

**SUNSET PARKS METROPOLITAN DISTRICT
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**SUNSET PARKS 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 – 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	25
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	26
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	28
SCHEDULE OF ASSESSED VALUATION AND MILL LEVY	29



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Board of Directors
Sunset Parks Metropolitan District
Weld County, Colorado

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of the business-type activities of Sunset Parks Metropolitan District (the "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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Sunset Parks Metropolitan District as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our 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 opinion.

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 (GAAP), 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 opinion. 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 GAAS 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 GAAS, 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 Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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, who 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 financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, 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, accordingly, we do not express an opinion or provide any assurance on them.

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.

Wipfli LLP

Wipfli LLP
Denver, Colorado

July 29, 2025

BASIC FINANCIAL STATEMENTS

**SUNSET PARKS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 7,324
Cash and Investments - Restricted	2,215,013
Prepaid Insurance	2,858
Receivable from County Treasurer	23
Property Tax Receivable	97,263
Capital Assets:	
Capital Assets Not Being Depreciated	12,942,029
Total Assets	15,264,510
LIABILITIES	
Accounts Payable	40,592
Accrued Bond Interest	48,240
Noncurrent Liabilities:	
Due in More Than One Year	15,757,537
Total Liabilities	15,846,369
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	97,263
Total Deferred Inflows of Resources	97,263
NET POSITION	
Net Investment in Capital Assets	(2,778,477)
Restricted for:	
Emergency Reserve	500
Unrestricted	2,098,855
Total Net Position	\$ (679,122)

See accompanying Notes to Basic Financial Statements.

**SUNSET PARKS METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 7,324	\$ -	\$ -	\$ 7,324
Cash and Investments - Restricted	500	2,195,922	18,591	2,215,013
Receivable from County Treasurer	23	-	-	23
Prepaid Insurance	2,858	-	-	2,858
Property Tax Receivable	16,210	81,053	-	97,263
Total Assets	\$ 26,915	\$ 2,276,975	\$ 18,591	\$ 2,322,481
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 27,046	\$ -	\$ 13,547	\$ 40,593
Total Liabilities	27,046	-	13,547	40,593
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	16,210	81,053	-	97,263
Total Deferred Inflows of Resources	16,210	81,053	-	97,263
FUND BALANCES				
Nonspendable:				
Prepaid Expense	2,858	-	-	2,858
Restricted for:				
Emergency Reserves	500	-	-	500
Debt Service	-	2,195,922	-	2,195,922
Capital Projects	-	-	5,044	5,044
Unassigned	(19,699)	-	-	(19,699)
Total Fund Balances	(16,341)	2,195,922	5,044	2,184,625
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,915	\$ 2,276,975	\$ 18,591	

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.	12,942,029
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Bond Interest	(48,239)
Accrued Developer Advance Interest	(13,355)
Bonds Payable - 2024A	(11,295,000)
Bonds Payable - 2024B	(1,943,000)
Bonds Payable - 2024C	(1,390,000)
Developer Advance Payable - O+M	(37,223)
Developer Advance Payable - Capital	(1,078,959)
Net Position of Governmental Activities	\$ (679,122)

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 7,782	\$ -	\$ -	\$ 7,782
Specific Ownership Taxes	263	-	-	263
Interest Income	-	4,980	41	5,021
Other Revenue	7,509	-	-	7,509
Total Revenues	<u>15,554</u>	<u>4,980</u>	<u>41</u>	<u>20,575</u>
EXPENDITURES				
Current:				
Accounting	23,722	-	-	23,722
County Treasurer's Fee	121	-	-	121
Dues And Membership	188	-	-	188
Insurance	758	-	-	758
Legal	29,051	-	-	29,051
Website	1,866	-	-	1,866
Debt Service:				
Bond Interest - 2024A	-	41,807	-	41,807
Bond Issue Costs	2,277	-	656,485	658,762
Capital Projects:				
Capital Outlay	-	-	12,812,722	12,812,722
Total Expenditures	<u>57,983</u>	<u>41,807</u>	<u>13,469,207</u>	<u>13,568,997</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(42,429)	(36,827)	(13,469,166)	(13,548,422)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds - Series 2024A	-	-	11,295,000	11,295,000
Bond Proceeds - Series 2024B	-	-	1,943,000	1,943,000
Bond Proceeds - Series 2024C	-	-	1,390,000	1,390,000
Developer Advance - O+M	24,664	-	-	24,664
Developer Advance - Capital	-	-	12,812,722	12,812,722
Repay Developer Advance	-	-	(11,733,763)	(11,733,763)
Transfers In (Out)	-	2,232,749	(2,232,749)	-
Total Other Financing Sources (Uses)	<u>24,664</u>	<u>2,232,749</u>	<u>13,474,210</u>	<u>15,731,623</u>
NET CHANGE IN FUND BALANCES	(17,765)	2,195,922	5,044	2,183,201
Fund Balances - Beginning of Year	<u>1,424</u>	<u>-</u>	<u>-</u>	<u>1,424</u>
FUND BALANCES - END OF YEAR	<u>\$ (16,341)</u>	<u>\$ 2,195,922</u>	<u>\$ 5,044</u>	<u>\$ 2,184,625</u>

See accompanying Notes to Basic Financial Statements.

**SUNSET PARKS 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 \$ 2,183,201

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

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

Capital Outlay 12,812,722

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

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

Bond Proceeds - Series 2024A	(11,295,000)
Bond Proceeds - Series 2024B	(1,943,000)
Bond Proceeds - Series 2024C	(1,390,000)
Developer Advance - O+M	(24,664)
Developer Advance - Capital	(12,812,722)
Repay Developer Advance	11,733,763

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.

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	(48,239)
Accrued Interest Payable Developer Advance - Change in Liability	(13,355)

Changes in Net Position of Governmental Activities \$ (797,294)

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 7,276	\$ 7,790	\$ 7,782	\$ (8)
Specific Ownership Taxes	291	265	263	(2)
Other Revenue	-	7,525	7,509	(16)
Total Revenues	<u>7,567</u>	<u>15,580</u>	<u>15,554</u>	<u>(26)</u>
EXPENDITURES				
Accounting	15,000	22,750	23,722	(972)
Contingency	2,491	-	-	-
County Treasurer's Fee	109	121	121	-
Dues And Membership	-	190	188	2
Insurance	5,000	760	758	2
Legal	15,000	29,100	29,051	49
Bond Issue Costs	-	2,300	2,277	23
Website	-	1,875	1,866	9
Total Expenditures	<u>37,600</u>	<u>57,096</u>	<u>57,983</u>	<u>(887)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(30,033)	(41,516)	(42,429)	(913)
OTHER FINANCING SOURCES				
Developer Advance - O+M	30,000	24,700	24,664	(36)
Total Other Financing Sources	<u>30,000</u>	<u>24,700</u>	<u>24,664</u>	<u>(36)</u>
NET CHANGE IN FUND BALANCE	(33)	(16,816)	(17,765)	(949)
Fund Balance - Beginning of Year	<u>4,033</u>	<u>412</u>	<u>1,424</u>	<u>1,012</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,000</u>	<u>\$ (16,404)</u>	<u>\$ (16,341)</u>	<u>\$ 63</u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Sunset Parks Metro District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by an order and decree of the District Court of Weld County on May 27, 2008 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). At a special election of the eligible electors of the District on November 3, 2020, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the acquisition, construction, installation, and completion of certain public improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

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.

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

**SUNSET PARKS 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 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. Redemption of bonds are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

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

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

**SUNSET PARKS 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 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 has amended its annual budget for the year ended December 31, 2024.

Property Taxes

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

Capital Assets

Capital assets, which include roadway improvements, are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

**SUNSET PARKS 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 capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Streets, Sanitation and Storm Water	40 Years
Water Infrastructure	50 Years
Parks and Recreation	15 Years

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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2024. The deficit will be eliminated with the receipt of funds advanced by the developer, Lennar Colorado, LLC (Lennar) in 2025.

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

NOTE 3 CASH AND INVESTMENTS

Investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 7,324
Cash and Investments - Restricted	2,215,013
Total Cash and Investments	\$ 2,222,337

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

Deposits with Financial Institutions	\$ 7,824
Investments	2,214,513
Total Cash and Investments	\$ 2,222,337

Deposits with Financial Institutions

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

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

On December 31, 2024, the District had a bank and a carrying balance of \$7,824.

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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 2,214,513
		<u>\$ 2,214,513</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of 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, Not Being Depreciated:				
Construction in Progress	129,307	12,812,722	-	12,942,029
Total Capital Assets, Not Being Depreciated	129,307	12,812,722	-	12,942,029
 Governmental Activities Capital Assets, Net	<u>\$ 129,307</u>	<u>\$ 12,812,722</u>	<u>\$ -</u>	<u>\$ 12,942,029</u>

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

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2024A	\$ -	\$ 11,295,000	\$ -	\$ 11,295,000	\$ -
Subordinate Limited Tax General					
Obligation Bonds Series 2024B	-	1,943,000	-	1,943,000	-
Junior Lien Limited Tax General					
Obligation Bonds Series 2024C	-	1,390,000	-	1,390,000	-
Subtotal Bonds Payable	-	14,628,000	-	14,628,000	-
Other Debts:					
Developer Advance - Operating	12,559	24,664		37,223	-
Developer Advance - Capital	-	12,812,722	11,733,763	1,078,959	-
Accrued Interest on:					
Developer Advance - Operating	-	160	-	160	-
Developer Advance - Capital	-	13,195	-	13,195	-
Subtotal Other Debts	12,559	12,850,741	11,733,763	1,129,537	-
Total Long-Term Obligations	\$ 12,559	\$ 27,478,741	\$ 11,733,763	\$ 15,757,537	\$ -

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

Limited Tax General Obligation Bonds, Series 2024A (the Senior Bonds), Subordinate Limited Tax General Obligation Bonds, Series 2024B (the Subordinate Bonds), and of Junior Lien Limited Tax General Obligation Bond, Series 2023C(3), (the Junior Lien Bonds), and together with the Senior Bonds and Subordinate Bonds, the "Bonds")

The District issued the Senior Bonds and Subordinate Bonds on November 5, 2024, as well the Junior Lien Bonds in the amounts of \$11,295,000, \$1,943,000 and \$1,390,000 respectively.

Proceeds of the Senior Bonds

The Senior Bonds have been issued for the purpose of: (a) financing Public Improvements necessary to support the Development, (b) funding capitalized interest on the Senior Bonds; (c) funding the Senior Reserve Fund to the Reserve Requirement; and (d) paying other costs in connection with the issuance of the Bonds. The Subordinate Bonds have been issued for the purpose of financing additional Public Improvements necessary to support the Development.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Details of the Senior Bonds

The Senior Bonds are anticipated to bear interest at the rate of 5.125%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (the Interest Payment Date), beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2028. The Bonds mature on December 1, 2054.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 1, 2064 (the Senior Termination Date). To the extent interest on any bond is not paid when due, such interest shall compound semi-annually on each June 1 and December 1 at the rate then borne by the Senior Bonds. The District shall not be obligated to pay more than the amount permitted by law in repayment of the Senior Bonds.

If any amount of principal of or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefore on December 1, 2064, the Senior Bonds will be deemed discharged.

Details of the Subordinate Bonds

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

The Subordinate Bonds are assumed to bear interest at the rate of 7.625% per annum payable annually on each December 15, but only from and to the extent of available Subordinate Pledged Revenue, beginning on December 15, 2024.

To the extent principal of any Subordinate Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or December 15, 2064 (the Subordinate Termination Date).

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

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

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Optional Redemption

The Senior and Subordinate Bonds are subject to optional redemption on December 1, 2029. The Junior Lien Bonds are subject to optional redemption on any date without a redemption premium. The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2029, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

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

Senior Pledged Revenue

The Senior Bonds constitute limited tax general obligations of the District payable solely from and to the extent of the Senior Pledged Revenue, defined in the Senior Indenture as the moneys derived by the District from the following sources: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Required Mill Levy

The Senior Indenture generally defines "Senior Required Mill Levy" as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund, and to the extent provided in the Senior Indenture, the Senior Surplus Fund and Senior Reserve Fund), and to replenish the Senior Reserve Fund to the Reserve Requirement, but not in excess of 50 mills (subject to adjustment).

For so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 50 mills (subject to adjustment), or such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Senior Bonds as the same become due and payable, to replenish the Senior Reserve Fund to the Reserve Requirement, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount; or (B) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Reserve Fund and the Senior Surplus Fund, will pay the Senior Bonds in full in the year such levy is collected.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Pledged Revenue

The Subordinate Bonds constitute limited tax general obligations of the District payable solely from and to the extent of the Subordinate Pledged Revenue, defined in the Subordinate Indenture as the moneys derived by the District from the following sources: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) any amounts released from the Senior Surplus Fund pursuant to the 2024A Senior Indenture; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Required Mill Levy

The Subordinate Indenture generally defines “Subordinate Required Mill Levy” as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount equal to (i) 50 mills (subject to adjustment) less the Senior Obligation Mill Levy, or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Subordinate Bonds in full in the year such levy is collected.

Additional Security for the Senior Bonds

The Senior Bonds are additionally secured by capitalized interest and a debt service reserve fund which will be funded from proceeds of the Senior Bonds in the amount of \$1,369,893.42 and \$886,956.26, respectively.

Senior Surplus Fund

The Senior Bonds are additionally secured by the Senior Surplus Fund.

The Senior Surplus Fund will not be funded from proceeds of the Senior Bonds but shall be funded solely by Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year, up to the Maximum Surplus Amount of \$1,097,500.

The Senior Surplus Fund is to be maintained until the earlier of (i) the first date the Final Actual Valuation is at least \$254,000,000, or (ii) the first date on which the Senior Debt to Assessed Ratio is 50% or less.

The District acknowledges that State law places certain restrictions upon the use of amounts appropriated or added to the tax levy to pay the principal of, premium, and interest on any bonds, and any then-existing pledge or encumbrance on such revenues.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default of the Bonds

Events of default occur if the District fail to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

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

The District's bond obligations will mature as follows:

Year Ending December 31,	Series 2024A Bonds		Total
	Principal	Interest	
2025	\$ -	\$ 578,869	\$ 578,869
2026	-	578,869	578,869
2027	-	578,869	578,869
2028	50,000	578,869	628,869
2029	120,000	576,306	696,306
2030-2034	845,000	2,772,368	3,617,368
2035-2039	1,285,000	2,512,788	3,797,788
2040-2044	1,870,000	2,126,620	3,996,620
2045-2049	2,625,000	1,574,145	4,199,145
2050-2054	4,500,000	805,650	5,305,650
Total	<u>\$ 11,295,000</u>	<u>\$ 12,683,353</u>	<u>\$ 23,978,353</u>

Authorized Debt

On May 6, 2008, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$53,550,000 at an interest rate not to exceed 18% per annum. The District also held an election on November 3, 2020 in which the issuance of additional debt of \$15,300,000 was authorized. On December 31, 2024, the District had authorized but unissued indebtedness in the following amounts for the following purposes:

	Amount Authorized on November 3, 2020	Authorization Used		Authorized But Unused
		Series 2024 Bonds		
Street Improvements	\$ 7,650,000	\$ 7,444,380	\$ -	\$ 205,620
Water Supply	7,650,000	1,999,215	-	5,650,785
Sanitary Sewer	7,650,000	1,937,892	-	5,712,108
Storm Drainage	7,650,000	3,110,973	-	4,539,027
Safety Protection	7,650,000			7,650,000
Park and Recreation	7,650,000	135,540	-	7,514,460
Operations and Maintenance	7,650,000	-	-	7,650,000
Debt Refunding	15,300,000	-	-	15,300,000
Total	<u>\$ 68,850,000</u>	<u>\$ 14,628,000</u>	<u>\$ -</u>	<u>\$ 54,222,000</u>

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

The service plan limits the District's debt service to a maximum mill levy of 50.000 mills provided, however, that in the event the method of calculating the assessed valuation is changed after the date of the approved service plan, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 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 of \$(2,778,477).

Restricted assets include net position 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's restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 500
Total Restricted Net Position	\$ 500

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

NOTE 7 RELATED PARTIES

Lennar Colorado, LLC, is the developer of the property which constitutes the District. Lennar has advanced funds to the District. The majority of members of the Board of Directors are employees, owners, or otherwise associated with Lennar, and may have conflicts of interest in dealing with the District.

Funding and Reimbursement Agreement (Operations and Maintenance)

On October 11, 2024, the District entered into a Funding and Reimbursement Agreement (Operations and Maintenance) ("Funding and Reimbursement Agreement") to repay advances made by the Developer for operations and maintenance (O&M) costs. The District has incurred and will incur costs in furtherance of the District's permitted purposes, the Developer is willing to advance funds to the District, from time to time, on the condition that the District agrees to repay such advances as permitted under the Funding and Reimbursement Agreement. The District anticipates repaying the Developer for moneys advanced under the Funding and Reimbursement Agreement, including as evidenced by any requested Reimbursement Obligations, as defined therein, and with funds available from ad valorem taxes, fees, or other legally available revenues of the District determined to be available therefore.

Developer agrees to advance to the District one or more sums of money not to exceed the aggregate of \$50,000 per annum (the "Annual Loan Cap") for two years, up to \$100,000 (as the same may be subsequently increased as set forth in the Funding and Reimbursement Agreement). These funds shall be advanced to the District in one or a series of installments and shall be available to the District through December 31, 2025 (the "Loan Obligation Termination Date"). Thereafter, the Loan Obligation Termination Date will automatically extend for additional one (1) year terms unless Developer provides written notice to the District of termination at least thirty (30) days prior to December 31st of each year. Upon each automatic one (1) year extension of the Loan Obligation Termination Date, Developer agrees to advance the District one or more sums of money up to the Annual Loan Cap, and the Maximum Loan Amount shall be automatically increased upon each one (1) year extension by the Annual Loan Cap. With respect to each advance under the Funding and Reimbursement Agreement, the interest rate shall be 2% per annum, from the date any such advance is made, simple interest, to the earlier of the date Reimbursement Obligations are issued to evidence such advance, or the date of repayment in full of all interest then due and payable and the principal balance of amounts advanced to the District. Upon issuance of a Reimbursement Obligation, unless otherwise consented to by the Developer, any interest then accrued on any previously advanced amount shall be added to the amount of the loan advance and reflected as principal of the Reimbursement Obligation, and shall thereafter accrue interest as provided in such Reimbursement Obligation. The term for repayment for any Reimbursement Obligation shall not extend beyond 20 years from the date of the Funding and Reimbursement Agreement.

As of December 31, 2024, outstanding advances under the agreement totaled \$37,223 and accrued interest totaled \$160.

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

NOTE 7 RELATED PARTY (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

On October 11, 2024, the District entered into an Infrastructure Acquisition and Reimbursement Agreement (“Acquisition Agreement”) to repay District Eligible Costs, as defined therein, that become Certified District Eligible Costs, as defined therein, and to provide for the conveyance of certain public infrastructure to the District. The obligation of the District to reimburse the Developer following adoption of an Acceptance Resolution, as defined therein, shall be subject to availability of funds first from bond proceeds, second from such funds as the District determines, and third through the issuance of one or more Reimbursement Obligations, as defined therein.

With respect to Certified District Eligible Costs recognized prior to the issuance of a Reimbursement Obligation, simple interest with no compounding, adjusted on an annual basis on January 1 of each year, shall accrue from the date of adoption of an Acceptance Resolution to the earlier of the date a Reimbursement Obligation is issued to evidence Certified District Eligible Costs, or the date of repayment in full of the applicable Certified District Eligible Costs. Interest shall accrue on unpaid Certified District Eligible Costs at simple interest with no compounding at the MMD interest rate “as defined therein.”

The District agrees to issue one more Reimbursement Obligations to evidence any repayment obligation of the District then existing with respect to Certified District Eligible Costs, and interest accrued, under the Acquisition Agreement. Such Reimbursement Obligations shall mature on a date or dates subject to the limitations of the Acquisition Agreement and bear interest at a market rate, to be determined at the time of issuance of such Reimbursement Obligations.

The District's obligation to reimburse the Developer for any and all Certified District Eligible Costs not converted to Reimbursement Obligations shall terminate automatically upon the occurrence of (i) the Developer's voluntary dissolution; (ii) the Developer's administrative dissolution that is not remedied or cured within 60 days; or (iii) the initiation of bankruptcy, receivership, or similar process or actions with regard to the Developer. Furthermore, the District's obligations under the Acquisition Agreement shall terminate at the earlier of the repayment in full of the Certified District Eligible Costs or at the expiration of the Maximum Repayment Term, which term is defined in the Acquisition Agreement as twenty (20) years from the date of each such Acceptance Resolution, or such lesser period as may be established in the Service Plan.

As of December 31, 2024, outstanding Certified District Eligible Costs or Reimbursement Obligations under the Acquisition Agreement totaled \$1,078,959 and accrued interest totaled \$13,195.

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

NOTE 8 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, public officials' liability, and worker's compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

SUPPLEMENTARY INFORMATION

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ -	\$ 4,980	\$ 4,980
Total Revenues	-	-	4,980	4,980
EXPENDITURES				
Bond Interest - 2024A	-	43,039	41,807	1,232
Contingency	-	16,961	-	16,961
Total Expenditures	-	60,000	41,807	18,193
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(60,000)	(36,827)	23,173
OTHER FINANCING SOURCES				
Transfers From Other Fund	-	2,272,945	2,232,749	(40,196)
Total Other Financing Sources	-	2,272,945	2,232,749	(40,196)
NET CHANGE IN FUND BALANCE	-	2,212,945	2,195,922	(17,023)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 2,212,945</u>	<u>\$ 2,195,922</u>	<u>\$ (17,023)</u>

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ -	\$ 41	\$ 41
Other Revenue	-	500,000	-	(500,000)
Total Revenues	-	500,000	41	(499,959)
EXPENDITURES				
Capital Outlay	-	12,812,722	12,812,722	-
Bond Issue Costs	-	358,750	656,485	(297,735)
Contingency	-	518,546	-	518,546
Total Expenditures	-	13,690,018	13,469,207	220,811
EXCESS OF REVENUES UNDER EXPENDITURES	-	(13,190,018)	(13,469,166)	(279,148)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds - Series 2024A	-	11,069,100	11,295,000	225,900
Bond Proceeds - Series 2024B	-	1,884,710	1,943,000	58,290
Bond Proceeds - Series 2024C	-	1,390,000	1,390,000	-
Developer Advance - Capital	-	-	12,812,722	12,812,722
Repay Developer Advance	-	(11,733,764)	(11,733,763)	1
Transfers To Other Fund	-	(2,232,750)	(2,232,749)	1
Total Other Financing Sources	-	377,296	13,474,210	13,096,914
NET CHANGE IN FUND BALANCE	-	(12,812,722)	5,044	12,817,766
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (12,812,722)</u>	<u>\$ 5,044</u>	<u>\$ 12,817,766</u>

OTHER INFORMATION

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

Bonds/Loans and Interest Maturing in the Year Ending December 31,	\$11,295,000 Limited Tax General Obligation Bonds Series 2024A Interest Rate 5.125% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2025	\$ -	\$ 578,869	\$ 578,869
2026	-	578,869	578,869
2027	-	578,869	578,869
2028	50,000	578,869	628,869
2029	120,000	576,306	696,306
2030	140,000	570,156	710,156
2031	150,000	562,981	712,981
2032	170,000	555,294	725,294
2033	180,000	546,581	726,581
2034	205,000	537,356	742,356
2035	215,000	526,850	741,850
2036	240,000	515,831	755,831
2037	255,000	503,531	758,531
2038	280,000	490,463	770,463
2039	295,000	476,113	771,113
2040	325,000	460,994	785,994
2041	345,000	444,338	789,338
2042	375,000	426,656	801,656
2043	395,000	407,438	802,438
2044	430,000	387,194	817,194
2045	455,000	365,156	820,156
2046	495,000	341,838	836,838
2047	520,000	316,469	836,469
2048	565,000	289,819	854,819
2049	590,000	260,863	850,863
2050	640,000	230,625	870,625
2051	670,000	197,825	867,825
2052	725,000	163,488	888,488
2053	760,000	126,331	886,331
2054	1,705,000	87,381	1,792,381
	1,705,000	87,381	1,792,381
Total	\$ 11,295,000	\$ 12,683,353	\$ 23,978,353

**SUNSET PARKS METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION AND MILL LEVY
DECEMBER 31, 2024**

**SUNSET PARKS METRO DISTRICT
ANNUAL DISCLOSURE**

**HISTORY OF ACTUAL VALUE, ASSESSED VALUE,
AND DEBT SERVICE MILL LEVY IN THE DISTRICT
TABLE A-4**

Collection Year	Actual Value and Assessed Value by Class							Total Assessed Value	Debt Service Mill Levy	
	Residential			Other Classes					Debt Service Mill Levy ³	Taxes Levied
	Projected Actual Value ¹	Final Actual Value ²	Assessment Ratio	Assessed Valuation	Vacant Land Assessed Valuation	Commercial Assessed Valuation ⁴	Oil and Gas Assessed Valuation			
2025	\$ -	\$ 5,189,818	0.30	\$ 1,559,590	\$ 1,446,020	\$ 11,700	\$ 101,870	\$ 1,559,590	51.971	\$ 81,053
2026	33,248,613									

1 The source of this column is the "Base Case Scenario" of the Financial Forecast attached to the Limited Offering Memorandum as Appendix B, as shown on page 6 of the Financial Forecast.

2 District to insert the final Actual Value for such year.

3 Comprised of the Senior Required Mill Levy (50 mills) and the Subordinate Required Mill Levy (50 mills).

4 Includes state assessed and commercial personal property classes.

**SELECTED RATIOS OF THE DISTRICT
(PROPERTY TAX DEBT OF THE DISTRICT)
TABLE A-7**

	Total Property Tax Debt	Senior Property Tax Debt
Property Tax Debt	\$ 27,311,353	\$ 23,978,353
2024 Assessed Value	\$ 1,559,590	
Ratio of Property Tax Debt to 2024 Assessed Value	17.51	