

**VENTANA METROPOLITAN DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**VENTANA METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	24
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL	25
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	27
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	28

**VENTANA METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

ANNUAL DISCLOSURE INFORMATION

HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT	30
PROPERTY TAX COLLECTIONS IN THE DISTRICT	31
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT	32
TEN LARGEST OWNERS OF PROPERTY WITHIN THE DISTRICT	33
DIRECT DEBT RATIO OF THE DISTRICT	34



BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ventana Metropolitan District
El Paso County, Colorado

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2024, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 10, these financial statements have been restated to correct for adjustments made to the previously issued December 31, 2023 financial statements. Our opinion is not modified with respect to that matter.

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
January 29, 2026

BASIC FINANCIAL STATEMENTS

**VENTANA METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 37,021
Cash and Investments - Restricted	1,277,707
Accounts Receivable	51,922
Prepaid Insurance	13,578
Receivable from County Treasurer	5,155
Property Tax Receivable	922,049
Capital Assets:	
Capital Assets Net of Depreciation	8,662,729
Total Assets	<u>10,970,161</u>
LIABILITIES	
Accounts Payable	34,879
Payroll Liabilities Payable	355
Prepaid Homeowner Fees	15,717
Accrued Interest	57,146
Noncurrent Liabilities:	
Due in More Than One Year	13,566,764
Total Liabilities	<u>13,674,861</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	922,049
Total Deferred Inflows of Resources	<u>922,049</u>
NET POSITION	
Net Investment in Capital Assets	(4,715,271)
Restricted for:	
Emergency Reserve	15,300
Debt Service	712,098
Unrestricted	<u>361,124</u>
Total Net Position	<u>\$ (3,626,749)</u>

See accompanying Notes to Basic Financial Statements.

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

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 373,297	\$ 357,080	\$ -	\$ -	\$ (16,217)
Parks and Open Space Maintenance	157,150	-	-	-	(157,150)
Interest on Long-Term Debt and Related Costs	1,167,849	-	-	-	(1,167,849)
Total Governmental Activities	\$ 1,698,296	\$ 357,080	\$ -	\$ -	(1,341,216)
GENERAL REVENUES					
Property Taxes					670,510
Specific Ownership Taxes					63,010
Senate Bill Reimbursement					5,789
Interest Income					55,267
Impairment Loss Of Asset					(43,650)
Total General Revenues and Transfers					750,926
CHANGES IN NET POSITION					(590,290)
Net Position - Beginning, As Originally Reported					(3,034,683)
Restatement					(1,776)
Net Position - Beginning of Year, As Restated					(3,036,459)
NET POSITION - END OF YEAR					\$ (3,626,749)

See accompanying Notes to Basic Financial Statements.

**VENTANA METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and Investments	\$ 37,021	\$ -	\$ -	\$ 37,021
Cash and Investments - Restricted	16,100	1,261,607	-	1,277,707
Receivable from County Treasurer	1,020	4,135	-	5,155
Accounts Receivable	51,922	-	-	51,922
Due from Other Funds	-	-	338,509	338,509
Prepaid Insurance	13,578	-	-	13,578
Property Tax Receivable	184,404	737,645	-	922,049
Total Assets	<u>\$ 304,045</u>	<u>\$ 2,003,387</u>	<u>\$ 338,509</u>	<u>\$ 2,645,941</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 34,879	\$ -	\$ -	\$ 34,879
Due to Other Funds	338,509	-	-	338,509
Prepaid Homeowner Fees	15,717	-	-	15,717
Payroll Liabilities Payable	355	-	-	355
Total Liabilities	389,460	-	-	389,460
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	184,404	737,645	-	922,049
Total Deferred Inflows of Resources	184,404	737,645	-	922,049
FUND BALANCES				
Nonspendable:				
Prepaid Expense	13,578	-	-	13,578
Restricted for:				
Emergency Reserves	15,300	-	-	15,300
Debt Service	-	1,265,742	-	1,265,742
Capital Projects	-	-	338,509	338,509
Assigned to:				
Subsequent Year's Expenditures	13,403	-	-	13,403
Unassigned	(312,100)	-	-	(312,100)
Total Fund Balances	(269,819)	1,265,742	338,509	1,334,432
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 304,045</u>	<u>\$ 2,003,387</u>	<u>\$ 338,509</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

8,662,729

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

Accrued Interest

(245,910)

Bonds Payable - Series 2023A

(10,550,000)

Bonds Payable - Series 2023B

(2,828,000)

Net Position of Governmental Activities

\$ (3,626,749)

See accompanying Notes to Basic Financial Statements.

**VENTANA METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 132,619	\$ 537,891	\$ -	\$ 670,510
Specific Ownership Taxes	12,463	50,547	-	63,010
Interest Income	1,251	54,016	-	55,267
Homeowner Fees	261,003	-	-	261,003
Senate Bill Reimbursement	5,789	-	-	5,789
Trash Service Fees	96,077	-	-	96,077
Total Revenues	<u>509,202</u>	<u>642,454</u>	<u>-</u>	<u>1,151,656</u>
EXPENDITURES				
Current:				
Accounting	13,920	-	-	13,920
Auditing	9,600	-	-	9,600
Banking Fees	52	-	-	52
Community Center - Payroll	6,118	-	-	6,118
County Treasurer's Fee	2,009	8,147	-	10,156
Covenant Enforcement	9,900	-	-	9,900
District Management	54,016	-	-	54,016
Dues And Membership	916	-	-	916
Payroll Expense	45,502	-	-	45,502
Mileage Reimbursement	55	-	-	55
Rec Center - Supplies	2,601	-	-	2,601
Inspections	680	-	-	680
Office Supplies	7,080	-	-	7,080
Fire Protection	854	-	-	854
Internet	2,373	-	-	2,373
Insurance	25,913	-	-	25,913
Landscaping	78,777	-	-	78,777
Legal	17,824	-	-	17,824
Miscellaneous	12,739	-	-	12,739
Payroll Taxes	3,855	-	-	3,855
Repairs And Maintenance	36,486	-	-	36,486
Parks And Recreation	600	-	-	600
Snow Removal	451	-	-	451
Trash Collection	89,542	-	-	89,542
Treatment Costs	14,423	-	-	14,423
Treatment Supplies	8,895	-	-	8,895
Utilities	76,919	-	-	76,919
Website	200	-	-	200
Debt Service:				
Bond Interest	-	685,750	-	685,750
Total Expenditures	<u>522,300</u>	<u>693,897</u>	<u>-</u>	<u>1,216,197</u>
NET CHANGE IN FUND BALANCES	(13,098)	(51,443)	-	(64,541)
Fund Balance - Beginning, As Originally Reported	(282,601)	1,344,841	338,509	1,400,749
Adjustment/Restatement	25,880	(27,656)	-	(1,776)
Fund Balances - Beginning of Year, As Restated	<u>(256,721)</u>	<u>1,317,185</u>	<u>338,509</u>	<u>1,398,973</u>
FUND BALANCES - END OF YEAR	<u>\$ (269,819)</u>	<u>\$ 1,265,742</u>	<u>\$ 338,509</u>	<u>\$ 1,334,432</u>

See accompanying Notes to Basic Financial Statements.

**VENTANA METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (64,541)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Depreciation Expense	(324,502)
Impairment Loss on Capital Asset	(43,650)

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

Accrued Interest Payable - Change in Liability	(157,597)
--	-----------

Changes in Net Position of Governmental Activities	\$ (590,290)
--	--------------

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

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 132,743	\$ 132,619	\$ (124)
Specific Ownership Taxes	9,292	12,463	3,171
Interest Income	-	1,251	1,251
Park Permit Fee	72,360	-	(72,360)
Rental Security Deposit	4,000	-	(4,000)
Senate Bill Reimbursement	-	5,789	5,789
Homeowner Fees	210,672	261,003	50,331
Trash Service Fees	93,416	96,077	2,661
Total Revenues	<u>522,483</u>	<u>509,202</u>	<u>(13,281)</u>
EXPENDITURES			
Accounting	-	13,920	(13,920)
Auditing	9,500	9,600	(100)
Banking Fees	10	52	(42)
Payroll Expense	92,622	45,502	47,120
Community Center - Payroll	-	6,118	(6,118)
Contingency	9,998	-	9,998
County Treasurer's Fee	1,991	2,009	(18)
Covenant Enforcement	39,600	9,900	29,700
District Management	50,400	54,016	(3,616)
Dues And Membership	1,500	916	584
Rental Security Deposit Refund	4,000	-	4,000
Fire Protection	-	854	(854)
Insurance	15,000	25,913	(10,913)
Landscaping	60,000	78,777	(18,777)
Legal	15,000	17,824	(2,824)
Miscellaneous	-	12,739	(12,739)
Rec Center - Utilities	45,000	-	45,000
Parks And Recreation	-	600	(600)
Payroll Taxes	-	3,855	(3,855)
Mileage Reimbursement	-	55	(55)
Repairs And Maintenance	70,700	36,486	34,214
Rec Center - Supplies	4,500	2,601	1,899
Rec Center - Equipment Maintenance	4,000	-	4,000
Inspections	295	680	(385)
Snow Removal	-	451	(451)
Office Supplies	8,000	7,080	920
Trash Collection	94,429	89,542	4,887
Treatment Costs	-	14,423	(14,423)
Treatment Supplies	10,000	8,895	1,105
Utilities	70,000	76,919	(6,919)
Internet	-	2,373	(2,373)
Website	-	200	(200)
Total Expenditures	<u>606,545</u>	<u>522,300</u>	<u>84,245</u>
NET CHANGE IN FUND BALANCE	(84,062)	(13,098)	70,964
Fund Balance - Beginning, As Originally Reported	89,051	(282,601)	(371,652)
Adjustment/Restatement	-	25,880	25,880
Fund Balances - Beginning of Year, As Restated	<u>89,051</u>	<u>(256,721)</u>	<u>(345,772)</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,989</u>	<u>\$ (269,819)</u>	<u>\$ (274,808)</u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Ventana Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District court for El Paso County in February 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). 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 the Governmental Accounting Standards Board (GASB) pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

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 property taxes and intergovernmental revenues.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

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 and investments.

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 sales 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 property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Depreciation on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

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

Accounts Receivable

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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.

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. The balance owed to the capital projects fund from the general fund will be removed through a transfer from the capital projects fund to the general fund once the Board approves such transfer.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

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.

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2024. The deficit will be eliminated with the execution of a transfer from the Capital Projects Fund Interfund Balances and Transactions section.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Park Permit Fee

On August 12, 2014, and as amended December 18, 2023, pursuant to a park and open space dedication credit agreement and 32-1-1001(1)(j)(l), 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. The Park Permit Fee is assessed in the amount of \$2,412 per residence. The District did not collect this fee in 2024.

Recreation Center Fee

On April 5, 2016, and as amended December 18, 2023, pursuant to 32-1-1001(1)(j)(l), the district approved a resolution for the imposition of a recreation center fee on residents within the District's boundaries. The recreation center fee was imposed at a rate of \$114 per home per quarter in 2024.

Trash Collection and Service Fee

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 37,021
Cash and Investments - Restricted	<u>1,277,707</u>
Total Cash and Investments	<u><u>\$ 1,314,728</u></u>

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

Deposits with Financial Institutions	\$ 86,915
Investments	<u>1,227,813</u>
Total Cash and Investments	<u><u>\$ 1,314,728</u></u>

Deposits with Financial Institutions

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

At December 31, 2024, the District's cash deposits had a bank balance and a carrying balance of \$86,915.

Investments

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

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

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

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Morgan Stanley Institutional Liquidity Funds Treasury (MSILFT)	Weighted-Average Under 60 Days	\$ 1,227,813
Total		<u>\$ 1,227,813</u>

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Morgan Stanley Institutional Liquidity Funds Treasury

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.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Being Depreciated:				
Parks and Recreation	\$ 9,601,277	\$ -	\$ 48,500	\$ 9,552,777
Total Capital Assets, Being Depreciated	9,601,277	-	48,500	9,552,777
Less Accumulated Depreciation for:				
Accumulated Depreciation - Parks and Rec	570,396	324,502	4,850	890,048
Total Accumulated Depreciation	570,396	324,502	4,850	890,048
Governmental Activities Capital Assets, Net	<u>\$ 9,030,881</u>	<u>\$ (324,502)</u>	<u>\$ 43,650</u>	<u>\$ 8,662,729</u>

NOTE 5 IMPAIRMENT OF CAPITAL ASSETS

During the year ended December 31, 2024, the District determined that the roof of its recreation building had experienced a permanent decline in service utility as defined under GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets. The impairment resulted from physical damage identified during the year, which required full replacement of the roof in early 2025.

The impaired roof had an estimated historical cost of approximately \$48,500, and accumulated depreciation of approximately \$4,850 as of December 31, 2024. The District recognized an impairment loss of \$43,650, representing the carrying value of the asset that could no longer provide service utility to the District.

The District received an insurance reimbursement of \$60,560 related to this event subsequent to December 31, 2024.

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

NOTE 6 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable:					
Limited Tax General Obligation Series 2023A	\$ 10,550,000	\$ -	\$ -	\$ 10,550,000	\$ -
Subordinate Limited Tax General Obligation Series 2023B	2,828,000	-	-	2,828,000	-
Accrued Interest Series 2023B	31,167	157,597	-	188,764	-
Subtotal Bonds Payable	<u>13,409,167</u>	<u>157,597</u>	<u>-</u>	<u>13,566,764</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 13,409,167</u>	<u>\$ 157,597</u>	<u>\$ -</u>	<u>\$ 13,566,764</u>	<u>\$ -</u>

The details of the District's general obligation bonds outstanding during 2024 are as follows:

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023A

Bond Proceeds

The District issued the Series 2023A Bonds on October 19, 2023, in the par amount of \$10,550,000. Proceeds from the sale of the Series 2023A Bonds were used to: (i) pay 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.

Details of the Bonds

The Series 2023A Bonds bear interest at the rate of 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.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023A
(Continued)**

Optional Redemption

The Series 2023A Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 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

Pledged Revenue

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.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy on all taxable property of the District each year in an amount equal to 50 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after January 1, 2006) or such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Bonds Fund, will pay the Bonds in full in the year such levy is collected.

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.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023A
(Continued)**

Remedies in the Event of Default

- a) Receivership – Upon the filing of a bill in equity or other commencement of judicial proceeding 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 the 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 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.
- b) 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.
- c) 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.

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023B

Details of the 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 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.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023B
(Continued)**

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.

Optional Redemption

The Series 2023B Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 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

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 2023B Bonds.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Bonds, Series 2023B
(Continued)**

Remedies in the Event of Default

- a) Receivership – Upon the filing of a bill in equity or other commencement of judicial proceeding 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 the 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 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.
- b) 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.
- c) 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.

Authorized Debt

On May 2, 2006, the District's voters authorized the issuance of \$105,000,000 indebtedness at an interest rate not to exceed 12%. They have authorized but unissued indebtedness of \$91,622,000 after the issuance of the 2023 Bonds. The District's Service Plan further restricts the debt limitation to \$15,000,000 and sets a maximum mill levy at 40 mills, adjusted.

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

NOTE 7 NET POSITION

The District has net position consisting of three components – 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 balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 8,662,729
Less:	
Outstanding Principal of Capital Related Debt	<u>(13,378,000)</u>
Net Investment in Capital Assets	<u><u>\$ (4,715,271)</u></u>

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

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 15,300
Debt Service Reserve	<u>712,098</u>
Total Restricted Net Position	<u><u>\$ 727,398</u></u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, of which a significant portion of these improvements will be conveyed to other governmental entities, and which costs will be removed from the District’s financial records.

NOTE 8 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.

CH Metro Bonds, LLC, a related entity to Rivers Ventana, LLC, holds the Subordinate Bonds.

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

NOTE 9 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.

Intergovernmental agreement with the 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.

NOTE 10 RESTATEMENT

The District restated the beginning net position (government-wide) and the opening balances of the General Fund and Debt Service Fund to recognize additional accrued current liabilities recorded in 2023 that will be settled in 2024 and to correct a prior-year reporting error.

The effect of the restatement is as follows:

Net Position, as Originally Stated at December 31, 2023	\$ (3,034,683)
Adjustment for the Bond Issue Costs	(27,656)
Adjustment for Insurance Costs Included in Error	25,880
Net Position, as Restated on January 1, 2024	<u><u>\$ (3,036,459)</u></u>
General Fund Ending Balance, as Originally Stated at December 31, 2023	\$ (282,601)
Adjustment for Insurance Costs Included in Error	25,880
Ending Fund Balance, as Restated January 1, 2024	<u><u>\$ (256,721)</u></u>
Debt Service Ending Fund Balance, as Originally Stated at December 31, 2023	\$ 1,344,841
Adjustment for the Bond Issue Costs	(27,656)
Ending Fund Balance, as Restated January 1, 2024	<u><u>\$ 1,317,185</u></u>

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

NOTE 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 (the 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 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 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.

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. On May 6, 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.

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

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

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 538,394	\$ 537,891	\$ (503)
Specific Ownership Taxes	37,688	50,547	12,859
Interest Income	750	54,016	53,266
Total Revenues	<u>576,832</u>	<u>642,454</u>	<u>65,622</u>
EXPENDITURES			
County Treasurer's Fee	8,076	8,147	(71)
Paying Agent Fees	4,000	-	4,000
Bond Interest	685,750	685,750	-
Total Expenditures	<u>697,826</u>	<u>693,897</u>	<u>3,929</u>
NET CHANGE IN FUND BALANCE	(120,994)	(51,443)	69,551
Fund Balance - Beginning, As Originally Reported	167,888	1,344,841	1,176,953
Adjustment/Restatement	<u>-</u>	<u>(27,656)</u>	<u>(27,656)</u>
Fund Balances - Beginning of Year, As Restated	<u>167,888</u>	<u>1,317,185</u>	<u>1,149,297</u>
FUND BALANCE - END OF YEAR	<u>\$ 46,894</u>	<u>\$ 1,265,742</u>	<u>\$ 1,218,848</u>

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

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	-	-	-
Total Other Financing Sources	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	16,144	338,509	322,365
FUND BALANCE - END OF YEAR	<u>\$ 16,144</u>	<u>\$ 338,509</u>	<u>\$ 322,365</u>

OTHER INFORMATION

**VENTANA METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2019/2020	\$ 4,930,700	0.00%	11.132	40.559	51.691	\$ 254,873	\$ 251,183	98.55 %
2020/2021	7,071,740	43.42%	11.132	40.559	51.691	365,545	357,710	97.86 %
2021/2022	9,549,490	35.04%	11.132	40.559	51.691	493,623	493,409	99.96 %
2022/2023	9,782,970	2.44%	10.000	40.559	50.559	494,617	494,678	100.01 %
2023/2024	13,274,340	35.69%	10.000	40.559	50.559	671,137	671,138	100.00 %
Estimated for Year Ending December 31, 2025	\$ 13,913,100	4.81%	13.254	53.018	66.272	\$ 922,049		

Note:

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

Source: El Paso County Assessor and Treasurer.

**VENTANA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

	\$10,550,000 Limited Tax General Obligation Refunding & Improvement Bonds Series 2023A, Dated October 19, 2023 Interest Rate 6.500% Interest Payable June 1 and December 1 Principal Payable December 1		
Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	Principal	Interest	Total
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	90,000	675,025	765,025
2030	110,000	669,175	779,175
2031	120,000	662,025	782,025
2032	145,000	654,225	799,225
2033	150,000	644,800	794,800
2034	180,000	635,050	815,050
2035	190,000	623,350	813,350
2036	220,000	611,000	831,000
2037	235,000	596,700	831,700
2038	265,000	581,425	846,425
2039	280,000	564,200	844,200
2040	315,000	546,000	861,000
2041	340,000	525,525	865,525
2042	375,000	503,425	878,425
2043	400,000	479,050	879,050
2044	445,000	453,050	898,050
2045	475,000	424,125	899,125
2046	525,000	393,250	918,250
2047	560,000	359,125	919,125
2048	615,000	322,725	937,725
2049	650,000	282,750	932,750
2050	715,000	240,500	955,500
2051	760,000	194,025	954,025
2052	830,000	144,625	974,625
2053	1,395,000	68,006	1,463,006
Total	\$ 10,550,000	\$ 14,589,981	\$ 25,139,981

**ANNUAL DISCLOSURE INFORMATION
(UNAUDITED)**

**VENTANA METROPOLITAN DISTRICT
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT
DECEMBER 31, 2024**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>General Fund Mill Levy</u>	<u>Debt Service Mill Levy</u>
2019	2020	\$ 4,930,700	-	11.132	40.559
2020	2021	7,071,740	43.42	11.132	40.559
2021	2022	9,549,490	35.04	11.132	40.559
2022	2023	9,782,970	2.44	10.000	40.559
2023	2024	13,274,340	35.69	10.000	40.559
2024	2025	13,913,100	4.81	13.254	53.018

**VENTANA METROPOLITAN DISTRICT
PROPERTY TAX COLLECTIONS IN THE DISTRICT
DECEMBER 31, 2024**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Current Tax Collection*</u>	<u>Collection Rate</u>
2019	2020	\$ 254,873	\$ 251,183	98.55 %
2020	2021	365,545	357,710	97.86
2021	2022	493,623	493,409	99.96
2022	2023	494,617	494,678	100.01
2023	2024	671,137	671,138	100.00
2024	2025	922,049	515,053	55.86

*Collections are through April 30, 2025 based on information from the El Paso County Assessor.

**VENTANA METROPOLITAN DISTRICT
 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
 DECEMBER 31, 2024**

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2024		
Vacant	\$ 723,840	5.20 %
Commercial	4,980	0.04
State Assessed	46,500	0.33
Residential	13,137,780	94.43
Total	<u>\$ 13,913,100</u>	<u>100.00 %</u>

**VENTANA METROPOLITAN DISTRICT
TEN LARGEST OWNERS OF PROPERTY WITHIN THE DISTRICT
DECEMBER 31, 2024**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2024		
RIVERS VENTANA LLC	\$ 706,590	52.42 %
CSH PROPERTY ONE LLC	132,950	9.86
2024-1 IH BORROWER LP	110,980	8.23
FKH SFR PROPCO J LP	80,870	6.00
LAURENCELLE MICHAEL	64,370	4.78
OPENDOOR PROPERTY TRUST I	62,820	4.66
OM ESTATE LLC	53,390	3.96
SW NORRIS PROPERTIES XI LLC	49,010	3.64
BLACK HILLS COLORADO GAS, INC.	46,500	3.45
EDGAR JUSTIN R	40,500	3.00
Total	<u>\$ 1,347,980</u>	<u>100.00 %</u>

**VENTANA METROPOLITAN DISTRICT
 SELECTED RATIOS OF THE DISTRICT – DIRECT DEBT
 DECEMBER 31, 2024**

<u>Property Class</u>	<u>Total Debt</u>	<u>Senior Debt</u>
Direct Debt	\$ 13,566,764	\$ 10,550,000
2024 Certified Assessed Valuation	13,913,100	13,913,100
Ratio of Direct Debt to 2024 Certified Assessed Valuation	98%	76%
2024 District Statutory Actual Value	198,862,885	198,862,885
Ratio of Direct Debt to 2024 District Statutory "Actual" Value	6.82%	5.31%