

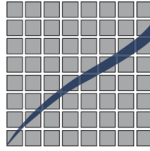
**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
Town of Johnstown, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
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YEAR ENDED DECEMBER 31, 2022**

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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
**Ledge Rock Center Commercial Metropolitan District**  
Town of Johnstown, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ledge Rock Center Commercial Metropolitan District ("District"), as of and for the year ended December 31, 2022, 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, 2022, 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 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, 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 within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it

exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 25, 2023

## **BASIC FINANCIAL STATEMENTS**

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 352
Cash and Investments - Restricted	66,812,606
Property Tax Receivable	86
Capital Assets:	
Capital Assets, Not Being Depreciated	<u>27,255,379</u>
Total Assets	<u>94,068,423</u>
<b>LIABILITIES</b>	
Accounts Payable	67,512
Accrued Interest Payable	734,288
Noncurrent Liabilities:	
Due Within One Year	108,947
Due in More than One Year	<u>74,008,157</u>
Total Liabilities	<u>74,918,904</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	<u>86</u>
Total Deferred Inflows of Resources	<u>86</u>
<b>NET POSITION</b>	
Restricted for:	
Capital Projects	11,423,453
Unrestricted	<u>7,725,980</u>
Total Net Position	<u><u>\$ 19,149,433</u></u>

See accompanying Notes to Basic Financial Statements.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 89,406	\$ -	\$ -	\$ -	\$ (89,406)
Interest and Related Costs on Long-Term Debt	3,801,754	-	-	-	(3,801,754)
Total Governmental Activities	\$ 3,891,160	\$ -	\$ -	\$ -	(3,891,160)
 <b>GENERAL REVENUES</b>					
Developer Contribution					22,921,257
Interest Income					119,335
Other Revenue					1
Total General Revenues					23,040,593
 <b>CHANGE IN NET POSITION</b>					
					19,149,433
Net Position - Beginning of Year					-
 <b>NET POSITION - END OF YEAR</b>					
					\$ 19,149,433

See accompanying Notes to Basic Financial Statements.



**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 352	\$ -	\$ -	\$ 352
Cash and Investments - Restricted	-	21,028,749	45,783,857	66,812,606
Property Tax Receivable	41	45	-	86
	<u>\$ 393</u>	<u>\$ 21,028,794</u>	<u>\$ 45,783,857</u>	<u>\$ 66,813,044</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 44,666	\$ -	\$ 22,846	\$ 67,512
Total Liabilities	44,666	-	22,846	67,512
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	41	45	-	86
Total Deferred Inflows of Resources	41	45	-	86
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	21,028,749	-	21,028,749
Capital Projects	-	-	45,761,011	45,761,011
Unassigned:				
General Government	(44,314)	-	-	(44,314)
Total Fund Balances	<u>(44,314)</u>	<u>21,028,749</u>	<u>45,761,011</u>	<u>66,745,446</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 393</u>	<u>\$ 21,028,794</u>	<u>\$ 45,783,857</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.

Capital Assets	27,255,379
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Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Bonds Payable	(76,004,000)
Bond Discount	2,003,942
Developer Advance Payable	(47,091)
Accrued Interest Payable	(804,243)
	<u>(804,243)</u>

Net Position of Governmental Activities	<u>\$ 19,149,433</u>
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See accompanying Notes to Basic Financial Statements.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Interest Income	\$ -	\$ 69,161	\$ 50,174	\$ 119,335
Other Revenue	1	-	-	1
Total Revenues	<u>1</u>	<u>69,161</u>	<u>50,174</u>	<u>119,336</u>
<b>EXPENDITURES</b>				
General:				
Accounting	15,916	-	-	15,916
District Management	29,148	-	-	29,148
Dues and Memberships	825	-	-	825
Election Expense	18	-	-	18
Insurance and Bonds	511	-	-	511
Legal	42,396	-	-	42,396
Website	592	-	-	592
Debt Service:				
Paying Agent Fees	-	2,000	-	2,000
Capital Outlay:				
Engineering	-	-	10,500	10,500
Bond Issue Costs	-	-	2,995,511	2,995,511
Capital Outlay	-	-	3,244,879	3,244,879
Land	-	-	24,000,000	24,000,000
Total Expenditures	<u>89,406</u>	<u>2,000</u>	<u>30,250,890</u>	<u>30,342,296</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(89,405)	67,161	(30,200,716)	(30,222,960)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds - 2022A	-	-	66,815,000	66,815,000
Bond Proceeds - 2022B	-	-	9,189,000	9,189,000
Bond Discount - 2022A	-	-	(1,835,120)	(1,835,120)
Bond Discount - 2022B	-	-	(168,822)	(168,822)
Developer Advance	47,091	-	3,232,533	3,279,624
Developer Contribution	-	-	22,921,257	22,921,257
Transfers (to) from Other Funds	(2,000)	20,961,588	(20,959,588)	-
Repayment to Developer	-	-	(3,232,533)	(3,232,533)
Total Other Financing Sources (Uses)	<u>45,091</u>	<u>20,961,588</u>	<u>75,961,727</u>	<u>96,968,406</u>
<b>NET CHANGE IN FUND BALANCES</b>	(44,314)	21,028,749	45,761,011	66,745,446
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ (44,314)</u>	<u>\$ 21,028,749</u>	<u>\$ 45,761,011</u>	<u>\$ 66,745,446</u>

See accompanying Notes to Basic Financial Statements.

**LEDGE ROCK CENTER COMMERCIAL 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, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 66,745,446

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

Governmental funds report capital outlay 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.

Capital Outlay 27,255,379

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond Issuance, Including Discount (74,000,058)  
Developer Advances (47,091)

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 on Bonds/Loans - Change in Liability (804,243)

Change in Net Position of Governmental Activities \$ 19,149,433

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other Revenue	\$ -	\$ -	\$ 1	\$ 1
Total Revenues	-	-	1	1
<b>EXPENDITURES</b>				
Accounting	10,000	20,000	15,916	4,084
District Management	15,000	20,000	29,148	(9,148)
Dues and Memberships	-	825	825	-
Election Expense	1,500	1,500	18	1,482
Insurance and Bonds	2,500	2,500	511	1,989
Legal	20,000	50,000	42,396	7,604
Miscellaneous	1,000	1,000	-	1,000
Website	-	1,000	592	408
Contingency	-	13,175	-	13,175
Total Expenditures	50,000	110,000	89,406	20,594
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(50,000)	(110,000)	(89,405)	20,595
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	-	-	(2,000)	(2,000)
Developer Advance	51,500	110,000	47,091	(62,909)
Total Other Financing Sources (Uses)	51,500	110,000	45,091	(64,909)
<b>NET CHANGE IN FUND BALANCE</b>				
	1,500	-	(44,314)	(44,314)
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ (44,314)</b>	<b>\$ (44,314)</b>

See accompanying Notes to Basic Financial Statements.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Ledge Rock Center Commercial Metropolitan District (the District) a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County recorded on December 2, 2021 and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Johnstown on September 8, 2021.

The District was organized to provide for the planning, design, acquisition, construction installation relocation, redevelopment, financing, repair, replacement and operations and maintenance of the Public Improvements from the proceeds of debt that may be issued by the District and to provide for the ownership, operation or maintenance by the Town or District where appropriate.

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, public improvement fees, and intergovernmental revenues.

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

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

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 or construction of major capital facilities and other assets.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

The District has amended its annual budget for the year ended December 31, 2022.

**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.

**Capital Assets**

Capital assets, which include property and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported 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/not yet conveyed.

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 that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

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

**Amortization – Original Issue Discount/Premium**

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

**Deferred Inflow of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only 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 amounts become available.



**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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.

*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 balances 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, 2022. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2023.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 352
Cash and Investments - Restricted	66,812,606
Total Cash and Investments	<u>\$ 66,812,958</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 352
Investments	66,812,606
Total Cash and Investments	<u>\$ 66,812,958</u>

**Deposits with Financial Institutions**

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

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

At December 31, 2022, the District's cash deposits had a bank and carrying balance of \$352.

**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.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Morgan Stanley Institutional Liquidity Funds (MSILF Govt #8352)	Weighted-Average Under 60 Days	\$ 37,711,715
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	29,100,891
Total		<u>\$ 66,812,606</u>

**Government Portfolio**

The debt service money that is included in the trust accounts at United Missouri Bank is invested in the Morgan Stanley Institutional Liquidity Fund. This portfolio is a money market mutual fund which invests in U.S. Treasury obligations, which are fully guaranteed as to principal and interest by the United States, with maturities of 60 days or less and repurchase agreements collateralized by U.S. Treasury obligations. The Morgan Stanley Institutional Liquidity Fund is rated AAAM by Standard & Poor's.

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**COLOTRUST (Continued)**

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE 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.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**NOTE 4 CAPITAL ASSETS**

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2022:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ -	\$ 24,000,000	\$ -	\$ 24,000,000
Construction in Progress	-	3,255,379	-	3,255,379
Total Capital Assets, Not Being Depreciated	<u>\$ -</u>	<u>\$ 27,255,379</u>	<u>\$ -</u>	<u>\$ 27,255,379</u>

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Retirements	Balance at December 31, 2022	Current Portion
<b>Bonds Payable:</b>					
General Obligation:					
Bonds Series 2022A	\$ -	\$ 66,815,000	\$ -	\$ 66,815,000	\$ -
Bonds Series 2022B	-	9,189,000	-	9,189,000	-
Accrued Interest:					
Bonds Series 2022B	-	68,471	-	68,471	-
Discount:					
Bonds Series 2022A	-	(1,835,120)	-	(1,835,120)	73,448
Bonds Series 2022B	-	(168,822)	-	(168,822)	35,499
Total Bonds Payable	-	74,068,529	-	74,068,529	108,947
<b>Other Debts:</b>					
Developer Advances:					
General O&M	-	47,091	-	47,091	-
Capital	-	3,232,533	3,232,533	-	-
Developer Advances - Accrued Interest:					
General O&M	-	1,484	-	1,484	-
Total Developer Advances	-	3,281,108	3,232,533	48,575	-
Total Long-Term Obligations	\$ -	\$ 77,349,637	\$ 3,232,533	\$ 74,117,104	\$ 108,947

**General Obligation Limited Tax Bonds, Series 2022A** (the "Senior Bonds"). The District issued the Senior Bonds on December 2, 2022, in the amount of \$66,815,000.

Proceeds of the Bonds

Proceeds from the sale of the Senior Bonds were used for the purpose of: (a) paying or reimbursing Project Costs; (b) paying capitalized interest on the bonds; (c) funding a deposit to the Surplus Fund in the amount of the Initial Surplus Deposit; and (d) paying certain costs incurred in connection with the issuance of the Bonds. The Senior Bonds have no unused lines of credit.

Details of the Senior Bonds

The Senior Bonds were issued as four term bonds bearing interest at the rate of 6.500%, 7.125%, 7.375% and 7.000% per annum, respectively, payable to the extent of Senior Pledged Revenue on each May 1 and November 1, commencing on May 1, 2023. Annual mandatory sinking fund principal payments are due on each November 1, beginning November 1, 2027. The Senior Bonds mature on November 1, 2052.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Senior Bond. Principal and interest shall be deemed paid and discharged on the Termination Date, November 2, 2062, regardless of the amount of principal and interest paid prior to the Termination Date. The Senior Bonds may be subject to acceleration pursuant to extraordinary mandatory redemption provisions as described in the Indenture.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on November 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>
November 1, 2029, through October 30, 2030	3.00%
November 1, 2030, through October 30, 2031	2.00
November 1, 2031, through October 30, 2032	1.00
November 1, 2032, and thereafter	0.00

Senior Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue derived by the District from the following sources: the Senior Required Mill Levy; the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; Credit PIF Revenue; Add-On PIF Revenue; and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Senior Required Mill Levy

The Senior Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but (i) not in excess of 5 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2021), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 5 mills (as adjusted) or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Surplus Fund up to the Maximum Surplus Amount;

The District certified 5.492 mills for debt service for collection in 2023.

Surplus Fund

The Senior Bonds are also secured by the Surplus Fund which was partially funded in the amount of the initial deposit of \$6,497,000 from proceeds of the Senior Bonds. In addition to the initial deposit to the Surplus Fund, Senior Pledged Revenue that is not needed to pay debt service of the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$13,363,000. The Surplus Fund is to be maintained for so long as any Senior Bond is outstanding and is pledged to the payment of the Senior Bonds.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

Events of Default of the Senior Bonds

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

The Series 2022A Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 4,405,732	\$ 4,405,732
2024	-	4,820,862	4,820,862
2025	-	4,820,862	4,820,862
2026	-	4,820,862	4,820,862
2027	425,000	4,820,862	5,245,862
2028-2032	3,460,000	23,578,788	27,038,788
2033-2037	6,400,000	22,030,864	28,430,864
2038-2042	10,700,000	19,182,644	29,882,644
2043-2048	21,265,000	16,611,768	37,876,768
2049-2052	24,565,000	4,985,120	29,550,120
Total	<u>\$ 66,815,000</u>	<u>\$ 110,078,364</u>	<u>\$ 176,893,364</u>

**Subordinate Limited Tax General Obligation Bonds, Series 2022B** (the “Subordinate Bonds”). The District issued the Subordinate Bonds on December 2, 2022, in the amount of \$9,189,000.

Proceeds of the Bonds

Proceeds from the sale of the Subordinate Bonds are being used for the purpose of paying or reimbursing Project Costs; and (b) paying certain costs incurred in connection with the issuance of the Bonds. The Subordinate Bonds have no unused lines of credit.

Details of the Subordinate Bonds

The Subordinate Bonds were issued bearing interest at the rate of 9.250% per annum, respectively, payable to the extent of Subordinate Pledged Revenue on each December 1, commencing on May 1, 2023. Annual mandatory sinking fund principal payments are due on each December 1, beginning December 1, 2023. The Subordinate Bonds mature on December 1, 2052.

To the extent principal of any Subordinate Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Subordinate Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Subordinate Bond. Principal and interest shall be deemed paid and discharged on the Termination Date, December 2, 2062, regardless of the amount of principal and interest paid prior to the Termination Date. The Subordinate Bonds may be subject to acceleration pursuant to extraordinary mandatory redemption provisions as described in the Indenture.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

Optional Redemption

The Subordinate 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>
November 1, 2029, through October 30, 2030	3.00%
November 1, 2030, through October 30, 2031	2.00
November 1, 2031, through October 30, 2032	1.00
November 1, 2032, and thereafter	0.00

Subordinate Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue derived by the District from the following sources: the Subordinate Required Mill Levy; the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; Subordinate Credit PIF Revenue; Subordinate Add-On PIF Revenue; and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Subordinate Required Mill Levy

The Subordinate Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the Subordinate Bonds as they come due, but not in excess of 5 mills less the Senior Bond mill levy (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2021).

Events of Default of the Subordinate Bonds

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



**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

On December 31, 2022, the District had authorized but unissued indebtedness of \$2,009,418,400. 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.

	Amount Authorized on May 3, 2022	Authorization Used		Authorized but Unissued
		Series 2022A	Series 2022B	
		Bonds	Bonds	
Water	\$ 173,785,200	\$ 4,008,900	\$ 551,340	\$ 169,224,960
Sanitation	173,785,200	6,681,500	918,900	166,184,800
Streets	173,785,200	56,124,600	7,718,760	109,941,840
Traffic and Safety	173,785,200	-	-	173,785,200
Parks and Recreation	173,785,200	-	-	173,785,200
Transportation	173,785,200	-	-	173,785,200
TV Relay and Translation	173,785,200	-	-	173,785,200
Mosquito Control	173,785,200	-	-	173,785,200
Security	173,785,200	-	-	173,785,200
Fire Protection and Emergency Medical	173,785,200	-	-	173,785,200
Debt Refunding	347,570,400	-	-	347,570,400
Total	<u>\$ 2,085,422,400</u>	<u>\$ 66,815,000</u>	<u>\$ 9,189,000</u>	<u>\$ 2,009,418,400</u>

**NOTE 6 NET POSITION**

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

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$11,423,453 as of December 31, 2022.

**NOTE 7 AGREEMENTS**

**Funding and Reimbursement Agreement**

The District has approved a Multiple-Year Funding and Reimbursement Agreement (“FRA”) with Ledge Rock Center, LLC, a Kansas limited liability company (“Developer”) with an effective date of December 14, 2021. The FRA sets forth the terms upon which the Developer is to advance funds to the District to pay, or will directly pay, its ongoing operations, maintenance and administrative expenses (“O&M Expenses”) which enable it to provide administrative and operations services for itself on a periodic basis as needed from the date of the FRA up to an aggregate amount of \$1,000,000 upon written notice from the District.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Funding and Reimbursement Agreement (Continued)**

The FRA provides that simple interest is to accrue at the rate of 2% plus the current Federal Reserve Prime rate per annum on each Advance from the date such loan amount is made to the District, until paid. Such interest shall not exceed the lesser of the current Bond Buyer 20-Bond GO index plus 4% or 8% simple interest. At December 31, 2022, there was \$47,091 in unpaid principal and \$1,484 in unpaid interest.

**Development and Reimbursement Agreement**

The District, Ledge Rock Center, LLC (the Developer) and The Town of Johnstown entered into a Development and Reimbursement, dated, February 18, 2022, as amended by the First Amendment to the Development and Reimbursement Agreement on April 18, 2022 and as amended by the Second Amendment to the Development and Reimbursement Agreement on September 12, 2022 (Collectively, the DRA). The DRA, outlines the Development Obligations and the funding plan for the purpose of construction and / or acquisition of public improvements.

**Improvement Acquisition Agreement**

The District has approved an Improvement Acquisition Agreement, with an effective date of December 14, 2021 ("IAA") with the Developer, setting forth the rights, obligations and procedures for the acquisition of Public Improvements from the Developer and for the reimbursement by the District to the Developer of costs related to Public Improvements.

**NOTE 8 RELATED PARTY**

During 2022, a majority of the members of the Board of Directors were employees, officers, or are otherwise associated with the Developers, and may have conflicts of interest in dealing with the District. The Board of Directors believes that all potential conflicts, if any, have been disclosed.

**NOTE 9 ECONOMIC DEPENDENCY**

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

**NOTE 10 INTERFUND TRANSFERS**

The transfer from the Capital Projects Fund to the Debt Service Fund was related to the issuance of the Series 2022 Bonds. The transfer from the General Fund to the Debt Service Fund was related to the payment of paying agent fees.

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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, except Enterprises.

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 November 2, 2021, a majority of the District's electors authorized the District to collect and spend or retain in a reserve any currently levied taxes and fees of the District without regard to any limitation under TABOR.

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 benefit increases.

The District's management has taken steps it believes are necessary to comply 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**

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ 69,161	\$ 69,161
Total Revenues	-	-	69,161	69,161
<b>EXPENDITURES</b>				
Paying Agent Fees	-	-	2,000	(2,000)
Bond Interest	-	1,039,391	-	1,039,391
Contingency	-	160,609	-	160,609
Total Expenditures	-	1,200,000	2,000	1,198,000
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	(1,200,000)	67,161	1,267,161
<b>OTHER FINANCING SOURCES</b>				
Transfers from Other Funds	-	26,765,525	20,961,588	(5,803,937)
Total Other Financing Sources	-	26,765,525	20,961,588	(5,803,937)
<b>NET CHANGE IN FUND BALANCE</b>				
	-	25,565,525	21,028,749	(4,536,776)
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 25,565,525</b>	<b>\$ 21,028,749</b>	<b>\$ (4,536,776)</b>

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Developer Contribution	\$ -	\$ -	\$ 22,921,257	\$ 22,921,257
Investment Income	-	-	50,174	50,174
Total Revenues	-	-	22,971,431	22,971,431
<b>EXPENDITURES</b>				
Accounting	-	10,000	-	10,000
Legal	-	20,000	-	20,000
Engineering	-	15,000	10,500	4,500
Capital Outlay	60,000,000	57,256,483	3,244,879	54,011,604
Bond Issue Costs	-	2,538,200	2,995,511	(457,311)
Land	-	-	24,000,000	(24,000,000)
Contingency	-	-	-	-
Total Expenditures	60,000,000	59,839,683	30,250,890	29,588,793
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(60,000,000)	(59,839,683)	(7,279,459)	52,560,224
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	60,000,000	89,410,000	-	(89,410,000)
Bond Issuance - 2022A	-	-	66,815,000	66,815,000
Bond Issuance - 2022B	-	-	9,189,000	9,189,000
Bond Discount	-	(2,804,792)	-	2,804,792
Bond Discount - 2022A	-	-	(1,835,120)	(1,835,120)
Bond Discount - 2022B	-	-	(168,822)	(168,822)
Developer Advance	-	2,049,062	3,232,533	1,183,471
Repayment of Developer Advance	-	(2,049,062)	(3,232,533)	(1,183,471)
Transfers (to) from Other Funds	-	(26,765,525)	(20,959,588)	5,805,937
Total Other Financing Sources (Uses)	60,000,000	59,839,683	53,040,470	(6,799,213)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	45,761,011	45,761,011
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,761,011</u>	<u>\$ 45,761,011</u>

## **OTHER INFORMATION**

**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2022**

Bonds and Interest Maturing in the Year Ending December 31,	\$66,815,000 Limited Tax General Obligation Bonds Series 2022A Date: December 2, 2022 Interest Rate: 6.500% - 7.000% Interest Payable May 1 and November 1 Principal Payable November 1		
	Principal	Interest	Total
2023	\$ -	\$ 4,405,732	\$ 4,405,732
2024	-	4,820,862	4,820,862
2025	-	4,820,862	4,820,862
2026	-	4,820,862	4,820,862
2027	425,000	4,820,862	5,245,862
2028	505,000	4,793,238	5,298,238
2029	595,000	4,760,412	5,355,412
2030	685,000	4,721,738	5,406,738
2031	785,000	4,677,212	5,462,212
2032	890,000	4,626,188	5,516,188
2033	1,005,000	4,568,338	5,573,338
2034	1,135,000	4,496,732	5,631,732
2035	1,270,000	4,415,862	5,685,862
2036	1,415,000	4,325,376	5,740,376
2037	1,575,000	4,224,556	5,799,556
2038	1,745,000	4,112,338	5,857,338
2039	1,930,000	3,988,006	5,918,006
2040	2,125,000	3,850,494	5,975,494
2041	2,335,000	3,699,088	6,034,088
2042	2,565,000	3,532,718	6,097,718
2043	2,805,000	3,349,962	6,154,962
2044	3,075,000	3,145,062	6,220,062
2045	3,360,000	2,920,418	6,280,418
2046	3,670,000	2,674,944	6,344,944
2047	4,000,000	2,406,813	6,406,813
2048	4,355,000	2,114,569	6,469,569
2049	4,740,000	1,796,388	6,536,388
2050	5,150,000	1,450,056	6,600,056
2051	5,595,000	1,073,750	6,668,750
2052	9,080,000	664,926	9,744,926
<b>Total</b>	<b>\$ 66,815,000</b>	<b>\$ 110,078,364</b>	<b>\$ 176,893,364</b>



**LEDGE ROCK CENTER COMMERCIAL METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2022	\$ 10,370	-	\$ -	\$ -	- %
Estimated for the Year Ending 2023	\$ 8,180	10.492	\$ 86		

Note: Property taxes shown as collected in any one year may include collection of delinquent property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.