to the public, listed on an exhibit to the SIA (except certain internal roads identified on an exhibit to the SIA) (the "Improvements"), including the Secured Improvements, necessary to serve the Development. The SIA provides that completion of the Improvements that comprise the Secured Improvements will be secured pursuant to the SIA Escrow Agreement, as discussed in more detail below.

The SIA requires the District and the Developer to cause all improvements to be constructed in accordance with the terms of the SIA, subject to certain limited exceptions. Prior to the issuance of the first permit for construction of any of the Improvements (other than an overlot grading permit), the District Engineer, as defined in the SIA Escrow Agreement, shall certify to the District and the City the final estimated cost to complete the Secured Improvements. Upon approval of such certified amount by the City, and prior to the issuance of any building permits for the Development (other than overlot grading permit), the Developer and/or the District is required to submit to the City a financial guarantee to secure completion of the Secured Improvements in the amount of 105% of said certified estimated cost to complete the Secured Improvements (the "Improvement Guarantee Amount"), in the amount of Bond Proceeds for Construction Costs (as defined in the SIA Escrow Agreement and discussed below) or a letter of credit or cash deposit by the Developer (the "Improvement Guarantee").

The SIA requires that the Improvements be completed no later than August 31, 2028. If the Developer or the District has not completed the Improvements on or before the completion deadline, or within such other time period as may be permitted by the SIA, then 30 days after Developer's and the District's receipt of written notice from the City that the City intends to exercise its rights to secure performance of such Improvements, the City may, to the extent such Improvements have not been completed during such 30-day period, exercise its rights to secure performance as provided in the SIA.

Except with regard to authorized disbursements of funds pursuant to the SIA Escrow Agreement, or partial releases of security that may otherwise be approved by the City pursuant to the SIA, the Improvement Guarantee shall not be released until Construction Acceptance (as defined therein) of the Secured Improvements is granted by the City. Following Construction Acceptance for all Secured Improvements, the Escrow Agreement shall be released and terminated in accordance with the SIA Escrow Agreement.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 AGREEMENTS (CONTINUED)**

**Subdivision Improvement Guarantee Escrow Agreement**

The District, the Developer, the City, and BOKF, NA, as Escrow Agent, entered into the Subdivision Improvement Guarantee Escrow Agreement (the "SIA Escrow Agreement"), which sets forth the rights and obligations of the parties to the SIA Escrow Agreement regarding: (1) the portion of the proceeds of the Bonds (referred to in the SIA Escrow Agreement as the "Bond Proceeds for Construction Costs") that the District agrees in the SIA Escrow Agreement to deposit into an escrow fund established in the SIA Escrow Agreement to be held by the Escrow Agent (the "Escrow Fund") to be used for construction of the Improvements (as defined in the SIA); and (2) the portion of the proceeds of the Bonds (referred to in the SIA Escrow Agreement as the "Bond Proceeds for Warranty Guarantee" and together with the Bond Proceeds for Construction Costs, the "Bond Proceeds") that the District agrees in the SIA Escrow Agreement to transfer to the City, at the time that the City adopts the resolution granting Construction Acceptance, pursuant to the terms of the SIA Escrow Agreement to fund the Warranty Guarantee.

If the Bond Proceeds For Construction Costs to be deposited in the Escrow Fund are less than the Improvement Guarantee Amount, the Developer is required to provide a combination of a letter of credit and cash deposit which, in aggregate, equals the Initial Construction Funding Shortfall. The Bond Proceeds For Construction Costs and the Developer Construction Advance make up the Improvement Guarantee Amount required by the SIA to assure there is sufficient funds for the construction and completion of the Secured Improvements.

If the Bond Proceeds For Warranty Guarantee to be provided to the City at the time of Construction Acceptance are less than the Warranty Guarantee Amount (the "Warranty Funding Shortfall") the Developer is required to provide a letter of credit, cash or guaranty of an affiliate of the Developer in a form acceptable to the City Manager and the City Finance Director, or any combination thereof, which, in the aggregate, shall equal the Warranty Funding Shortfall (collectively any letter of credit, cash or guaranty to be deposited by the Developer is referred to herein as the "Developer Warranty Advance" which is referred to in the SIA Escrow Agreement as the "Subdivider Warranty Advance"). The Developer Construction Advance and the Developer Warranty Advance are collectively referred to herein as the "Developer Advance." The Bond Proceeds for Warranty Guarantee and the Developer Warranty Advance make up the Warranty Guarantee Amount required by the SIA to be provided to the City at the time of Construction Acceptance to assure there are sufficient funds through the Warranty Period.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 AGREEMENTS (CONTINUED)**

**Agreement by and between the Northwest Parkway Public Highway Authority, Northwest Parkway LLC and Redtail Ridge Metropolitan District Regarding Capital Improvements Planning, Construction, and Maintenance**

On September 19, 2024 the Northwest Parkway Public Highway Authority (the "Authority"), Northwest Parkway LLC (the "LLC"), and the District entered into the Agreement by and between the Northwest Parkway Public Highway Authority, Northwest Parkway LLC and Redtail Ridge Metropolitan District Regarding Capital Improvements Planning, Construction, and Maintenance (the "NWP Agreement") to provide for the funding, design, construction, and maintenance of certain Public Improvements to, or adjacent or connected to, the Northwest Parkway (the "NWP Improvements"). The District, at its sole cost and expense without financial contribution from the Authority or the LLC, shall fund the actual costs incurred to design and construct the NWP Improvements, including reasonable costs of the consultants retained by both the Authority and LLC to review plans and perform the owner's quality assurance roles during construction.

The District shall fund and construct the following improvements referred to as "Other Improvements": (1) reconstruct and widen South 96th Street from Campus Drive north to Dillon Road; (2) a third southbound through lane on the Northwest Parkway from Rockcross Drive to U.S. 36. Pursuant to the NWP Agreement, the Other Improvements shall be owned and maintained by the District, unless and until such time as the Other Improvements are accepted for ownership by the City or the City and County of Broomfield.

The District shall fund and construct the following improvements referred to as "Improvements Within Authority Property": (1) traffic signal and intersection improvements at 96th Street and Campus Drive (currently Old 96th Street and S. 96th Street intersection); (2) third eastbound left-turn lane from southbound 96th Street to northbound Northwest Parkway; (3) the 96th Street cross section varies depending on turn lane configuration; however, the cross section will include four receiving lanes from the Northwest Parkway to 96th Street, which tapers down to three through lanes through the intersection of 96th Street and Campus Drive, and then tapers down to two lanes north of Campus Drive; (4) modifications to the Northwest Parkway and Rockcross Drive/Via Varra intersection; (5) eliminate the existing at grade pedestrian/bicycle crossings at the 96th Street/Northwest Parkway intersection and the north side of Rockcross Drive/Northwest Parkway intersection and construct a pedestrian bridge crossing at/near the 96th Street intersection; (6) a third left turn lane from northbound Northwest Parkway to northbound 96th Street; (7) one new receiving lane (acceleration lane) on northbound Northwest Parkway, north of 96th Street within the existing center median to receive the additional lane of turning traffic; (8) a third southbound through lane on the Northwest Parkway from 96th Street to Rockcross Drive; (9) signalization improvements at the intersection of 96th Street and Campus Drive; (10) signalization improvements at the intersection of 96th Street and Northwest Parkway; (11) signalization improvements at the intersection of Rockcross Drive and Northwest Parkway; and (12) pay the reasonable costs of the NWP Authority or the NWP LLC to relocate the current

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 AGREEMENTS (CONTINUED)**

Electronic Tolling Sign on 96th Street. Pursuant to the NWP Agreement, the LLC shall be responsible for the LLC maintenance obligations as outlined in an Exhibit to the NWP Agreement. The District shall maintain those Improvements Within Authority Property that are not being maintained by the LLC until such time as the City and/or City and County of Broomfield assume maintenance responsibilities.

In addition, the NWP Agreement obligates the District to participate in improvements the Authority is obligated to undertake within the proposed Varra Park parcel located within the City and County of Broomfield. The District's total cost obligation for both design and construction shall not exceed \$500,000.00 (the "Park Improvements") as outlined in the NWP Agreement. The maintenance of Varra Park and the Park Improvements shall not be the obligation of the District after completion and acceptance of the Park Improvements by the Authority. Instead, the Authority shall maintain Varra Park until such time as the City and County of Broomfield has assumed maintenance.

**Agreement Regarding License to Modify Goodhue Ditch**

On December 11, 2024 the District, the Developer, and Goodhue Ditch and Reservoir Company entered into the Agreement Regarding License to Modify Goodhue Ditch (the "Goodhue Ditch Agreement") setting forth their rights and obligations in connection with the Goodhue Ditch which crosses the northeastern corner of the property in the Development. Pursuant to the Goodhue Ditch Agreement, the District agrees to modify the Goodhue Ditch and Goodhue's existing easement in connection therewith in the vicinity of South 96th Street and Campus Drive (a proposed public road) in the City, for the purposes of straightening the route of the Ditch and its easement and enclosing a portion of the Ditch in a pipe. The District shall construct, install and perform the modification at no cost to Goodhue. The Goodhue Ditch Agreement generally obligates the District to indemnify Goodhue against losses attributable to the District's work or operations under the Goodhue Ditch Agreement. The Goodhue Ditch Agreement automatically terminates when both the Warranty Period (described therein) has expired and any maintenance or repairs required to fulfill the warranty obligations have been completed.

**NOTE 6 NET POSITION**

The District has net position consisting of one component – unrestricted.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit is primarily due to costs of bonds issuance, interest paid on bonds to date, and operating expenses paid by advances from Developer.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7 RELATED PARTIES**

The property within the District is owned by and is being developed by the Developer and/or entities affiliated with the Developer. The District's Board members are officers of, employees of, or are associated with the Developer, Land Asset Strategies, LLC, and SBDM RR, LLC in consulting capacities. As such, these Board members may have conflicts of interest in dealing with the District.

**NOTE 8 ECONOMIC DEPENDENCY**

The District has not yet established a revenue base sufficient to pay all operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

**NOTE 9 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 (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, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 10 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 that apply to the State of Colorado and all local governments.

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

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.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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 May 5, 2020, a majority of the District's electors authorized the District to collect and spend or retain all revenue of the District and authorized tax levies to produce taxes of \$10,000,000 annually for operations and maintenance without regard to any limitations under TABOR. Additionally, the District's electors authorized the District to collect, retain, and spend all revenues without regard to any limitations under TABOR.

On May 6, 2025, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S for 2025 and all future property ta years.

**NOTE 11 SUBSEQUENT EVENTS**

**Declaration of Payment in Lieu of Taxes**

On February 4, 2025, the Developer executed and recorded the Declaration of Covenants Concerning Payment in Lieu of Taxes with the Boulder County Clerk and Recorder at Reception No. 04075285, as amended by that certain Amendment to Declaration of Payment in Lieu of Taxes executed and recorded on February 13, 2025 with the Boulder County Clerk at Reception No. 04076195 (the "PILOT Covenant"). In accordance with the PILOT Covenant, any property, or any portion thereof, that is exempt from taxes will be required to pay an annual payment in lieu of taxes to the District (the "PILOT Revenues"). Revenue from the PILOT Covenant is a component of the Pledged Revenue for the Series 2025 Bonds (discussed below). The PILOT Revenues will be collected and remitted to the Series 2025 Bonds Trustee in accordance with the terms of the PILOT Covenant.

**PILOT Exemption Agreement**

On February 13, 2025, PorterCare Adventist Health System ("PorterCare"), the Developer, and the District entered into a PILOT Exemption Agreement (the "PILOT Exemption Agreement). A Memorandum of PILOT Exemption was recorded on February 13, 2025 with the Boulder County Clerk and Recorder at Reception No. 04075285, with an Affidavit re: Scrivener's Error Pursuant to C.R.S. §38-35-109(4) recorded on February 24, 2025 with the Boulder County Clerk at Reception No. 04077015. PorterCare is a non-profit, tax-exempt organization, qualifying as a Tax-Exempt Entity, as defined under the PILOT and owns approximately 39.94 acres within the District (the "Exempt Property"). Pursuant to the PILOT Exemption Agreement, PorterCare shall pay a one-time payment to the District in the amount of \$14,000,000.00 for use by the District at its sole discretion for any lawful purpose (the "Capital Contribution").

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 11 SUBSEQUENT EVENTS (CONTINUED)**

**PorterCare Operation Funding and Contribution Agreement**

On February 13, 2025, PorterCare and the District entered into the PorterCare Operation Funding and Contribution Agreement (the "OFCA"). A Memorandum of Operation Funding and Contribution Agreement was recorded on February 13, 2025 with the Boulder County Clerk and Recorder at Reception No. 04076224, with an Affidavit re: Scrivener's Error Pursuant to C.R.S. §38-35-109(4) recorded on February 24, 2025 with the Boulder County Clerk at Reception No. 04077015. Pursuant to the OFCA, PorterCare and other Qualified Exempt Owners (as defined therein) claiming a fee interest in any portion of the Exempt Property and the real property improvements constructed thereon and personal property that is owned by a Qualified Exempt Owner (the "Interest") are responsible for making annual payments to the District for the cost of the operations and maintenance of the Public Improvements (the "PorterCare Annual Administration, Operations and Maintenance Contribution").

For the year in which PorterCare closes on the Exempt Property, payment from PorterCare will be due within thirty days of receipt of the Initial Payment Notice (as defined therein) and the amount shall be prorated to the date of closing based on the most recent and available assessed valuations and mill levies and the assumptions used in the calculation of the contribution due for all Interests and payable by PorterCare. In subsequent years, the District will deliver to PorterCare in writing, on or before January 31 of each year, the amount due under the OFCA to be paid by PorterCare on or before April 1.

The PorterCare Annual Administration, Operations and Maintenance Contribution will be equal to an amount equal to the then existing assessor's valuation of such Interests multiplied by the then current general fund mill levy (the "Operation and Maintenance Mill Levy") imposed by the District. Pursuant to the Service Plan, in no event will the Operation and Maintenance Mill Levy exceed 10 mills, as adjusted on or after January 1, 2020 for changes in the method of calculating assessed valuation. PorterCare waives any and all rights to any revenues of the District for reimbursement of the Capital Contribution and the PorterCare Annual Administration, Operations and Maintenance Contribution.

**General Obligation Limited Tax Capital Appreciation Turbo Bonds, Series 2025**

The District issued General Obligation Limited Tax Capital Appreciation Turbo Bonds, Series 2025 (the "Series 2025 Bonds" or the "Bonds") on February 13, 2025 in the original principal amount of \$87,799,973.85 and appreciating to a principal amount of \$150,165,000, pursuant to an Indenture of Trust between the District and BOKF, NA (the "Trustee") dated February 13, 2025 (the "Indenture").

**Proceeds of the Bonds**

Proceeds from the sale of the Series 2025 Bonds were used for purposes of (1) financing or reimbursing a portion of the costs of acquisition, construction and installation of certain public infrastructure improvements related to the Development; (2) funding reserves and capitalized interest to the extent provided; and (3) paying other costs incurred in connection with the issuance of the Bonds.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 11 SUBSEQUENT EVENTS (CONTINUED)**

Series 2025 Bonds Details

The Bonds were issued as Capital Appreciation Bonds. Prior to December 1, 2032 (the “Final Maturity Date”) the Bonds will not pay current interest but instead such interest will accrete daily in value at an accretion rate of 7% with the accreted amount compounding semi-annually on each June 1 and December 1 and constituting appreciated principal to the Bonds, commencing June 1, 2025 from the date of issuance until the Final Maturity Date. On the Final Maturity Date, the principal amount of the Bonds will be \$150,165,000, assuming no prior redemption. To the extent any Bonds are outstanding as of the Final Maturity Date, the Bonds will convert to Cash Flow Bonds. After such Final Maturity Date any Bonds outstanding, subject to the Termination Date of December 2, 2066 (the Termination Date), shall bear interest at 7% per annum, payable to the extent Pledged Revenue (defined below) is available annually on each December, commencing on December 1, 2033.

Pledged Revenue

The Series 2025 Bonds are secured and payable solely from and to the extent of the Pledged Revenue derived by the District from the following sources: (1) the Required Mill Levy (defined below); (2) the PILOT Revenues (defined above); (3) the Option Property PILOT Exemption Agreement Revenues, if any (PorterCare has the option to purchase approximately 9.1 acres within the District, the Option Property, and if PorterCare exercises this option, it is anticipated the District and PorterCare will execute the Option Property PILOT Exemption Agreement and the District will receive the Option Property PILOT Exemption Agreement Revenues); (4) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (5) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue (the “Pledged Revenue”).

Required Mill Levy

The District is required to impose an annual ad valorem mill levy on all taxable property within the District (1) in an amount of 38.5 mills, or such lesser mill levy which will fill the Bond Fund (as defined in the Indenture) in an amount sufficient to pay all of the principal and interest on the Bonds; and (2) in the event that by September 1, 2029, the Building Permit Prerequisite Date (which is the first date upon which Building Permits have been issued for at least 1,050,000 square feet within the Development) has not yet occurred, on and after September 1, 2029, in an amount of 50 mills or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; and (3) in the event that, as of the Final Maturity Date of the Bonds the District has not refinanced or refunded all of the Bonds outstanding, in an amount of 50 mills or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however, that on or after January 1, 2020, if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levies provided herein shall 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 for changes occurring after January 1, 2020, are neither diminished nor enhanced as a result of such changes (the “Required Mill Levy”).

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 11 SUBSEQUENT EVENTS (CONTINUED)**

For the avoidance of doubt, the District may take into account revenues generated from any PILOT Revenues in the determination of its Required Mill Levy.

The Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date.

Optional Redemption Prior to Final Maturity Date

The Bonds are subject to redemption prior to the Final Maturity Date, at the option of the District, in whole or in part, on March 1, 2028 and on any date thereafter, upon payment of a redemption price equal to the Accreted Value of the Bonds so redeemed as of the date of their redemption, plus a redemption premium equal to a percentage of the Accreted Value so redeemed as set forth below:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2028, to February 28, 2029	3.00%
March 1, 2029, to February 28, 2030	2.00
March 1, 2030, to February 28, 2031	1.00
March 1, 2031, and thereafter	0.00

Optional Redemption On or After the Final Maturity Date

The Bonds are subject to redemption on and after the Final Maturity Date, at the option of the District, in whole or in part, in integrals of \$1,000, on any date, upon payment of a redemption price equal to the principal amount of the Bonds so redeemed plus accrued interest thereon to the date of redemption, without redemption premium.

Mandatory Turbo Redemption Prior to the Final Maturity Date

The Bonds are subject to mandatory turbo redemption prior to the final maturity date, as a whole or in integral multiples of \$1,000, from and to the extent of all moneys on deposit in the Bond Fund (except for amounts to remain therein as a result of the denominations of Bonds subject to redemption; amounts insufficient to redeem at least one Bond in the denomination of \$1,000 will be retained in the Bond Fund, as defined in the Indenture) at a redemption price equal to the principal amount so redeemed plus accrued interest thereon to the "Mandatory Turbo Redemption Date" as defined as December 1 of each year prior to the Final Maturity Date, without redemption premium.

Mandatory Redemption On or After the Final Maturity Date

On and after the final maturity date, the Bonds remaining Outstanding are subject to mandatory redemption prior to maturity, as a whole or in integral multiples of \$1,000, from and to the extent of all moneys on deposit in the Bond Fund (except for amounts to remain therein as a result of the denominations of Bonds subject to redemption; amounts insufficient to redeem at least one Bond in the denomination of \$1,000 will be retained in the Bond Fund) at a redemption price equal to the principal amount so redeemed plus accrued interest thereon to the "Mandatory Redemption Date" as defined as December 1 of each year on or after the Final Maturity Date, without redemption premium.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 11 SUBSEQUENT EVENTS (CONTINUED)**

Events of Default of the Series 2025 Bonds

Events of default occur if the District (1) fails or refuses to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture; (2) defaults in the performance or observance of any of the covenants, agreements, or conditions in the Indenture or the Bond Resolution and fails to remedy the same after notice; or (3) files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

Development Agreement (PorterCare)

On February 13, 2025 the Developer, PorterCare and the District entered into a Development Agreement (PorterCare), which sets forth the rights and obligations of the parties in connection with the construction of certain improvements, both public and private, necessary to complete the development of the Exempt Property (the "Development Agreement"). Pursuant to the Development Agreement, the District, at its sole cost and expense and subject to the SIA, shall use commercially reasonable efforts to cause the Completion (as defined therein) of the Public Improvements (identified therein) by no later than August 31, 2028 and in substantial compliance with the Approved Plans (as defined in the SIA), the SIA and all applicable laws, rules, regulations, ordinances, approvals, and permits. A proposed schedule for commencement and completion of each component of the Public Improvements (the "Public Improvements Construction Schedule") is identified in an Exhibit D attached to the PorterCare Development Agreement.

Pursuant to the PorterCare Development Agreement, the District shall, at the District's cost and expense, use commercially reasonable efforts to cause Completion of each component of the Public Improvements identified therein in accordance with the Public Improvements Construction Schedule (as to each such component, the applicable "Public Improvements Completion Date").

Notwithstanding the foregoing, the August 31, 2028, date referenced above, as well as the Public Improvements Completion Date for each component of the Public Improvements, shall be extended by a period of time equal to any period that such performance or progress in construction of such component of the Public Improvements is delayed due to any circumstance actually affecting the prosecution of such component of the Public Improvements that is beyond the reasonable control of the District (each, an "Uncontrollable Event"). In the event the District fails to comply with its obligations above to complete any component of the Public Improvements, PorterCare's sole and exclusive remedy shall be to bring an action against the District for specific performance.

Pursuant to the Development Agreement, the Developer shall, at its sole cost and expense, use commercially reasonable efforts to cause the Private Improvements (defined therein) to be constructed and completed in a good and workmanlike manner and in substantial compliance with the construction plans relating thereto, the Private Improvements Construction Schedule, and all applicable laws, rules, regulations, ordinances, approvals and permits, on or before the date set forth in the Private Improvements Construction Schedule, as described therein.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 11 SUBSEQUENT EVENTS (CONTINUED)**

**Service Agreement for Project Coordination/Consultation and Owner's Representation Services**

On February 15, 2025, the District and Land Asset Strategies, LLC ("LAS") entered into a Service Agreement for Project Coordination/Consultation and Owner's Representation Services (the "Project Coordination Agreement") whereby LAS shall be responsible for the coordination and management of certain design professionals in compliance with applicable state and federal laws and professional standards. The District shall pay LAS a fixed monthly fee of \$20,000.00 (plus mileage), subject to annual budgeting and appropriations. The Project Coordination Agreement shall expire on a date satisfactory completion of the services.

**Cost Sharing Agreement**

On March 13, 2025 the District and the Developer entered into a Cost Sharing Agreement (the "Cost Sharing Agreement"). The Cost Sharing Agreement notes that the property and the service area will each benefit from the coordinated planning, designing, engineering and construction of certain public improvements that the District desires to be made (the "Public Improvements") and the certain private improvements that the Developer desires to be made (the "Private Improvements" and together with the Public Improvements, the "Project"). The Cost Sharing Agreement sets forth the terms and conditions under which the parties will share in the costs of planning, designing engineering, and construction of the Project.

**Project Management Agreement**

On March 13, 2025, the District and SBDM RR, LLC entered into the Project Management Agreement (the "Property Management Agreement"). Under the terms of the Project Management Agreement, the District retained SBDM RR, LLC as the Project Manager (the "Project Manager") to plan and coordinate the construction and installation of improvements associated with Redtail Ridge Filing No. 1 (the "Project"). The Project Manager will provide management services relating to the planning, design, construction and installation of, and obtaining municipal approvals for, improvements. In exchange for these services the District will compensate the Project Manager 8% of the total hard and soft costs as verified by the District's independent engineer (the "Cost Verification Report"). The District and Project Manager acknowledge that the Project Manager has performed continuous work from June 23, 2022 through March 31, 2025 and for this the Project Manager is entitled to a reimbursement of \$1,376,054.93 (the "Retroactive Fee") to be paid upon execution of the Project Management Agreement.

**REDTAIL RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 11 SUBSEQUENT EVENTS (CONTINUED)**

Pursuant to the Project Management Agreement, commencing on March 31, 2025, a sum equal to 4% of the hard and soft costs contained in a Cost Verification Report shall be paid within ten (10) days following the District's Board of Director's acceptance of a Cost Verification Report. Within 90 days following completion of the Project, the District and Project Manager shall determine whether the amount paid to the Project Manager, including the Retroactive Fee, equaled, exceeded, or was less than 5% of the total hard and softs costs established by the Cost Verification Reports. The Project Management Agreement provides a process for paying the Project Manager if it is less than 5% and for deducting money owed to the Project Manager if it exceeds 5%.

The Project Management Agreement shall initially be for a period of three (3) years and will automatically renew for successive one (1) year periods up to a maximum of five (5) years, unless either party gives a written notice of termination.

**Master Infrastructure and Grading Project Contract**

On January 3, 2025, M.A. Mortenson Company (dba Mortenson Construction) and the District entered into a contract for the Redtail Ridge - Master Infrastructure and Grading Project. On March 5, 2025, the District approved Phase 1 and 2 of the Contract and on August 6, 2025, approved Change Order No. 1 for a total committed contract amount of \$66,608,395, of which \$7,474,704 consists of private costs to be funded by the Developer through the District, resulting in a contract commitment of the District for public project costs of \$59,133,692.

## **SUPPLEMENTARY INFORMATION**

**REDTAIL RIDGE METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budget Original And Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ 350,000	\$ -	\$ (350,000)
Total Revenues	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
<b>EXPENDITURES</b>			
Paying Agent Fees	4,000	-	4,000
Bond Interest	2,064,726	-	2,064,726
Contingency	31,274	-	31,274
Total Expenditures	<u>2,100,000</u>	<u>-</u>	<u>2,100,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers From Other Funds	37,609,100	-	(37,609,100)
Total Other Financing Sources (Uses)	<u>37,609,100</u>	<u>-</u>	<u>(37,609,100)</u>
<b>NET CHANGE IN FUND BALANCE</b>	35,859,100	-	(35,859,100)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 35,859,100</u>	<u>\$ -</u>	<u>\$ (35,859,100)</u>

**REDTAIL RIDGE METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budget Original And Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>			
Accounting	\$ -	\$ 9,862	\$ (9,862)
Legal	-	583,835	(583,835)
Capital Outlay	98,302,000	1,928,166	96,373,834
Bond Issue Costs	3,283,900	-	3,283,900
Total Expenditures	<u>101,585,900</u>	<u>2,521,863</u>	<u>99,064,037</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond Issuance Proceeds	139,195,000	-	(139,195,000)
Developer Advance	-	2,368,830	2,368,830
Transfers To Other Fund	(37,609,100)	-	37,609,100
Total Other Financing Sources (Uses)	<u>101,585,900</u>	<u>2,368,830</u>	<u>(99,217,070)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(153,033)	(153,033)
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (153,033)</u>	<u>\$ (153,033)</u>

## **OTHER INFORMATION**

**REDTAIL RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
YEAR ENDED DECEMBER 31, 2024**

Year Ended December 31,	Assessed Valuation	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations		Levied	Collected	
2023/2024	\$ 26	\$ -		\$ -	\$ -	N/A
Estimated for Year Ending December 31, 2025	\$ 38,292	5.000		\$ 191		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Boulder County Assessor and Treasurer.