

ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT

Adams County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

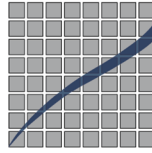
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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Rocky Mountain Rail Park Metropolitan District

Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Rocky Mountain Rail Park Metropolitan District ("District"), as of and for the year ended December 31, 2023, 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, the business-type activities, and each major fund of the District as of December 31, 2023, the respective changes in financial position, the budgetary comparison for the general fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 28, 2024

BASIC FINANCIAL STATEMENTS

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 10,378	\$ 17,118	\$ 27,496
Cash and Investments - Restricted	14,787,720	-	14,787,720
Receivable from County Treasurer	1,080	-	1,080
Accounts Receivable	-	24,448	24,448
Property Taxes Receivable	359,530	-	359,530
Capital Assets, Not Being Depreciated	38,629,675	5,963,805	44,593,480
Capital Assets, Being Depreciated, Net	-	888,857	888,857
Total Assets	53,788,383	6,894,228	60,682,611
LIABILITIES			
Accounts Payable	41,631	57,259	98,890
Retainage Payable	1,452,630	-	1,452,630
Other Current Liabilities	-	6,048	6,048
Accrued Interest Payable	235,208	-	235,208
Noncurrent Liabilities:			
Due in More Than One Year	67,093,856	111,229	67,205,085
Total Liabilities	68,823,325	174,536	68,997,861
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	359,530	-	359,530
Total Deferred Inflows of Resources	359,530	-	359,530
NET POSITION			
Net Investment in Capital Assets	-	6,852,662	6,852,662
Restricted For:			
Emergency Reserves	1,100	-	1,100
Unrestricted	(15,395,572)	(132,970)	(15,528,542)
Total Net Position	\$ (15,394,472)	\$ 6,719,692	\$ (8,674,780)

See accompanying Notes to Basic Financial Statements.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 48,884
Payments to Suppliers	(195,434)
Tap Fees	41,488
Net Cash Used by Operating Activities	(105,062)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfer from Other Fund	4,598
Developer Advance	106,613
Net Cash Provided by Noncapital Financing Activities	111,211

NET INCREASE IN CASH AND CASH EQUIVALENTS

6,149

Cash and Cash Equivalents - Beginning of Year

10,969

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 17,118

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (184,727)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	36,851
Increase in Accounts Receivable	(5,197)
Increase in Accounts Payable	48,011
Net Cash Used by Operating Activities	\$ (105,062)

See accompanying Notes to Basic Financial Statements.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Rocky Mountain Rail Park Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for Adams County (the County) on July 9, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the City of Arvada (the City).

The District was established to provide a part or all of the public improvements for the use and benefit of all anticipated constituents and taxpayers of the District. The primary purpose of the District is to finance the construction of public improvements, including water facilities, storm sewer and sanitation facilities, street and roadway improvements, traffic and safety control, parks and recreation, transportation, limited television relay and translator, and mosquito elimination and control.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental 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 and the sum of liabilities and deferred inflows is reported as net position.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for the governmental funds and proprietary funds. Major individual governmental and enterprise 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. Redemption of bonds is recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes 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.

The District reports the following major governmental funds:

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

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

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major proprietary funds:

The Enterprise Fund accounts for the water and sanitary sewer operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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 incurred expenditures in excess of appropriation for the year ended December 31, 2023 in the General Fund, which may be in violation of the Local Government Budget Law.

Pooled Cash and Investments

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

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 inflow 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 infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Water and Sewer Facilities	30 Years
Equipment	15 Years

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

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows of Resources

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

Equity

Net Position

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

ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity(continued)

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.

The District's General Fund had a deficit fund balance as of December 31, 2023. This deficit was eliminated with an advance received from the Developer in 2024.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$56,450,000 Limited Tax General Obligation and Enterprise Revenue Bonds, Series 2021A (Continued)

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and will continue to bear interest at the rate then borne by the Senior Bonds. To the extent interest on any Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the Senior Bonds. The total repayment obligation of the District for the Senior Bonds cannot exceed the limitations of the Election and the amount permitted by law.

The Senior Bonds Pledged Revenue

The Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined in the Senior Indenture as the moneys derived by the District from the following sources net of any costs of collection of the County and any property tax refunds or abatements authorized by or on behalf of the County:

- (a) the Senior Required Mill Levy;
- (b) the portion of Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy;
- (c) the Senior Enterprise Revenues; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

The Senior Bonds 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 that is sufficient to pay debt service on the Senior Bonds, but not in excess of 50 mills or such lesser mill levy which will pay debt service on the Senior Bonds when due and will fund the Senior Reserve Fund to the Maximum Reserve Amount. The minimum and maximum mill levies are subject to adjustment to reflect changes in the method of calculating assessed valuation on or after January 1, 2018.

If there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement after January 1, 2018, the Senior Required Mill Levy and the Subordinate Required Mill Levy shall be increased or decreased to reflect such changes. Such increases and decreases are to be determined by the District 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.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$56,450,000 Limited Tax General Obligation and Enterprise Revenue Bonds, Series 2021A (Continued)

Additional Security for Senior Bonds

The Senior Bonds are additionally secured by (i) capitalized interest in the amount of \$7,416,903, which will be funded from proceeds of the Senior Bonds; and (ii) the Senior Reserve Fund, which will be partially funded with proceeds of the Senior Bonds in the amount of \$4,923,000, and is required to be additionally funded and replenished with future excess Senior Pledged Revenue, if any, up to the Maximum Reserve Amount of \$11,290,000.

The Senior Reserve Fund shall be maintained in the amount of up to the Maximum Reserve Amount for so long as any Senior Bond is Outstanding. It is acknowledged by the District that the law places certain restrictions upon the use of Senior Bond proceeds and debt service mill levies which may be credited to the Senior Reserve Fund.

\$7,200,000 Subordinate Limited Tax General Obligation and Enterprise Revenue Bonds, Series 2021B

On April 15, 2021, the District issued \$7,200,000 in Subordinate Limited Tax General Obligation Enterprise Revenue Bonds, Series 2021B (the Subordinate Bonds) with an interest rate of 8.25% per annum, and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenue, if any. The Subordinate Bonds are subject to both mandatory and optional redemption prior to maturity. Proceeds from the sale of the Subordinate Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; and (ii) pay costs incurred in connection with the issuance of the Subordinate Bonds.

Interest on the Subordinate Bonds is payable on each December 15, commencing December 15, 2021, to the extent of the Subordinate Pledged Revenue. Accrued unpaid interest on the Subordinate Bonds will compound annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment, subject to the limitations of the Election and the amount permitted by law.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$7,200,000 Subordinate Limited Tax General Obligation and Enterprise Revenue Bonds, Series 2021B (Continued)

Payment of principal of and interest on the Subordinate Bonds is subordinate to the annual payment of debt service on the Senior Bonds and to the funding of the Senior Reserve Fund in the Maximum Reserve Amount.

The District has the option to redeem the Subordinate Bonds, in whole or in part, on any date on or after March 1, 2026. The redemption price will be 100% of the principal amount of the Subordinate Bonds to be redeemed, plus accrued interest to the redemption date, and a redemption premium as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2026 to February 28, 2027	3.00%
March 1, 2027 to February 29, 2028	2.00
March 1, 2028 to February 28, 2029	1.00
March 1, 2029 and Thereafter	0.00

The Subordinate Bonds Termination Date

The Subordinate Bonds Indenture provides that all of the Subordinate Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 15, 2061 (the Termination Date), regardless of the amount of principal and interest paid prior to the Termination Date.

Subordinate Pledged Revenue

The Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, defined in the Subordinate Indenture as the moneys derived by the District from the following sources net of any costs of collection of the County and any property tax refunds or abatements authorized by or on behalf of the County:

- i. the Subordinate Required Mill Levy;
- ii. the portion of Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy;
- iii. the portion of the Enterprise Revenues, if any, available after application to the payment of the Senior Bonds and any Senior Parity Bonds;
- iv. the amounts, if any, in the Senior Reserve Fund released to the District pursuant to the Senior Indenture; and
- v. any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$7,200,000 Subordinate Limited Tax General Obligation and Enterprise Revenue Bonds, Series 2021B (Continued)

Subordinate Required Mill levy

Subordinate Required Mill Levy” is generally defined in the Subordinate Indenture as an ad valorem mill levy equal to 50 mills less the amount of the Senior Bond Required Mill Levy. The foregoing mill levy is subject to adjustment to reflect changes in the method of calculating assessed valuation on or after January 1, 2018 (described above).

If the amount of the Senior Bond Required Mill Levy equals or exceeds 50 mills in any year, as adjusted, the Subordinate Required Mill Levy for that year shall be zero. The Subordinate Required Mill Levy is projected to be zero until such time as the Senior Reserve Fund is funded to the Maximum Reserve Amount.

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions constitutes an event of default under the indenture:

- i. The District fails to impose the required mill levy or to apply the pledge revenue as required by the indenture.
- ii. The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution.
- iii. The District fails to enforce the rates, fees, and charges of the Enterprise, disposes of material assets of the Enterprise or fails to cooperate in the collection of the Enterprise Revenue if such failure could result in impairing or diminishing the collection or amount of the Enterprise Revenue.
- iv. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the bonds.

It is acknowledged that, due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on the bonds when due does not, in itself, constitute an event of default under the indenture.

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be 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, workers' compensation, 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 10 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.

On November 5, 2019, the District's voters approved for an annual increase in taxes of \$1,500,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

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.

SUPPLEMENTARY INFORMATION

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
ENTERPRISE FUND
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023**

Revenues:	\$ 95,569	
Other Financing Sources	111,211	
Total Revenues and Other Financing Sources - Budgetary Basis	206,780	
Developer Advance	(106,613)	
Total Revenues per Statement of Revenues, Expenses, and Changes in Net Position		\$ 100,167
Expenditures:	243,445	
Other Financing Uses	-	
Total Expenditures and Other Financing Sources - Budgetary Basis	243,445	
Depreciation Expense	36,851	
Interest Expense	3,912	
Loss on Disposal of Capital Assets	8,113	
Total Expenses per Statement of Revenues, Expenses, and Changes in Net Position		292,321
Change in Net Position per Statement of Revenues, Expenses, and Changes in Net Position		\$ (192,154)

OTHER INFORMATION

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

<u>Bonds and Interest Maturing in the Year Ending December 31.</u>	\$56,450,000 Limited Tax General Obligation Bonds Series 2021A Dated April 15, 2021 Interest Rate 5.000%		
	<u>Interest Due June 1, Principal and Interest Due December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 2,822,500	\$ 2,822,500
2025	-	2,822,500	2,822,500
2026	605,000	2,822,500	3,427,500
2027	655,000	2,792,250	3,447,250
2028	755,000	2,759,500	3,514,500
2029	800,000	2,721,750	3,521,750
2030	915,000	2,681,750	3,596,750
2031	965,000	2,636,000	3,601,000
2032	1,085,000	2,587,750	3,672,750
2033	1,150,000	2,533,500	3,683,500
2034	1,280,000	2,476,000	3,756,000
2035	1,355,000	2,412,000	3,767,000
2036	1,500,000	2,344,250	3,844,250
2037	1,580,000	2,269,250	3,849,250
2038	1,740,000	2,190,250	3,930,250
2039	1,835,000	2,103,250	3,938,250
2040	2,005,000	2,011,500	4,016,500
2041	2,115,000	1,911,250	4,026,250
2042	2,300,000	1,805,500	4,105,500
2043	2,425,000	1,690,500	4,115,500
2044	2,630,000	1,569,250	4,199,250
2045	2,775,000	1,437,750	4,212,750
2046	3,000,000	1,299,000	4,299,000
2047	3,155,000	1,149,000	4,304,000
2048	3,405,000	991,250	4,396,250
2049	3,585,000	821,000	4,406,000
2050	3,855,000	641,750	4,496,750
2051	8,980,000	449,000	9,429,000
	<u>8,980,000</u>	<u>449,000</u>	<u>9,429,000</u>
Total	<u>\$ 56,450,000</u>	<u>\$ 56,751,750</u>	<u>\$ 113,201,750</u>

**ROCKY MOUNTAIN RAIL PARK METROPOLITAN DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2020	\$ 27,860	10.000	50.000	\$ 1,672	\$ 1,672	100.00%
2021	680,770	10.000	50.000	40,846	40,847	100.00
2022	652,190	10.000	50.000	39,131	39,131	100.00
2023	3,222,200	10.000	50.023	193,406	193,207	99.90
Estimated for the Year Ending December 31, 2024	\$ 3,222,200	10.425	52.128	\$ 359,530		