

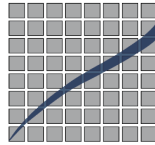
**VENTANA METROPOLITAN DISTRICT**  
**EL PASO COUNTY, COLORADO**

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
**Ventana Metropolitan District**  
El Paso County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Ventana 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 and each major fund of the District as of December 31, 2023, 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.

*BiggsKofford, P.C.*

Colorado Springs, Colorado

July 24, 2024

# VENTANA METROPOLITAN DISTRICT

## STATEMENT OF NET POSITION

DECEMBER 31, 2023

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 569,698
Cash and equivalents - restricted	880,962
Receivable from County Treasurer	3,978
Property tax receivable	671,137
Capital assets, net	9,030,881
Total assets	11,156,656
<b><u>LIABILITIES</u></b>	
Accounts payable	53,889
Accrued interest	57,146
Noncurrent liabilities:	
Due in more than one year	13,409,167
Total liabilities	13,520,202
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred property taxes	671,137
Total deferred inflows of resources	671,137
<b><u>NET POSITION</u></b>	
Net investment in capital assets	(570,396)
Restricted for:	
Debt service	1,287,695
Emergency reserve	15,500
Unrestricted	(3,767,482)
Total net position	\$ (3,034,683)

The accompanying notes and independent auditor's report  
should be read with these financial statements.

# VENTANA METROPOLITAN DISTRICT

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2023

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b><u>FUNCTIONS / PROGRAMS</u></b>					
Primary government					
Government activities:					
General government	\$ 843,408	\$ 351,164	\$ -	\$ -	\$ (492,244)
Interest and related costs on long-term debt	2,267,014	-	-	-	(2,267,014)
Total government activities	<u>\$ 3,110,422</u>	<u>\$ 351,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,759,258)</u>
<b><u>GENERAL REVENUES</u></b>					
Property taxes					494,678
Specific ownership taxes					51,786
Investment income					6,043
Other income					4,500
Total general revenues					557,007
Forgiveness of bond anticipation notes					2,907,025
Forgiveness of reimbursement agreement					764,111
Change in net position					1,468,885
Net position, beginning of year					(4,503,568)
Net position, end of year					<u>\$ (3,034,683)</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

# VENTANA METROPOLITAN DISTRICT

## BALANCE SHEETS - GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 569,698	\$ -	\$ -	\$ 569,698
Cash and equivalents - restricted	15,500	865,462	-	880,962
Receivable from County Treasurer	787	3,191	-	3,978
Property tax receivable	132,743	538,394	-	671,137
Due from other funds	-	476,188	338,509	814,697
<b>Total assets</b>	<b>\$ 718,728</b>	<b>\$ 1,883,235</b>	<b>\$ 338,509</b>	<b>\$ 2,940,472</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 53,889	\$ -	\$ -	\$ 53,889
Due to other funds	814,697	-	-	814,697
<b>Total liabilities</b>	<b>868,586</b>	<b>-</b>	<b>-</b>	<b>868,586</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred property taxes	132,743	538,394	-	671,137
<b>Total deferred inflows of resources</b>	<b>132,743</b>	<b>538,394</b>	<b>-</b>	<b>671,137</b>
<b><u>FUND BALANCES</u></b>				
Restricted for:				
Debt service	-	1,344,841	-	1,344,841
Emergency reserve	15,500	-	-	15,500
Assigned to:				
Capital projects	-	-	338,509	338,509
Unassigned:				
Unrestricted	(298,101)	-	-	(298,101)
<b>Total fund balances</b>	<b>(282,601)</b>	<b>1,344,841</b>	<b>338,509</b>	<b>1,400,749</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 718,728</b>	<b>\$ 1,883,235</b>	<b>\$ 338,509</b>	
Amounts reported in 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:				
Capital assets, net				9,030,881
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:				
Bonds payable				(13,409,167)
Accrued interest				(57,146)
<b>Net position of governmental activities</b>				<b>\$ (3,034,683)</b>

The accompanying notes and independent auditor's report should be read with these financial statements.

# VENTANA METROPOLITAN DISTRICT

## STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Park permit fees	\$ -	\$ -	\$ 33,986	\$ 33,986
Recreation center fees	243,677	-	-	243,677
Trash service	73,501	-	-	73,501
Property taxes	97,842	396,836	-	494,678
Specific ownership taxes	10,243	41,543	-	51,786
Investment income	1,269	4,774	-	6,043
Other income	4,500	-	-	4,500
<b>Total revenues</b>	<b>431,032</b>	<b>443,153</b>	<b>33,986</b>	<b>908,171</b>
<b>EXPENDITURES</b>				
Current:				
County Treasurer fees	1,468	5,953	-	7,421
Election	890	-	-	890
Insurance	26,579	-	-	26,579
Landscaping and maintenance	95,452	-	-	95,452
Management fees	51,934	-	-	51,934
Office supplies and postage	5,302	-	-	5,302
Operations	88,325	-	-	88,325
Other	4,891	-	-	4,891
Professional fees	64,061	-	-	64,061
Repair and maintenance	14,403	-	-	14,403
Supplies	9,866	-	-	9,866
Trash service	89,915	-	-	89,915
Utilities	60,752	-	-	60,752
Debt service:				
Principal payments on bond anticipation notes	-	8,832,574	-	8,832,574
Interest payments on bond anticipation notes	-	2,170,827	-	2,170,827
Interest payments on bonds	-	80,004	-	80,004
Interest payments on developer advances	-	974,988	-	974,988
Issuance costs	-	468,920	-	468,920
<b>Total expenditures</b>	<b>513,838</b>	<b>12,533,266</b>	<b>-</b>	<b>13,047,104</b>
<b>Excess of revenues over expenditures</b>	<b>(82,806)</b>	<b>(12,090,113)</b>	<b>33,986</b>	<b>(12,138,933)</b>

The accompanying notes and independent auditor's report should be read with these financial statements.

# VENTANA METROPOLITAN DISTRICT

## STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED) YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b><u>OTHER FINANCING SOURCES AND USES</u></b>				
Proceeds from bond issuance	\$ -	\$ 13,378,000	\$ -	\$ 13,378,000
Bad debt expense related to forgiveness of long-term obligations	-	-	(32,742)	(32,742)
Total other financing sources and uses	-	13,378,000	(32,742)	13,345,258
Net change in fund balances	(82,806)	1,287,887	1,244	1,206,325
Fund balances, beginning of year	(199,795)	56,954	337,265	194,424
Fund balances, end of year	<u>\$ (282,601)</u>	<u>\$ 1,344,841</u>	<u>\$ 338,509</u>	<u>\$ 1,400,749</u>

The accompanying notes and independent auditor's report should be read with these financial statements.

# VENTANA METROPOLITAN DISTRICT

## RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2023

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Net change in fund balances	\$ 1,206,325
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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 assets over the estimated useful lives of the assets. Capital outlay, the conveyance of capital assets to other governments, and depreciation expense in the current period are as follows:

<u>Depreciation</u>	(323,616)
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The issuance of long-term debt (such as bonds, leases, and developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

<u>Proceeds from bond issuance</u>	(13,378,000)
<u>Issuance of bond anticipation note</u>	(366,528)
<u>Bond anticipation notes principal payments</u>	8,832,574
<u>Bond anticipation notes forgiven</u>	2,907,025
<u>Developer advances forgiven</u>	738,692

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

<u>Change in accrued interest on bonds payable</u>	(88,313)
<u>Change in accrued interest on bond anticipation notes</u>	975,974
<u>Change in due from developer (netted in forgiveness of reimbursement agreement)</u>	32,742
<u>Change in accrued interest on developer advances (including forgiveness of \$58,161)</u>	932,010

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Change in net position	<u>\$ 1,468,885</u>
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The accompanying notes and independent auditor's report  
should be read with these financial statements.

# VENTANA METROPOLITAN DISTRICT

## GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL) YEAR ENDED DECEMBER 31, 2023

	Original, Amended, and Final Budget	Actual	Variance
<b>REVENUES</b>			
Recreation center fees	\$ 200,000	\$ 243,677	\$ 43,677
Trash service	90,000	73,501	(16,499)
Property taxes	97,830	97,842	12
Specific ownership taxes	6,848	10,243	3,395
Rental security deposit	2,000	-	(2,000)
Investment income	-	1,269	1,269
Other income	-	4,500	4,500
Total revenues	396,678	431,032	34,354
<b>EXPENDITURES</b>			
Contingency	10,000	-	10,000
County Treasurer fees	1,467	1,468	(1)
Election	8,000	890	7,110
Insurance	15,000	26,579	(11,579)
Landscaping and maintenance	85,000	95,452	(10,452)
Management fees	54,000	51,934	2,066
Other	3,000	4,891	(1,891)
Operations	78,000	88,325	(10,325)
Office supplies and postage	8,000	5,302	2,698
Professional fees	74,250	64,061	10,189
Repair and maintenance	15,000	14,403	597
Supplies	14,000	9,866	4,134
Trash service	65,000	89,915	(24,915)
Utilities	110,250	60,752	49,498
Total expenditures	540,967	513,838	27,129
Net change in fund balance	\$ (144,289)	(82,806)	\$ 61,483
Fund balance, beginning of year		(199,795)	
Fund balance, end of year		\$ (282,601)	

The accompanying notes and independent auditor's report should be read with these financial statements.

# VENTANA METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 1. DEFINITION OF REPORTING ENTITY

Ventana Metropolitan District ("District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was formed in February 2006, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado ("County"). The District was organized to provide storm sewer, street improvements, traffic safety protection, parks and recreation, mosquito control, security, trash services, and covenant enforcement/design review services.

The District follows 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, and 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 operational and administrative functions are contracted.

### 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. Material 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 assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

#### Measurement focus, basis of accounting, and financial statement position

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 when they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

See independent auditor's report.

# VENTANA METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2023

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The District reports the following major governmental funds:

The *general fund* accounts for all financial resources of the District except those required to be accounted for in another fund.

The *debt service fund* accounts for the servicing of general long-term debt and revenues generated and received by the District that are required to be used for repayment of debt.

The *capital projects fund* accounts for financial resources to be used for the acquisition and construction of capital equipment and facilities.

#### Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures, fund balance remaining, 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, 2023.

#### Pooled cash and investments

The District follows the practice of pooling cash and investments of funds to maximize investment earnings. Except when required by trust or other agreements, 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 balance.

#### 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 and attaches as an enforceable lien as of January 1 of the following year. The County Treasurer collects the taxes during the ensuing calendar year. The taxes are payable by April or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

Property taxes, net of estimated uncollectable amounts, are recorded initially as deferred revenues in the year they are levied and measurable. The deferred property tax revenues are recorded as revenues in the year they are available or collected.

#### Capital assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and a useful life greater than one year. Such assets are recorded at cost or estimated cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date of contribution.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of the assets, which range from 20 to 40 years.

See independent auditor's report.

# VENTANA METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2023

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Maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of depreciable assets, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is reflected in revenues or expenses.

Capital assets which are anticipated to be conveyed to other governmental entities are not depreciated or included in the calculation of net investment in capital assets component of the District's net position.

#### 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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### Interfund balances and transactions

The District reports interfund balances and transfers that are representative of lending and borrowing arrangements between funds in the fund financial statements as due to other funds and due from other funds, respectively. The interfund balances have been eliminated in the government-wide statements.

#### Net position and fund balances

##### *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 balances*

Fund balances for governmental funds are 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. 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:

The *nonspendable fund balance* is the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventories) or is legally or contractually required to be maintained intact.

The *restricted fund balance* is 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.

The *committed fund balance* is 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.

The *assigned fund balance* is 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.

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

See independent auditor's report.

**VENTANA METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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For fund presentation purposes, if more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

*General fund deficit*

The general fund reported a fund balance deficit as of December 31, 2023. The deficit is expected to be eliminated with the receipt of property taxes in the future.

Use of estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The District has evaluated subsequent events through the date of the attached independent auditor report, the date of these financial statements were available to be issued.

**3. CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 569,698
Cash and investments - restricted	<u>880,962</u>
	<u>\$ 1,450,660</u>

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2023, are as follows:

Deposits with financial institutions	\$ 585,198
Investments	<u>865,462</u>
	<u>\$ 1,450,660</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. The 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 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.

As of December 31, 2023, the District's cash deposits had a bank balance of \$582,260 and a carrying balance of \$585,198.

Investments

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

See independent auditor's report.

**VENTANA METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

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

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

- Obligations of the US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2023, the District had the following in investments:

Investment	Maturity	Amount
Morgan Stanley Institutional Liquidity Funds Treasury Portfolio	Weighted average under 50 days	\$ 865,462
Total investments		<u>\$ 865,462</u>

The Morgan Stanley Institutional Liquidity Funds Treasury Portfolio is a money market fund that is managed by Morgan Stanley, and each share is equal in value to \$1. The fund is rated AAAM and invests in high-quality, short-term US government securities. The average maturity of the underlying securities is 50 days or less.

See independent auditor's report.

# VENTANA METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, is as follows:

	Balance 01-01-23	Additions	Dispositions	Reclassifications	Balance 12-31-23
<u>Governmental activities</u>					
Capital assets, depreciable:					
Parks and recreation center	\$ 9,601,277	\$ -	\$ -	\$ -	\$ 9,601,277
Total capital assets, depreciable	9,601,277	-	-	-	9,601,277
Less accumulated depreciation:					
Parks and recreation center	(246,780)	(323,616)	-	-	(570,396)
Total accumulated depreciation	(246,780)	(323,616)	-	-	(570,396)
Capital assets, net	<u>\$ 9,354,497</u>	<u>\$ (323,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,030,881</u>

Depreciation expense for the year ended December 31, 2023, totaled \$323,616.

See independent auditor's report.

**VENTANA METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**5. LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt of the District during the year ended December 31, 2023:

	Balance 01-01-23	Additions	Repayments / Amortization / Forgiveness	Balance 12-31-23	Due Within One Year
Governmental activities:					
Bonds payable:					
Series 2023A Bonds	\$ -	\$ 10,550,000	\$ -	\$ 10,550,000	\$ -
Series 2023B Bonds	-	2,828,000	-	2,828,000	-
Interest accrued on Series 2023B Bonds	-	31,167	-	31,167	-
<b>Total bonds payable</b>	<b>-</b>	<b>13,409,167</b>	<b>-</b>	<b>13,409,167</b>	<b>-</b>
Direct placements:					
Bond anticipation notes	11,373,071	366,528	(11,739,599)	-	-
Accrued interest on bond anticipation notes payable	975,974	1,561,381	(2,537,355)	-	-
<b>Total direct placements</b>	<b>12,349,045</b>	<b>1,927,909</b>	<b>(14,276,954)</b>	<b>-</b>	<b>-</b>
Other long-term obligations:					
Developer advance - capital	738,692	-	(738,692)	-	-
Accrued interest on developer advance - capital	964,752	68,397	(1,033,149)	-	-
<b>Total other long-term obligations</b>	<b>1,703,444</b>	<b>68,397</b>	<b>(1,771,841)</b>	<b>-</b>	<b>-</b>
<b>Total long-term obligations</b>	<b>\$ 14,052,489</b>	<b>\$ 15,405,473</b>	<b>\$ (16,048,795)</b>	<b>\$ 13,409,167</b>	<b>\$ -</b>

Series 2023A General Obligation Bonds

On October 19, 2023, the District issued Series 2023A Limited Tax General Obligation Refunding and Improvement Bonds ("Series 2023A Bonds") for the purpose of: (i) paying the costs of public improvements (comprised of paying amounts due and owing under the OPRIC reimbursement agreements, as modified by the developer satisfaction agreement); (ii) pay a portion of the amount required to refund the outstanding bond anticipation notes (as such obligations are modified in accordance with the BAN satisfaction agreement); (iii) fund the reserve fund to the reserve requirement; (iv) fund capitalized interest on the bonds; and (v) pay other costs in connection with the issuance of the Series 2023A and Series 2023B Bonds. The Series 2023A Bonds were issued in the amount of \$10,550,000 and bear interest at 6.50%, payable to the extent of pledged revenues available on each June 1 and December 1, and mature on September 1, 2053. On December 1, 2055 no payments will be due and the Series 2023A Bonds will be deemed to be paid, satisfied, and discharged regardless of the amount of principal and interest paid prior to that date. Accordingly, the timing of repayment is uncertain and a maturity schedule is not included in these financial statements.

The Series 2023A Bonds are also secured by a Reserve Fund, which will be funded with proceeds of the Bonds in the amount of the reserve requirement of \$487,313, by capitalized interest in the amount of \$422,879, and by the surplus fund, which will not be funded as of the date of issuance of the bonds, but is required to be funded with excess pledged revenue, if any, up to the maximum surplus amount of \$1,055,000.

See independent auditor's report.

**VENTANA METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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*Series 2023A Pledged revenues*

The Series 2023A Bonds are payable solely from and to the extent of the pledged revenue, defined in the indenture to mean the following: (a) all senior property tax revenues (generally defined as all monies derived from the imposition by the District of the senior required mill levy); (b) all senior specific ownership tax revenues; and (c) any other legally available monies which the District determines, in its absolute discretion, to credit to the senior bond fund.

*Optional redemption of Series 2023A Bonds*

The Series 2023A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium on the principal amount redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2028 to November 30, 2029	3.00%
December 1, 2029 to November 30, 2030	2.00%
December 1, 2030 to November 30, 2031	1.00%
December 1, 2031 and thereafter	0.00%

The District's long-term obligations on the Series 2023A Bonds mature as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ -	\$ 685,750	\$ 685,750
2025	-	685,750	685,750
2026	15,000	685,750	700,750
2027	65,000	684,775	749,775
2028	85,000	680,550	765,550
2029-2033	615,000	3,305,250	3,920,250
2034-2038	1,090,000	3,047,525	4,137,525
2039-2043	1,710,000	2,618,200	4,328,200
2044-2048	2,620,000	1,952,275	4,572,275
2049-2053	4,350,000	929,906	5,279,906
Total	\$ 10,550,000	\$ 15,275,731	\$ 25,825,731

*Series 2023A 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 will constitute an event of default under the indenture:

- (a) The District fails or refuses to impose the senior required mill levy or to apply the pledged revenue as required by the indenture;
- (b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution and fails to remedy the same after notice thereof pursuant to the indenture; or
- (c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2023A Bonds.

See independent auditor's report.

**VENTANA METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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It is acknowledged in the Indenture that due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on the bonds when due will not, of itself, constitute an event of default under the indenture.

Upon the occurrence and continuance of an event of default, the trustee shall have the following rights and remedies which may be pursued:

- i. Receivership - Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the trustee and of the owners, the trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the trustee will be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to, the trustee.
- ii. Suit for judgment - The trustee may proceed to protect and enforce its rights and the rights of the owners by such suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.
- iii. Mandamus or other suit - The trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the owners.

Notwithstanding the foregoing, acceleration will not be an available remedy for an event of default.

*Series 2023B General Obligation Bonds*

On October 19, 2023, the District issued Series 2023B Subordinate Limited Tax General Obligation Refunding Bonds ("Series 2023B Bonds") for the purpose of paying a portion of the amount required to refund the outstanding bond anticipation notes. The Series 2023B Bonds were issued in the amount of \$2,828,000 and bear interest at 5.50%, with interest payable to the extent of pledged revenues available on December 15, and mature on September 15, 2053. On December 5, 2055 the bonds and the lien of the indenture securing payment thereof will be deemed discharged, the estate and rights hereby granted will cease, terminate, and be void, and thereupon the trustee will cancel and discharge the lien of the indenture, and execute and deliver to the District such instruments in writing as will be required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the Bonds remaining unpaid. Accordingly, the timing of repayment is uncertain and a maturity schedule is not included in these financial statements.

*Series 2023B Bonds subordinate pledged revenue*

The Series 2023B Bonds are payable solely from and to the extent of the subordinate pledged revenue, defined in the indenture to mean the following: (a) all subordinate property tax revenues; (b) all subordinate specific ownership tax revenues; and (c) any other legally available monies which the District determines, in its absolute discretion, to credit to the subordinate bond fund.

See independent auditor's report.

**VENTANA METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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*Optional redemption of Series 2023B Bonds*

The Series 2023B Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium on the principal amount redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2028 to November 30, 2029	3.00%
December 1, 2029 to November 30, 2030	2.00%
December 1, 2030 to November 30, 2031	1.00%
December 1, 2031 and thereafter	0.00%

*Series 2023B Bonds 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 will constitute an event of default under the indenture:

- (a) The District fails or refuses to impose the subordinate required mill levy or to apply the subordinate pledged revenue as required by this indenture;
- (b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in this indenture or the bond resolution, and fails to remedy the same after notice; or
- (c) 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 subordinate pledged revenue, the failure to pay the principal of or interest on the Series 2023B Bonds when due will not, of itself, constitute an event of default hereunder.

Upon the occurrence and continuance of an event of default, the trustee shall have the following rights and remedies which may be pursued:

- i. Receivership - Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the trustee and of the owners, the trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to, the trustee.
- ii. Suit for judgment - The trustee may proceed to protect and enforce its rights and the rights of the owners by such suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.
- iii. Mandamus or other suit - The trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the owners.

Notwithstanding the foregoing, acceleration will not be an available remedy for an event of default.

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**VENTANA METROPOLITAN DISTRICT**  
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Bond anticipation notes payable

On December 3, 2015, the District entered into an agreement with CH Metrobonds, LLC, a developer. The developer agreed to advance funds to the District for construction of certified eligible public improvements within the boundaries of the District. The advances were evidenced by subordinated promissory notes bearing interest at a rate of 8.00% per annum with each draw maturing five years from the draw date and subject to redemption prior to maturity upon the District's issuance of general obligation or revenue bonds or from any legally available revenues available to the District. In the event the notes were not repaid by the maturity dates they continue to accrue interest. Through December 31, 2023, draws were as follows:

Draw Date	Maturity Date	Amount
12/07/2015	12/06/2020	\$ 450,450
02/03/2017	02/02/2022	999,950
09/18/2018	09/17/2023	3,014,000
05/02/2022	12/31/2022	6,908,671
08/03/2023	08/02/2024	366,528

On August 3, 2023, the District drew \$366,528 of additional bond anticipation notes that paid off corresponding accrued interest on the aggregate bond anticipation notes ("BANs").

On October 19, 2023, the District and CH Metrobonds entered into an acknowledgement and agreement regarding satisfaction of BANs. The District and CH Metrobonds entered into this agreement for the purpose of evidencing their agreement for the full payment and satisfaction of the outstanding BANs. The acknowledgement and agreement stipulated that \$11,739,599 of aggregate principal and \$2,170,827 of accrued interest totaling \$13,910,426 were outstanding on the BANs. Per the acknowledgement and agreement, proceeds from the Series 2023A Bonds in the amount of \$8,175,401 and the delivery of the Series 2023B Bonds in the amount of \$2,828,000, for total consideration of \$11,003,401, represented full payment of the outstanding BANs. The difference between the total amount outstanding of \$13,910,426 and total consideration of \$11,003,401 represents forgiveness of the bond anticipation notes of \$2,907,025.

Reimbursement agreement

Before January 1, 2023, The District entered into a reimbursement agreement with Old Pueblo Road Investment Company, LLC, a developer, under which the District agreed to reimburse the developer for the cost of formation and railroad crossing improvements that benefit the District and development within the District. The District agreed to repay such advances plus accrued interest at 8.00% per annum, compounding annually. Principal and interest were due at the District's discretion and depending on the availability of revenues. On October 12, 2023, the rights to the reimbursement agreement were assigned to CH Metrobonds, LLC.

On October 19, 2023, the District and CH Metrobonds entered into an acknowledgement and agreement regarding satisfaction of this reimbursement obligation. The District and CH Metrobonds entered into this agreement for the purpose of evidencing their agreement for the full payment and satisfaction of the reimbursement agreement. The acknowledgement and agreement stipulated that \$428,659 in principal advances and \$1,033,149 of accrued interest totaling \$1,771,841 were outstanding on the reimbursement agreement. Per the acknowledgement and agreement, proceeds from the Series 2023A Bonds in the amount of \$974,988 represented full payment of the outstanding balance of the reimbursement agreement. In addition, the District had previously recorded \$738,692 in principal advances which exceeded the \$428,659 in principal advances acknowledged in the agreement. The District also had previously recorded a receivable from CH Metrobonds as due from the developer in the amount of \$32,742. The total net amount due to the developer and from the developer was \$1,739,099. The difference between the \$1,739,099 recorded and the \$974,988 of payments on the outstanding balance represents forgiveness of the reimbursement agreement of \$764,111.

See independent auditor's report.

# VENTANA METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### Debt authorization

As of December 31, 2023, the District's debt authorized, authorization used, and amounts authorized but unissued are as follows:

	<u>Electoral Authorization</u>	<u>Service Plan Authorization</u>
Amount authorized	\$ 105,000,000	\$ 15,000,000
Authorization used:		
Bond anticipation notes	(11,739,599)	(11,739,599)
Bond anticipation notes refunding	-	11,739,599
Series 2023A Bonds	<u>(1,827,613)</u>	<u>(1,827,613)</u>
Authorized but unissued indebtedness	<u>\$ 91,432,788</u>	<u>\$ 13,172,387</u>

On November 5, 2002, the District's voters authorized the issuance of indebtedness at an interest rate not to exceed 12%. The service plan set the maximum mill levy at 40 mills.

## 6. NET POSITION

The District has net position consisting of: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2023, the District's net investment in capital assets was as follows:

Net investment in capital assets:	
Capital assets, net	\$ 9,030,881
Related long-term obligations	<u>(9,601,277)</u>
Net investment in capital assets	<u>\$ (570,396)</u>

Restricted net position includes balances with external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2023 as follows:

Restricted net position:	
Debt service (Note 5)	\$ 1,287,695
Emergency reserve (Note 12)	<u>15,500</u>
	<u>\$ 1,303,195</u>

The District had an unrestricted net position deficit. This deficit is a result of the District being responsible for repayment of debt issued for public improvements.

## 7. RELATED PARTIES

Members of the board of directors of the District are employees, owners of, or are otherwise associated with the Rivers Ventana, LLC, and may have conflicts of interest in dealing with the District.

See independent auditor's report.

# VENTANA METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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### 8. AGREEMENTS

#### *Park and Open Space Dedication Credit Agreement*

On August 12, 2014, and as amended December 19, 2017, the District entered into a park and open space dedication agreement with Rivers Ventana, LLC. As part of the agreement, Rivers Ventana, LLC agreed to construct park improvements on behalf of the District, and the District agreed to accept and maintain the park improvements after they were completed. As part of the agreement the District also agreed to impose a park permit fee (Note 9).

#### *Intergovernmental agreement with City of Fountain*

On July 14, 2023, the District entered into an intergovernmental agreement with the City of Fountain in which the District agreed to provide, at no cost to the City of Fountain, vegetation control services for a portion of open space owned by the City of Fountain within the District's boundaries.

### 9. FEES

#### *Park permit fee*

On August 12, 2014, and as amended December 18, 2023, pursuant to a park and open space dedication credit agreement (note 8) and 32-1-1001(1)(j)(I), the District assessed a one-time park permit fee order to pay the expenses associated with the maintenance of the park, trails, and open spaces within the District's boundaries. As of December 31, 2023, the park permit fee is assessed in the amount of \$2,412 per residence.

#### *Recreation center fees*

On April 5, 2016, and as amended December 18, 2023, pursuant to 32-1-1001(1)(j)(I), the District approved a resolution for the imposition of a recreation center fee on residents within the District's boundaries. As of December 31, 2023, the recreation center fee is imposed at a rate of \$38.00 per home per month.

#### *Trash service and collection fee*

On April 5, 2016, and as amended August 15, 2022, pursuant to 32-1-1001(1)(j)(I), the District approved a resolution for the imposition of a trash service and collection fee. As of December 31, 2023, the trash service and collection fee is imposed at a rate of \$16.85 for two bins monthly.

### 10. ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational and capital expenditures and meet debt service requirements. Until an independent revenue base is established, continuation of operations in the District and construction of public improvements will be dependent upon funding by developer contributions or the issuance of debt.

### 11. RISK MANAGEMENT

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

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

See independent auditor's report.

# VENTANA METROPOLITAN DISTRICT

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

### 12. TAX, SPENDING, AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. On May 2, 2006, the District's voters approved a ballot issue allowing the District to retain all revenues.

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.

District management believes the District 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 likely require judicial interpretation.

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See independent auditor's report.

## **SUPPLEMENTARY INFORMATION**

# VENTANA METROPOLITAN DISTRICT

## DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Property taxes	\$ 396,787	\$ 396,787	\$ 396,836	\$ 49
Specific ownership taxes	27,775	27,775	41,543	13,768
Investment income	-	780	4,774	3,994
<b>Total revenues</b>	<b>424,562</b>	<b>425,342</b>	<b>443,153</b>	<b>17,811</b>
<b>EXPENDITURES</b>				
County Treasurer fees	5,952	5,952	5,953	(1)
Paying agent fees	4,000	-	-	-
Principal payments on bond anticipation notes	9,913,270	9,022,844	8,832,574	190,270
Interest payments on bonds	-	-	80,004	(80,004)
Interest payments on bond anticipation notes	321,000	2,797,159	2,170,827	626,332
Interest payments on developer advances	1,300,000	428,659	974,988	(546,329)
Issuance costs	589,000	499,420	468,920	30,500
<b>Total expenditures</b>	<b>12,133,222</b>	<b>12,754,034</b>	<b>12,533,266</b>	<b>220,768</b>
<b>Excess of revenues over expenditures</b>	<b>(11,708,660)</b>	<b>(12,328,692)</b>	<b>(12,090,113)</b>	<b>238,579</b>
<b>OTHER FINANCING SOURCES AND USES</b>				
Proceeds from bond issuance	12,123,270	13,378,000	13,378,000	-
Transfer from other fund	-	17,627	-	(17,627)
<b>Total other financing sources and uses</b>	<b>12,123,270</b>	<b>13,395,627</b>	<b>13,378,000</b>	<b>(17,627)</b>
<b>Net change in fund balance</b>	<b>\$ 414,610</b>	<b>\$ 1,066,935</b>	<b>1,287,887</b>	<b>\$ 220,952</b>
Fund balance, beginning of year			56,954	
Fund balance, end of year			<b>\$ 1,344,841</b>	

See independent auditor's report.

# VENTANA METROPOLITAN DISTRICT

## CAPITAL PROJECTS FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL) YEAR ENDED DECEMBER 31, 2023

	Original, Amended, and Final Budget	Actual	Variance
<b>REVENUES</b>			
Park permit fees	\$ 21,816	\$ 33,986	\$ 12,170
Total revenues	21,816	33,986	12,170
<b>EXPENDITURES</b>			
Capital outlay	5,672	-	5,672
Total expenditures	5,672	-	5,672
Excess of revenues over expenditures	16,144	33,986	17,842
<b>OTHER FINANCING SOURCES AND USES</b>			
Bad debt expense related to forgiveness of long-term obligations	-	(32,742)	(32,742)
Total other financing sources and uses	-	(32,742)	(32,742)
Net change in fund balance	\$ 16,144	1,244	\$ (14,900)
Fund balance, beginning of year		337,265	
Fund balance, end of year		\$ 338,509	

See independent auditor's report.