

**MINERAL BUSINESS IMPROVEMENT DISTRICT
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**MINERAL BUSINESS IMPROVEMENT DISTRICT
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YEAR ENDED DECEMBER 31, 2024**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mineral Business Improvement District
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Mineral Business Improvement 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 29, 2025

BASIC FINANCIAL STATEMENTS

**MINERAL BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments - Restricted	\$ 24,792,839
Property Tax Receivable	35,928
Capital Assets:	
Capital Assets Not Being Depreciated	<u>1,231,500</u>
Total Assets	<u>26,060,267</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u>-</u>
LIABILITIES	
Accounts Payable	133,194
Accrued Bond Interest	115,192
Noncurrent Liabilities:	
Due in More Than One Year	<u>26,861,262</u>
Total Liabilities	<u>27,109,648</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>35,928</u>
Total Deferred Inflows of Resources	<u>35,928</u>
NET POSITION	
Restricted for:	
Capital Projects	88,686
Unrestricted	<u>(1,173,995)</u>
Total Net Position	<u><u>\$ (1,085,309)</u></u>

See accompanying Notes to Financial Statements.

**MINERAL BUSINESS IMPROVEMENT 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	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 60,124	\$ -	\$ -	\$ -	\$ (60,124)
Interest on Long-Term Debt and Related Costs	1,090,517	-	-	-	(1,090,517)
Total Governmental Activities	\$ 1,150,641	\$ -	\$ -	\$ -	(1,150,641)
GENERAL REVENUES					
Interest Income					65,332
Total General Revenues					65,332
CHANGES IN NET POSITION					(1,085,309)
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					\$ (1,085,309)

See accompanying Notes to Financial Statements.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUND
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ 6,131,083	\$ 18,661,756	\$ 24,792,839
Investment Income Receivable	-	-	-	-
Property Tax Receivable	5,988	29,940	-	35,928
Total Assets	\$ 5,988	\$ 6,161,023	\$ 18,661,756	\$ 24,828,767
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 60,124	\$ -	\$ 73,070	\$ 133,194
Total Liabilities	60,124	-	73,070	133,194
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	5,988	29,940	-	35,928
Total Deferred Inflows of Resources	5,988	29,940	-	35,928
FUND BALANCES				
Restricted for:				
Debt Service	-	6,131,083	-	6,131,083
Capital Projects	-	-	18,588,686	18,588,686
Unassigned	(60,124)	-	-	(60,124)
Total Fund Balances	(60,124)	6,131,083	18,588,686	24,659,645
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,988	\$ 6,161,023	\$ 18,661,756	

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.

1,231,500

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest

(139,954)

Bond Payable - 2024A

(24,040,000)

Bond Payable - 2024B

(1,565,000)

Note Payable

(1,231,500)

Net Position of Governmental Activities

\$ (1,085,309)

See accompanying Notes to Financial Statements.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Interest Income	\$ -	\$ 16,336	\$ 48,996	\$ 65,332
Total Revenues	<u>-</u>	<u>16,336</u>	<u>48,996</u>	<u>65,332</u>
EXPENDITURES				
Current:				
Accounting	6,396	-	-	6,396
Legal	53,728	-	-	53,728
Debt Service:				
Bond Interest	-	92,153	-	92,153
Bond Issue Costs	-	-	858,410	858,410
Capital Projects:				
Capital Outlay	-	-	1,231,500	1,231,500
Total Expenditures	<u>60,124</u>	<u>92,153</u>	<u>2,089,910</u>	<u>2,242,187</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(60,124)	(75,817)	(2,040,914)	(2,176,855)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	25,605,000	25,605,000
Note Issuance Proceeds	-	-	1,231,500	1,231,500
Transfers (To) From Other Funds	-	6,206,900	(6,206,900)	-
Total Other Financing Sources	<u>-</u>	<u>6,206,900</u>	<u>20,629,600</u>	<u>26,836,500</u>
NET CHANGE IN FUND BALANCES	(60,124)	6,131,083	18,588,686	24,659,645
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (60,124)</u>	<u>\$ 6,131,083</u>	<u>\$ 18,588,686</u>	<u>\$ 24,659,645</u>

See accompanying Notes to Financial Statements.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31,2024**

Net Change in Fund Balances - Total Governmental Funds \$ 24,659,645

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 1,231,500

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

Bond Principal - Series 2024A	(24,040,000)
Bond Principal - Series 2024B	(1,565,000)
Note Payable Proceeds	(1,231,500)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	(139,954)
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Changes in Net Position of Governmental Activities	\$ (1,085,309)
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**MINERAL BUSINESS IMPROVEMENT 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		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Accounting	2,500	7,500	6,396	1,104
Contingency	15,000	5,500	-	5,500
Engineering	10,000	-	-	-
District Management	1,500	-	-	-
Insurance	2,500	5,000	-	5,000
Legal	15,000	55,000	53,728	1,272
Organization Costs	-	125,000	-	125,000
Miscellaneous	2,000	2,000	-	2,000
Total Expenditures	<u>48,500</u>	<u>200,000</u>	<u>60,124</u>	<u>139,876</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(48,500)	(200,000)	(60,124)	139,876
OTHER FINANCING SOURCES (USES)				
Developer Advance	50,000	200,000	-	(200,000)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
NET CHANGE IN FUND BALANCE	1,500	-	(60,124)	(60,124)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ (60,124)</u>	<u>\$ (60,124)</u>

See accompanying Notes to Financial Statements.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 DEFINITION OF REPORTING ENTITY

Mineral Business Improvement (the District), a quasi-municipal corporation, was organized by ordinance of the City of Littleton (the City) on September 19, 2023, and is governed pursuant to provisions of the Colorado Business Improvement Act (Title 31). The District's service area is located entirely within the City in Arapahoe County, Colorado. The District was organized to provide the financing, acquisition, construction, completion, installation, replacement, and/or operation and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. Specific improvements and services provided by the District include parking facilities, roadways, lighting, driveways, public utilities, and landscaping.

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's annual budget is required to be submitted to and approved by the City, thus enabling the City to impose its will on the District. Consequently, the District is considered to be a component unit of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, 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.

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.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term 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.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

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

Property Taxes

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

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

Capital Assets

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

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

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

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

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

Nonspendable – 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 – 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 – 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 – 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 – 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.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2024. The deficit will be eliminated with the receipt of developer advances in 2025.

NOTE 3 CASH AND INVESTMENTS

Cash and investments reflected on the statement of net position as of December 31, 2024, consist of the following:

Statement of Net Position:

Cash and Investments - Restricted	\$ 24,792,839
Total Cash and Investments	<u>\$ 24,792,839</u>

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

Investments	\$ 24,792,839
Total Cash and Investments	<u>\$ 24,792,839</u>

Deposits with Financial Institutions

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

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

At December 31, 2024, the District's cash deposits had a bank balance and carrying balance of \$-0-.

Investments

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

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

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

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

Investment	Maturity	Amount
U.S. Treasury Money Market Fund	Weighted-Average Under 60 Days	\$ 24,792,839
Total		\$ 24,792,839

U.S. Treasury Money Market Fund

The money that is included in the trust accounts at BOK Financial is invested in the Invesco Treasury Portfolio. This portfolio is a money market fund that is managed by Invesco and each share is equal in value to \$1.00. The fund is AAA rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 CAPITAL ASSETS

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

	December 31, 2023	Increases	Decreases	December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ -	\$ 1,231,500	\$ -	\$ 1,231,500
Total Capital Assets, Not Being Depreciated	<u>\$ -</u>	<u>\$ 1,231,500</u>	<u>\$ -</u>	<u>\$ 1,231,500</u>

NOTE 5 LONG-TERM OBLIGATIONS

The District's long-term obligations consist of the following for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable:					
General Obligation Bonds Series 2024A	\$ -	\$ 24,040,000	\$ -	\$ 24,040,000	\$ -
Subordinate Limited Tax Supported Revenue Bonds Series 2024B	-	1,565,000	-	1,565,000	-
Accrued Interest Series 2024	-	19,634	-	19,634	-
Subtotal Bonds Payable	<u>-</u>	<u>25,624,634</u>	<u>-</u>	<u>25,624,634</u>	<u>-</u>
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
2024 Note Payable	-	1,231,500	-	1,231,500	-
Accrued Interest on: 2024 Note Payable	-	5,128	-	5,128	-
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	<u>-</u>	<u>1,236,628</u>	<u>-</u>	<u>1,236,628</u>	<u>-</u>
 Total Long-Term Obligations	 <u>\$ -</u>	 <u>\$ 26,861,262</u>	 <u>\$ -</u>	 <u>\$ 26,861,262</u>	 <u>\$ -</u>

The details of the District's long-term obligations are as follows:

Limited Tax General Obligation and Special Revenue Bonds, Series 2024A (the "Senior Bonds") and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2024B (the "Subordinate Bonds", and together with the Senior Bonds, the "Bonds")

The District issued the Senior and Subordinate Bonds on November 7, 2024, in the amounts of \$24,040,000 and \$1,565,000, respectively.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2024A (the “Senior Bonds”) and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2024B (the “Subordinate Bonds”, and together with the Senior Bonds, the “Bonds”)

Proceeds of the Bonds

The proceeds from the sale of the Senior Bonds will be to: (i) finance or refinance a portion of the costs of the Project; (ii) fund an initial deposit to the Senior Surplus Fund; (iii) pay capitalized interest on the Senior Bonds; and (iv) pay costs of issuance in connection with the Senior Bonds.

Proceeds of the Subordinate Bonds will be used to: (i) finance a portion of the costs of the Project; and (ii) pay costs of issuance in connection with the Subordinate Bonds.

Details of the Senior Bonds

The Senior Bonds bear interest at the rate of 5.75%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (each, and “Interest Payment Date”), beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2029. The Bonds mature on December 1, 2054.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 2, 2074 (the “Senior Termination Date”). To the extent interest on any bond is not paid when due, such interest shall compound annually on each December 1 at the rate then borne by the Senior Bonds. The District shall not be obligated to pay more than the amount permitted by law in repayment of the Senior Bonds.

If any amount of principal or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on the Senior Termination Date, the Senior Bonds will be deemed discharged.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2024A (the “Senior Bonds”) and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2024B (the “Subordinate Bonds”, and together with the Senior Bonds, the “Bonds”) (Continued)

Details of the Subordinate Bonds

The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Subordinate Bonds is payable annually on each December 15, commencing December 15, 2024, from, and to the extent of available Subordinate Pledged Revenue (defined below). The Subordinate Bonds mature on December 15, 2054.

The Subordinate Bonds are assumed to bear interest at the rate of 8.50% per annum payable annually on each December 15, but only from and to the extent of available Subordinate Pledged Revenue, beginning on December 15, 2024.

To the extent principal of any Subordinate Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or December 16, 2074 (the “Subordinate Termination Date”).

In the event interest on any Subordinate Bond is not paid when due, such interest is to compound annually on each December 15, at the rate then borne by the Subordinate Bond.

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

Optional Redemption

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

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

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2024A (the “Senior Bonds”) and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2024B (the “Subordinate Bonds”, and together with the Senior Bonds, the “Bonds”) (Continued)

Senior Pledged Revenue

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, consisting of the moneys derived by the District from the following sources:

- (a) all Senior Property Tax Revenues;
- (b) all Senior Specific Ownership Tax Revenues;
- (c) all Senior PIF Revenue;
- (d) all Senior PILOT Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior PIF Revenue

The Senior Indenture defines “Senior PIF Revenue” as the revenue derived from imposition of the Sales and Lodging PIF, and the Services PIF, net of the costs of collection and administration.

After issuance of the Senior Bonds, the Developer recorded a Declaration of Covenants Imposing and Implementing the Mineral Place Services Add On Public Improvement Fee (the “Services PIF Covenant”) against all of the property owned by the Developer (as the Declarant under the PIF Covenants) within the District (the “PIF Property”).

Senior Pilot Revenues

The Senior Indenture defines “Senior PILOT Revenue” as any revenue received by the District from any PILOT recorded against the subject property as a result of the imposition of the Senior Required Mill Levy. After the issuance of the Bonds, the Developer recorded a Declaration of Covenants Concerning Payment in Lieu of Taxes against all property in the District.

Senior Required Mill Levy

The Senior Indenture generally defines “Senior Required Mill Levy” as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to fund the Senior Bond Fund for the relevant Bond Year and pay the Bonds as they come due, but (i) not in excess of 25 mills, and (ii) for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 25 mills (subject to adjustment as provided below).

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2024A (the “Senior Bonds”) and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2024B (the “Subordinate Bonds”, and together with the Senior Bonds, the “Bonds”) (Continued)

Senior Required Mill Levy (Continued)

In the event that the method of calculating assessed valuation is changed after January 1, 2023, the mill levy of 25 mills provided in the Senior Indenture will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation).

Notwithstanding anything in the Senior Indenture to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from Subordinate Pledged Revenue, consisting of the moneys derived by the District from the following sources:

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues;
- (c) all Subordinate PIF Revenue;
- (d) all Subordinate PILOT Revenue; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate PIF Revenue

Subordinate PIF Revenue is defined in the Subordinate Indenture as that portion of revenues derived from imposition of the Sales and Lodging PIF, and the Services PIF remaining after deduction of any amounts thereof used, paid, pledged or otherwise applied to payment of debt service on the Senior Bonds in accordance with the Senior Indenture, net of the costs of collection and administration.

Subordinate Pilot Revenues

The Subordinate Indenture defines “Subordinate PILOT Revenue” as any revenue received by the District from any PILOT recorded against the subject property as a result of the imposition of the Subordinate Required Mill Levy.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2024A (the “Senior Bonds”) and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2024B (the “Subordinate Bonds”, and together with the Senior Bonds, the “Bonds”) (Continued)

Subordinate Required Mill Levy

The Subordinate Indenture generally defines “Subordinate Required Mill Levy” as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount equal to (i) 25 mills (subject to adjustment) less the Senior Obligation Mill Levy, or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Bonds in full in the year such levy is collected (subject to adjustment).

Additional Security for the Senior Bonds

The Senior Bonds are additionally secured by capitalized interest fund which will be funded from proceeds of the Senior Bonds in the amount of \$4,146,900.

Senior Surplus Fund

The Senior Bonds are additionally secured by the Senior Surplus Fund which was partially funded with the proceeds of the Senior Bonds in the amount of \$2,060,000 and is required to be further funded with available Senior Pledged Revenue, if any, up to the Maximum Senior Surplus Amount of \$4,808,000. The District has acknowledged that State Law places certain restrictions on the use of bond proceeds and debt service mill levies which may be credited to the Senior Surplus Fund.

Events of Default

Events of default occur if the District fails to impose the Required Mill Levies, or to apply the Pledged Revenues as required by the Indentures and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures. The failure to pay principal or interest when due does not constitute an Event of Default under the Indentures, due to the limited nature of the Pledged Revenue.

Remedies for Events of Default

Upon the occurrence and continuance of an Event of Default, the trustee shall have the following rights:

- Receivership
- Suit for Judgement
- Mandamus of Other Suit

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Bonds, Series 2024A (the “Senior Bonds”) and Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2024B (the “Subordinate Bonds”, and together with the Senior Bonds, the “Bonds”) (Continued)

Acceleration of the Bonds shall not be an available remedy for an Event of Default.

The 2024A Limited Tax General Obligation Special Revenue Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 1,382,300	\$ 1,382,300
2026	-	1,382,300	1,382,300
2027	-	1,382,300	1,382,300
2028	-	1,382,300	1,382,300
2029	30,000	1,382,300	1,412,300
2030-2034	1,510,000	6,758,838	8,268,838
2035-2039	2,595,000	6,197,350	8,792,350
2040-2044	3,945,000	5,304,662	9,249,662
2045-2049	5,745,000	3,975,838	9,720,838
2050-2054	10,215,000	2,062,237	12,277,237
Total	<u>\$ 24,040,000</u>	<u>\$ 31,210,425</u>	<u>\$ 55,250,425</u>

Promissory Note

On December 12, 2024, the District received a Promissory Note (the Note) from RIG Mineral LLC in the amount of \$1,231,500 at a simple interest rate of 8.00%, for the purpose of purchasing property from RIG Mineral LLC, which is considered a related party transaction. The Note is subject to annual appropriation by the District and matures during the year ending December 31, 2064.

Debt Authorization

The District voters approved \$510,000,000 of revenue obligation debt in 2023 at an interest rate not to exceed 12% per annum. On December 31, 2024, the District had remaining authorized but unissued indebtedness of \$484,395,000. 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.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization (Continued)

	Amount Authorized on November 7, 2023	Authorization Used			Authorized But Unissued
		Series 2024A	Series 2024B	2024 Note	
		Bonds	Bonds	Payable	
Water	\$ 30,000,000	\$ 4,808,000	\$ 313,000	\$ 246,300	\$ 24,632,700
Sanitation	30,000,000	7,212,000	469,500	369,450	21,949,050
Streets	30,000,000	12,020,000	782,500	615,750	16,581,750
Traffic and Safety	30,000,000	-	-	-	30,000,000
Parks and Recreation	30,000,000	-	-	-	30,000,000
Transportation	30,000,000	-	-	-	30,000,000
Television Relay	30,000,000	-	-	-	30,000,000
Mosquito Control	30,000,000	-	-	-	30,000,000
Security	30,000,000	-	-	-	30,000,000
Business Recruitment	30,000,000	-	-	-	30,000,000
Fire Protection	30,000,000	-	-	-	30,000,000
Operations and Maintenance	30,000,000	-	-	-	30,000,000
Reimbursement Agreements	30,000,000	-	-	-	30,000,000
Special Assessment Debt	30,000,000	-	-	-	30,000,000
Revenue Debt	30,000,000	-	-	-	30,000,000
Refunding	60,000,000	-	-	-	60,000,000
Total	\$ 510,000,000	\$ 24,040,000	\$ 1,565,000	\$ 1,231,500	\$ 483,163,500

As set forth in the District's 2024 Amended Operating Plan, the City has limited the amount of debt to be issued by the District to a total of \$30,000,000, without further approval by the City.

NOTE 6 NET POSITION

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

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

	<u>Governmental Activities</u>
Restricted Net Position:	
Capital Projects Reserve	\$ 88,686
Total Restricted Net Position	<u>\$ 88,686</u>

The District had a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 RELATED PARTY

The Developers of the property which constitutes the District are RIG Mineral, LLC and Republic Development Group, LLC. The members of the Board of Directors are officers of, employees, of, or otherwise associated with the Developers and may have conflicts of interest in dealing with the District.

The Note Payable recorded is a related party transaction with RIG Mineral, LLC.

NOTE 8 AGREEMENTS

Reimbursement Agreement

On January 18, 2024, the District signed a Reimbursement Agreement with Republic Development Group, LLC. The District will repay the Developer for expenses incurred on its behalf, with any advanced funds accruing simple interest at 8% per annum. There are no outstanding amounts under this agreement.

Facilities Funding Acquisition Agreement

On January 18, 2024, the District entered into the Facilities Funding Acquisition Agreement with Republic Development Group, LLC who later partially assigned the agreement to RIG Mineral, LLC. The District agrees to repay the developer for capital costs certified by a third-party engineer, incurring simple interest from the date of acceptance at a rate of 8% per annum. There are no outstanding amounts under this agreement.

Construction Project Delivery Agreement

The District entered into an Construction Project Delivery Agreement with Saunders Construction, LLC (Saunders), dated December 12, 2024.

Subdivision Improvement Agreement

On December 12, 2024, the District entered into the Subdivision Improvement Agreement with the City of Littleton and RIG Mineral, LLC. The Subdivision Improvement Agreement requires the installation of certain public improvements to be constructed by the District.

Maintenance and Operations Assignment Agreement

On December 12, 2024, the District entered into the Maintenance and Operations Assignment Agreement with RIG Mineral, LLC to maintain and operate the public improvements as set forth in the Operations and Reciprocal Easement Agreement between the Developers and Costco Wholesale Corporation.

NOTE 9 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund to the Debt Service Fund was to fill the Capitalized Interest Fund and the Surplus Fund due to the bond issuance.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2024. 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 during the past three years.

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

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

On November 7, 2023, the District's voters also authorized the District to increase property taxes \$10,000,000 annually, for general operations and maintenance. The election also allows the District to collect, spend and retain all revenues without regard to the limitation contained within Article X, Section 20 of the Colorado Constitution (TABOR).

SUPPLEMENTARY INFORMATION

**MINERAL BUSINESS IMPROVEMENT DISTRICT
DEBT SERVICE FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ 42,000	\$ 16,336	\$ (25,664)
Total Revenues	<u>-</u>	<u>42,000</u>	<u>16,336</u>	<u>(25,664)</u>
EXPENDITURES				
Bond Interest	327,825	149,927	92,153	57,774
Contingency	-	73	-	73
Total Expenditures	<u>327,825</u>	<u>150,000</u>	<u>92,153</u>	<u>57,847</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(327,825)	(108,000)	(75,817)	32,183
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	972,825	6,485,250	6,206,900	(278,350)
Total Other Financing Sources (Uses)	<u>972,825</u>	<u>6,485,250</u>	<u>6,206,900</u>	<u>(278,350)</u>
NET CHANGE IN FUND BALANCE	645,000	6,377,250	6,131,083	(246,167)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 645,000</u>	<u>\$ 6,377,250</u>	<u>\$ 6,131,083</u>	<u>\$ (246,167)</u>

**MINERAL BUSINESS IMPROVEMENT DISTRICT
CAPITAL PROJECTS FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ -	\$ 48,996	\$ 48,996
Total Revenues	-	-	48,996	48,996
EXPENDITURES				
Accounting	-	5,000	-	5,000
Engineering	-	15,000	-	15,000
Legal	-	5,000	-	5,000
Organization Costs	-	100,000	-	100,000
Capital Outlay	6,558,085	1,000,000	1,231,500	(231,500)
Bond Issue Costs	467,090	832,750	858,410	(25,660)
Contingency	-	2,147	-	2,147
Total Expenditures	<u>7,025,175</u>	<u>1,959,897</u>	<u>2,089,910</u>	<u>(130,013)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(7,025,175)	(1,959,897)	(2,040,914)	(81,017)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	7,998,000	25,518,000	25,605,000	87,000
Note Issuance Proceeds	-	-	1,231,500	1,231,500
Repay Developer Advance	-	(154,853)	-	154,853
Transfers To Other Fund	(972,825)	(6,485,250)	(6,206,900)	278,350
Total Other Financing Sources	<u>7,025,175</u>	<u>18,877,897</u>	<u>20,629,600</u>	<u>1,751,703</u>
NET CHANGE IN FUND BALANCE	-	16,918,000	18,588,686	1,670,686
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 16,918,000</u>	<u>\$ 18,588,686</u>	<u>\$ 1,670,686</u>

OTHER INFORMATION

**MINERAL BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

<u>Bonds/Loans and Interest Maturing in the Year Ending December 31.</u>	\$24,040,000 General Obligation and Special Revenue Bonds Series 2024A, Dated November 7, 2024 Interest Rate Fixed 5.75% Interest Payable December 1 Principal Payable December 1		
	Principal	Interest	Total
2025	\$ -	\$ 1,382,300	\$ 1,382,300
2026	-	1,382,300	1,382,300
2027	-	1,382,300	1,382,300
2028	-	1,382,300	1,382,300
2029	30,000	1,382,300	1,412,300
2030	165,000	1,380,575	1,545,575
2031	285,000	1,371,088	1,656,088
2032	320,000	1,354,700	1,674,700
2033	350,000	1,336,300	1,686,300
2034	390,000	1,316,175	1,706,175
2035	425,000	1,293,750	1,718,750
2036	475,000	1,269,312	1,744,312
2037	515,000	1,242,000	1,757,000
2038	565,000	1,212,388	1,777,388
2039	615,000	1,179,900	1,794,900
2040	670,000	1,144,537	1,814,537
2041	725,000	1,106,013	1,831,013
2042	785,000	1,064,325	1,849,325
2043	845,000	1,019,187	1,864,187
2044	920,000	970,600	1,890,600
2045	985,000	917,700	1,902,700
2046	1,065,000	861,063	1,926,063
2047	1,145,000	799,825	1,944,825
2048	1,230,000	733,987	1,963,987
2049	1,320,000	663,263	1,983,263
2050	1,420,000	587,362	2,007,362
2051	1,515,000	505,713	2,020,713
2052	1,625,000	418,600	2,043,600
2053	1,735,000	325,162	2,060,162
2054	3,920,000	225,400	4,145,400
Total	\$ 24,040,000	\$ 31,210,425	\$ 55,250,425

**MINERAL BUSINESS IMPROVEMENT DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

Year Ended December 31.	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2023/2024	-	0.0%	-	-	-	-	-	-
Estimated for Year Ending December 31, 2025	\$ 1,152,215	100.0%	5.197	25.985	31.182	\$ 35,928		

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: Arapahoe County Assessor and Treasurer.

**ANNUAL DISCLOSURE INFORMATION
(UNAUDITED)**

**MINERAL BUSINESS IMPROVEMENT DISTRICT
PIF COLLECTIONS TO DATE
DECEMBER 31, 2024**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
First Quarter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Second Quarter	-	-	-	-	-	-	-
Third Quarter	-	-	-	-	-	-	-
Fourth Quarter	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**The District has yet to begin collecting as it is in the development stage.

**MINERAL BUSINESS IMPROVEMENT DISTRICT
HISTORY OF ASSESSED VALUATION AND MILL LEVIES
DECEMBER 31, 2024**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Current Tax Collection</u>	<u>Collection Rate</u>
2023	2024	\$ -	\$ -	- %
2024	2025	35,928	35,928	100.00

**Collections as of June 30, 2025

**MINERAL BUSINESS IMPROVEMENT DISTRICT
PROPERTY TAX COLLECTIONS
DECEMBER 31, 2024**

Levy Year	Collection Year	Assessed Valuation	Percent Change	General Fund Mill Levy	Debt Service Mill Levy
2023	2024	\$ -	- %	0.000	0.000
2024	2025	1,152,215	100.00	5.197	25.985

**Source: Arapahoe County Assessor