RAMPART RANGE METROPOLITAN DISTRICT NO. 5
Douglas County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rampart Range Metropolitan District No. 5
Douglas County, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Rampart Range Metropolitan District No. 5 (the 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 accompanying 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, and the respective changes in financial position thereof, and the respective 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 (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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibility 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 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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.

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 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 basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Economic Dependency

As disclosed in Note 10 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer for funding continued operations.

Fiscal Focus Partners

Arvada, Colorado
September 22, 2023

BASIC FINANCIAL STATEMENTS

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	$ 21,088,541
Due from District No. 6	1
Due from District No. 8	32
Prepaid Insurance	4,118
Accounts Receivable - Reimbursements	223,306
Escrow/Surety Account with Parker W&SD	2,920,888
Capital Assets, Net:	
Construction in Progress	43,483,641
Total Assets	67,720,527
LIABILITIES	
Accounts Payable	423,928
Retainage Payable	190,923
Accrued Interest Payable - 2021 Bonds	400,000
Noncurrent Liabilities:	
Due Within One Year	51,582
Due in More Than One Year	121,348,730
Total Liabilities	122,415,163
NET POSITION	
Restricted for:	
Emergency Reserves	100
Debt Service	488,671
Capital Projects	2,409,168
Unrestricted	(57,592,575)
Total Net Position	$ (54,694,636)

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	$ 71,291	$ -	$ 1,005	$ -	$ (70,286)
Public Works	734,844	-	-	640,223	(94,621)
Interest and Related Costs on Long-Term Debt	4,760,418	-	-	123,522	(4,636,896)
Dedication of Capital Assets to Other Entities	1,443,996	-	-	-	(1,443,996)
Total Governmental Activities	$ 7,010,549	$ -	$ 1,005	$ 763,745	(6,245,799)
GENERAL REVENUES					
Net Investment Income					440,933
Other Revenue					40,000
Total General Revenues					480,933
CHANGE IN NET POSITION					(5,764,866)
Net Position - Beginning of Year					(48,929,770)
NET POSITION - END OF YEAR					$ (54,694,636)

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	$ -	$ 16,088,644	$ 4,999,897	$ 21,088,541
Prepaid Insurance	4,118	-	-	4,118
Accounts Receivable - Reimbursements	-	-	223,306	223,306
Escrow/Surety Account with Parker W&SD	-	-	2,920,888	2,920,888
Due from District No. 6	-	1	-	1
Due from District No. 8	6	26	-	32
Due from Other Funds	-	-	10,198	10,198
Total Assets	$ 4,124	$ 16,088,671	$ 8,154,289	$ 24,247,084
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 8,165	$ -	$ 415,763	$ 423,928
Retainage Payable	-	-	190,923	190,923
Due to Other Funds	10,198	-	-	10,198
Total Liabilities	18,363	-	606,686	625,049
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	4,118	-	-	4,118
Restricted for:				
Emergency Reserves	100	-	-	100
Debt Service	-	16,088,671	-	16,088,671
Capital Projects	-	-	7,547,603	7,547,603
Unassigned	(18,457)	-	-	(18,457)
Total Fund Balances	(14,239)	16,088,671	7,547,603	23,622,035
Total Liabilities and Fund Balances	$ 4,124	$ 16,088,671	$ 8,154,289	
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.				43,483,641
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(121,184,011)
Accrued Interest on Bonds				(400,000)
Developer Advances Payable and Associated Accrued Interest				(216,301)
Net Position of Governmental Activities				$ (54,694,636)

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
IGA Revenue #6 - Property Taxes (Net)	$ 24	$ 106	$ -	$ 130
IGA Revenue #6 - Specific Ownership Taxes	2	10	-	12
IGA Revenue #6 - Development Fees	-	34,000	-	34,000
IGA Revenue #8 - Property Taxes (Net)	898	4,043	-	4,941
IGA Revenue #8 - Specific Ownership Taxes	81	363	-	444
Water Resource Credit Fees Revenue	-	85,000	-	85,000
Other Income	-	-	40,000	40,000
Other Income - Reimbursements	-	-	640,223	640,223
Net Investment Income	285	289,600	151,048	440,933
Total Revenues	1,290	413,122	831,271	1,245,683
EXPENDITURES				
Current:				
Accounting	41,179	-	257,967	299,146
Directors Fees	2,200	-	-	2,200
District Management	6,035	-	122,783	128,818
Dues and Licenses	1,052	-	-	1,052
Election Expense	1,814	-	-	1,814
Insurance and Surety Bonds	4,195	-	-	4,195
Legal	14,647	-	91,325	105,972
Miscellaneous	169	-	47	216
Paying Agent Fees	-	4,000	-	4,000
Construction Management	-	-	63,614	63,614
Engineering	-	-	6,820	6,820
Landscape Maintenance	-	-	4,155	4,155
Operations Expenses until Final Acceptance	-	-	8,306	8,306
Planning and Design	-	-	178,806	178,806
Repairs on Existing Infrastructure	-	-	1,021	1,021
Debt Service:				
Bond Interest Expense - Series 2021	-	4,800,000	-	4,800,000
Capital Outlay	-	-	11,417,869	11,417,869
Total Expenditures	71,291	4,804,000	12,152,713	17,028,004
NET CHANGE IN FUND BALANCES	(70,001)	(4,390,878)	(11,321,442)	(15,782,321)
Fund Balances - Beginning of Year	55,762	20,479,549	18,869,045	39,404,356
FUND BALANCES - END OF YEAR	$ (14,239)	$ 16,088,671	$ 7,547,603	$ 23,622,035

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
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 - Governmental Funds	$ (15,782,321)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. The statement of activities does not report capital outlay 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, the following are the amounts of capital outlay in the current period:	
Capital Outlay	11,417,869
The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Bond Premium Amortization	51,582
Certain 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 Developer Advances - Change in Liability	(8,000)
Dedication of Assets to Other Governments	(1,443,996)
Change in Net Position of Governmental Activities	$ (5,764,866)

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
IGA Revenue #6 - Property Taxes (Net)	$ 24	$ 24	$ -
IGA Revenue #6 - Specific Ownership Taxes	2	2	-
IGA Revenue #8 - Property Taxes (Net)	898	898	-
IGA Revenue #8 - Specific Ownership Taxes	73	81	8
Net Investment Income	63	285	222
Total Revenues	1,060	1,290	230
EXPENDITURES			
General and Administrative:			
Accounting	52,500	41,179	11,321
Directors Fees	5,000	2,200	2,800
District Management	11,000	6,035	4,965
Dues and Licenses	3,000	1,052	1,948
Election Expense	10,000	1,814	8,186
Insurance and Surety Bonds	8,000	4,195	3,805
Legal	25,000	14,647	10,353
Miscellaneous	1,000	169	831
Contingency	7,600	-	7,600
Total Expenditures	123,100	71,291	51,809
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(122,040)	(70,001)	52,039
OTHER FINANCING SOURCES (USES)			
Developer Advances	80,000	-	(80,000)
Total Other Financing Sources (Uses)	80,000	-	(80,000)
NET CHANGE IN FUND BALANCE	(42,040)	(70,001)	(27,961)
Fund Balance - Beginning of Year	52,040	55,762	3,722
FUND BALANCE - END OF YEAR	$ 10,000	$ (14,239)	$ (24,239)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Rampart Range Metropolitan District No. 5 (the District or District No. 5), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the Douglas County District Court on March 12, 2001, concurrently with five other districts, Rampart Range Metropolitan District Nos. 1 - 4, and 6, and is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). In 2005, Rampart Range Metropolitan District Nos. 7 - 9 (together with District Nos. 1 – 6, the Districts) were also organized. The Districts' service area is located entirely within the City of Lone Tree (the City) in Douglas County, Colorado. Commencing on January 1, 2020, for operational purposes, the Rampart Range Districts were separated into two groups. Rampart Range Metropolitan District Nos. 1, 2, 3 and 7 (the West Side Districts) are responsible for providing the operations and funding for the service area located on the west side of Interstate I-25 (the West Side), and Rampart Range Metropolitan District Nos. 4, 5, 6, 8 and 9 (the East Side Districts) are responsible for providing the operations and funding for the service area located on the east side of Interstate I-25 (the East Side).

The District operates under an Amended and Restated Service Plan approved by the City on April 19, 2005, as amended by that First Amendment approved on March 6, 2018 (the Service Plan). The Districts were established to provide financing for the design, acquisition, installation and construction of water and irrigation systems, streets, traffic and safety controls, fire protection and emergency medical services, television relay and translator facilities, transportation systems, parks and recreation facilities, sanitation facilities and mosquito and pest control. Rampart Range Metropolitan District No. 1 (District No. 1) is the Operating District for the West Side Districts (the West Side Operating District). However, according to agreements described in Note 9 - Agreements and dated as of December 1, 2019, the District serves as the "East Side Operating District" and is responsible for managing the construction and operation of facilities and services of Rampart Range Metropolitan District Nos. 6, 8 and 9 (the East Side Taxing Districts) and for issuing debt. The East Side Taxing Districts are responsible for providing the funding and tax base needed to support the debt issued by the District for the East Side capital improvements and continuous operations. Pursuant to their respective Service Plans, the East Side Taxing Districts are obligated to impose a Regional Improvements Mill Levy, which is currently equal to 1.000 mill, and convey the revenue to the City to be used for the planning, constructing or acquiring of regional improvements. However, Rampart Range Metropolitan District No. 4 (District No. 4 or the Regional District) whose boundaries include all of the East Side properties, is obligated to impose a Contractual Debt Levy, as defined in the Mill Levy Pledge Agreement between District No. 4 and the City, dated November 7, 2017 (the Mill Levy Pledge Agreement), according to which, so long as the Contractual Debt Levy is imposed, the obligation to impose the Regional Improvements Mill Levy is eliminated for the East Side Districts. The obligation to impose the Contractual Debt Levy begins in December 2023 for collection year 2024.

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

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, including the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, specific ownership taxes, and Public Improvement Fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

Budgets

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 daily equity balance in the total cash.

Development Fee

A development fee of $2,000 is due and payable for each single-family residential unit upon issuance of a building permit by the City. A development fee of $1,000 is due and payable for each living unit within each multi-family residential building upon issuance of a building permit by the City. A development fee of $1 per gross square footage of interior commercial space is due and payable on or before the date of issuance of a building permit by the City. Development Fees are incurred on each property sale within the East Side Taxing Districts and are payable to District No. 5. Development Fees of $34,000 were received by the District from Rampart Range Metropolitan District No. 6 during 2022 and recorded in the Debt Service Fund.

Public Improvements Fee

On October 3, 2019, the Declaration of Covenants Imposing and Implementing the RidgeGate East Public Improvements Fee (PIF) made by the Developer was recorded in Douglas County. The PIF is imposed on each sale or exchange of goods or services for money that occurs within the East Side Districts, excluding residential property, and excluding certain properties as shown on Exhibit A of the PIF Covenants.

The PIF is to be in an amount not to exceed 1.75% of the revenue generated by the sale, with such amount to be determined by the Designated Receiving Entity in its sole discretion. The District is the Designated Receiving Entity. The District had not yet set the PIF rate during 2022, and the District recorded $-0- in PIF revenue.

Water Resource Credit Fee

According to the PWSD IGA (see Note 9 - Agreements), District No. 1 conveyed certain water rights to Parker Water and Sanitation District (PWSD) in exchange for, among other things, the inclusion of the property within the East Side Districts into the PWSD service area boundaries, and PWSD established for District No. 1 an account of transferrable credits (Water Resource Credits or WRC), representing the volume of the water rights conveyed. PWSD allocated 8,590 Water Resource Credits to District No. 1 which may be used by developers of the property within the East Side Districts’ boundaries as well as within the boundaries of Rampart Range Metropolitan District No. 3 (the East Side Property) to pay to District No. 1 a “WRC Fee” instead of paying a water tap fee to PWSD.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Water Resource Credit Fee (Continued)

Pursuant to the Joint Resolutions To Impose Water Resource Credit Fees adopted July 28, 2021 (WRC Joint Resolutions) by District No. 1, District No. 5, and each of Rampart Range Metropolitan District No. 6 (District No. 6) and Rampart Range Metropolitan District No. 8 (District No. 8), District Nos. 6 and 8 each impose a WRC Fee on the property within their respective boundaries, with certain exceptions, and pledge the revenues received therefrom for the payment of current construction costs, bonds, or other indebtedness to be issued by District No. 5. One WRC Fee is equal to the amount of a Single Family Equivalent (SFE) of the “Water Resource Toll” fixed by PWSD in the PWSD Rules and Regulations for one ¾” inch water tap (currently $5,000), which SFE may be pro-rated based on water tap sizes for multi-family units and commercial buildings. The WRC Fee is due and payable to District No. 5 at or before the time that any building permit is granted by assignment within the WRC Joint Resolutions, as well as pursuant to the Assignment of Revenue agreement dated September 22, 2021, by and between District Nos. 1 and 5.

During 2022, the District recorded $85,000 in Water Resource Credit Fees revenue which was recorded in the Debt Service Fund.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

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

Currently, the District has assets that are only being treated as construction in progress. The District will convey specific assets to the City, PWSD, or to other governmental entities upon completion, at the end of the 2-year warranty period once final acceptance has taken place, at which time the District removes the asset from its property records. In Note 5 – Capital Assets, the capital asset costs for the Happy Canyon Sanitary Sewer Outfall - Meridian, Phase 1 were reflected as being conveyed to PWSD during 2022.

Water Rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, were expensed by District No. 1 in prior years.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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 is 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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 - Restricted	$ 21,088,541
Total and Cash and Investments	$ 21,088,541

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

Deposits with Financial Institutions	$ 14,536
Investments	21,074,005
Total Cash and Investments	$ 21,088,541

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 balance of $84,129 and a carrying balance of $14,536.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

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

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

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

As of December 31, 2022, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	$ 21,074,005

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 operates similar to a money market fund, with each share valued at $1.00. CSAFE CASH FUND may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and 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.

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 AAAmmf 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 at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 RELATED PARTIES

Prior to December 31, 2007, the Developer of the property which constitutes the Districts was Colony Investments, Inc. (Colony). Effective July 1, 2007, Colony created a new corporation, RidgeGate Investments, Inc. (RGI) which, as of December 31, 2007, is the entity that is developing the property. Collectively, RGI and Colony are referred to herein as the "Developer". Certain members of the Board of Directors of the District are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District. See Note 6 – Long-Term Obligations concerning advances made by the Developer. In addition, one member of the Board of Directors of the District is employed by a builder of residential units within the property boundaries of the East Side Districts.

NOTE 5 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

	District Project Number	Balance - December 31, 2021	Increases	Conveyed to Other Entities (See Note 2 - Capital Assets)	Balance - December 31, 2022
Capital Assets, Not Being Depreciated:					
Construction in Progress:					
East-Side - Planning/Design		$ 2,249,083	$ -	$ -	$ 2,249,083
Communication Systems		227,398	27,548	-	254,946
Grading - Gas Line and Electric Feeder Relocation	(MD5-020)	3,717,742	3,149,734	-	6,867,476
Grading - RG Station TOD Improvements	(MD5-014)	810,509	389,388	-	1,199,897
Landscaping - RidgeGate Parkway East	(MD5-019)	-	55,970	-	55,970
Parks - Couplet		-	9,715	-	9,715
Parks - Larry Levin Park	(MD5-019)	12,921	70,564	-	83,485
Sanitary Sewer		3,904,324	-	-	3,904,324
Sewer - Badger Gulch Sanitary Outfall	(MD5-007)	2,215	25,118	-	27,333
Sewer - Dual Force Main Sanitary	(MD5-004B)	5,111,839	11,039	-	5,122,878
Sewer - First Street Lift Station Sanitary	(MD5-004A)	4,569,944	8,388	-	4,578,332
Sewer - Happy Canyon Sanitary Outfall - Meridian P1	(MD5-005)	1,422,486	21,510	1,443,996	-
Sewer - Happy Canyon TOD Outfall P2	(MD5-006)	1,628,999	534,812	-	2,163,811
Sewer - RG Station TOD Improvements	(MD5-014)	135,921	70,119	-	206,040
Storm Drainage - Badger Gulch Detention/WQ	(MD5-011)	283,186	-	-	283,186
Storm Drainage - Happy Canyon Detention/WQ	(MD5-010)	797,128	880,691	-	1,677,819
Storm Drainage - High Note Avenue	(MD5-012)	123,318	-	-	123,318
Storm Drainage - RG Station TOD Improvements	(MD5-014)	1,358,937	765,967	-	2,124,904
Streets - SkyRidge Bridge	(MD5-001)	1,870,560	-	-	1,870,560
Streets - High Note Avenue	(MD5-012)	489,621	1,428	-	491,049
Streets - RidgeGate Parkway Couplet	(MD5-015)	-	151,552	-	151,552
Streets - RidgeGate Parkway Expansion	(MD5-003)	1,109,315	-	-	1,109,315
Streets - RG Station TOD Improvements	(MD5-014)	730,697	2,827,473	-	3,558,170
Streetscape - City Center Signals		742	263	-	1,005
Streetscape - Havana/SW Village Signal		14,804	5,891	-	20,695
Streetscape - Lighting Design		43,751	8,549	-	52,300
Streetscape - RG Parkway Couplet Signals	(MD5-016)	-	41,318	-	41,318
Streetscape - RG Parkway/Lyric Signal	(MD5-018)	-	220,755	-	220,755
Streetscape - RidgeGate Parkway East	(MD5-019)	67,992	235,446	-	303,438
Streetscape - Signage		13,905	28,330	-	42,235
Water - High Note Avenue	(MD5-012)	31,750	-	-	31,750
Water - RG Parkway Water Main P2	(MD5-009)	2,654,656	1,274,708	-	3,929,364
Water - RG Station TOD Improvements	(MD5-014)	121,650	601,593	-	723,243
East-Side - Water		4,375	-	-	4,375
Subtotal - Construction in Progress		33,509,768	11,417,869	1,443,996	43,483,641
Total Capital Assets, Not Being Depreciated		33,509,768	11,417,869	1,443,996	43,483,641
Capital Assets, Net		$ 33,509,768	$ 11,417,869	$ 1,443,996	$ 43,483,641

NOTE 5 CAPITAL ASSETS (CONTINUED)

During 2022, a portion of the capital assets constructed and/or acquired by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities have been removed from the District's financial records.

NOTE 6 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 - December 31, 2021	Additions	Deletions	Balance - December 31, 2022	Due Within One Year
Governmental Activities:					
Limited Tax Supported and Special Revenue Bonds - Series 2021	$ 120,000,000	$ -	$ -	$ 120,000,000	$ -
Original Issue Premium - Series 2021 Bonds	1,235,593	-	51,582	1,184,011	51,582
Total Bonds Payable	121,235,593	-	51,582	121,184,011	51,582
Developer Advances - Operations - A	200,000	-	-	200,000	-
Accrued Interest on Developer Advances - Operations - A	8,301	8,000	-	16,301	-
Total Governmental Activities Long-Term Obligations	$ 121,443,894	$ 8,000	$ 51,582	$ 121,400,312	$ 51,582

A = Developer advances identified as "-A" refer to the East Side Operations Funding Agreement discussed below.

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

Limited Tax Supported and Special Revenue Bonds, Series 2021 (the Bonds)

Proceeds of the Bonds

The District issued the Bonds on October 5, 2021, in the par amount of $120,000,000. The Bonds also had an original issuance premium of $1,243,617, for a total bond proceeds amount of $121,243,617. Net proceeds from the sale of the Bonds were used to: (i) reimburse the Developer for the costs of certain public improvements acquired or constructed for the benefit of the East Side RidgeGate Development (the Development); (ii) fund additional public improvements for the benefit of the Development; (iii) fund capitalized interest; (iv) fund the Initial Surplus Fund Deposit in the amount of $8,000,000; and (v) pay certain costs in connection with the issuance of the Bonds.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue Bonds, Series 2021 (Continued)

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on October 1, 2026, 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:

Date of Redemption	Redemption Premium
October 1, 2026, to September 30, 2027	2.00%
October 1, 2027, to September 30, 2028	1.00
October 1, 2028, and thereafter	0.00

Pledge Agreement

The Bonds are supported by a Capital Pledge Agreement dated as of October 1, 2021 (the Pledge Agreement) by and among the District, District No. 6, District No. 8, and UMB Bank, n.a. (the Trustee). District No. 6 and District No. 8 are the “Bonds Taxing Districts”.

The Pledge Agreement requires the imposition of taxes by the Bonds Taxing Districts in the amount of the Required Mill Levy and the remittance by the Bonds Taxing Districts to the Trustee, on behalf of the District, for the payment of the Bonds and any Additional Obligations of the District. All Pledged Revenue is derived exclusively from property or transactions located or occurring within the Bonds Taxing Districts.

Details of the Bonds

The Bonds bear interest at 4.0000% (yield 3.9248%), payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Interest on the Bonds is calculated on the basis of a 360-day year of twelve 30-day months. The Bonds were issued as three term bonds that have annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2031 and a final maturity of December 1, 2051.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and will continue to bear interest at the rate then borne by the Bonds.

To the extent interest on any Bond is not paid when due, such unpaid interest shall compound semi-annually on each June 1 and December 1 at the interest rate then borne by the Bonds.

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of “Pledged Revenue,” which means the moneys derived by the District from the following sources: (a) all Property Tax Revenues; (b) all Specific Ownership Tax which is collected as a result of imposition by the Bonds Taxing Districts of the Required Mill Levy; (c) all PILOT (Payment in Lieu of Taxes) Revenues, if any; (d) all Pledged PIF (Public Improvement Fee) Revenues; (e) all Pledged Fee Revenues (Development Fees and Water Resource Credit Fees); and (f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue Bonds, Series 2021 (Continued)

Pledged Revenue (Continued)

Property Tax Revenues

"Property Tax Revenues" means all moneys derived from imposition by the Bonds Taxing Districts of the Required Mill Levy, and are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. Property Tax Revenues do not include specific ownership tax revenues.

Required Mill Levy

"Required Mill Levy" is defined in the Pledge Agreement as an ad valorem mill levy imposed upon all taxable property of the applicable Bonds Taxing District each year in an amount determined by the District which, if imposed by both of the Bonds Taxing Districts for collection in the succeeding calendar year, would generate Property Tax Revenues and PILOT Revenues relating to the Required Mill Levy (if any) which, together with the Assumed Annual PIF Revenue Collections for the applicable Mill Levy Certification Date, would be equal to the Annual Financing Costs, but not in excess of 45 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2004).

For so long as the Surplus Fund is less than the Maximum Surplus Amount (which is $10,000,000), the Required Mill Levy shall be equal to 45 mills, as adjusted, or such lesser amount determined by the District which, if imposed by both of the Bonds Taxing Districts for collection in the succeeding calendar year, would generate Property Tax Revenues and PILOT Revenues (if any) (A) which, together with the Assumed Annual PIF Revenue Collections for the applicable Mill Levy Certification Date, would be sufficient to pay the principal of, premium if any, and interest on the Bonds when due, and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (B) which, together with the Assumed Annual PIF Revenue Collections for the applicable Mill Levy Certification Date, when combined with moneys then on deposit in the Bond Fund and the Surplus Fund, and any similar funds available, will pay the 2021 Bonds in full in the year such mill levy is collected; provided that, in accordance with the Service Plans, the maximum mill levy of 45 mills, as adjusted, shall be reduced by the number of mills necessary to pay any unlimited mill levy debt of the applicable Bonds Taxing District.

PILOT Revenues

"PILOT Revenues" means all revenues derived from any tax equivalency payment or similar payment in lieu of taxes against any property that would be subject to the Required Mill Levy imposed by any Bonds Taxing District but for the fact that such property is exempt from ad valorem property taxation, which payment is payable to any of the Bonds Taxing Districts.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax Supported and Special Revenue Bonds, Series 2021 (Continued)

Pledged Revenue (Continued)

Pledged PIF Revenues

“Pledged PIF Revenue” means the revenue derived from the imposition of the public improvement fee imposed and collected in accordance with the Declaration of Covenants Imposing and Implementing the RidgeGate East Public Improvements Fee dated as of September 5, 2019, as amended on June 1, 2020 (the “PIF Covenant”), net of the costs of collection. The PIF Covenant imposes the PIF on all PIF Sales at a rate determined from time to time by the District, not to exceed 1.75%. Only PIF Revenue generated from any Bonds Taxing Districts is pledged to the payment of the Bonds. PIF Sales is defined in the PIF Covenant to include any exchange of goods, services, or lodging accommodations for money or other media occurring within the PIF Property upon which the Sales Tax is payable pursuant to the City’s Sales Tax Ordinance.

Pledged Fee Revenues

“Pledged Fee Revenues” means, collectively, the Development Fees and the Water Resource Credit Fees. See the description of each of these revenue sources under Note 2 – Summary of Significant Accounting Policies.

Additional Security for the Bonds

The Bonds are additionally secured by capitalized interest in the original amount of $12,746,667 and by the Surplus Fund, which was partially funded from proceeds of the Bonds in the amount of the Initial Surplus Fund Deposit of $8,000,000 and is required to be additionally funded with excess Pledged Revenue, if any, up to the Maximum Surplus Amount of $10,000,000.

Bonds Debt Service

The outstanding principal and interest of the Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ -	$ 4,800,000	$ 4,800,000
2024	-	4,800,000	4,800,000
2025	-	4,800,000	4,800,000
2026	-	4,800,000	4,800,000
2027	-	4,800,000	4,800,000
2028-2032	1,715,000	23,978,800	25,693,800
2033-2037	11,805,000	22,884,200	34,689,200
2038-2042	23,120,000	19,610,800	42,730,800
2043-2047	34,665,000	14,112,400	48,777,400
2048-2051	48,695,000	5,593,600	54,288,600
Total	$ 120,000,000	$ 110,179,800	$ 230,179,800

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

Capital Funding and Reimbursement Agreement for Water and Sewer Service through Parker Water and Sanitation District

On December 31, 2007, District No. 1, Colony and RGI entered into the 2007 Capital Funding and Reimbursement Agreement for Water and Sewer Service through Parker Water and Sanitation District (2007 PWSD Funding Agreement). The 2007 PWSD Funding Agreement establishes the obligation of RGI to fund, and District No. 1 to reimburse RGI, $9,385,033 for advances previously made, including $8,143,469 for certain water rights conveyed from Colony to District No. 1, and up to an additional $5,000,000 per year for advances made for construction of water and sewer improvements required by the PWSD IGA (discussed below in Note 9 - Agreements). Amounts due under the 2007 PWSD Funding Agreement are to be reimbursed, with 8% interest (including interest from the date of advance on advances made prior to December 31, 2007), until such time as District No. 1's existing financial obligations are satisfied, or bonds have been issued for such purpose, as further set forth in the 2007 PWSD Funding Agreement.

On September 23, 2015, a "First Amendment" revised certain terms of the agreement and reduced the interest rate. On December 9, 2016, a Second Amendment to this agreement revised the definition of the "improvements" under the agreement to include street improvements of the "Sky Ridge Bridge Extension Project". On February 22, 2017, concurrent with the drafting of the East Side Capital Agreement (see below), and effective as of January 1, 2017, a Third Amendment transferred certain principal and accrued interest balances related to all East Side improvements and put them under the new Capital Funding and Reimbursement Agreement – East Side. These transferred balances were removed in their totality from the amended 2007 PWSD Funding Agreement, and the Third Amendment further revised the definition of the "improvements" under the agreement to exclude street improvements of the Sky Ridge Bridge Extension Project, which had been added with the Second Amendment. On May 27, 2020, with an effective date of January 1, 2020, a Fourth Amendment to the 2007 PWSD Funding Agreement (together with the original agreement and all amendments, the Amended 2007 PWSD Funding Agreement) again modified the interest rate.

On March 24, 2021, with an effective date of January 1, 2020, an Assignment and Assumption of 2007 Capital Funding and Reimbursement Agreement for Water and Sewer Service through PWSD was entered into (the PWSD Assignment) to assign all of the rights and obligations under the Amended 2007 PWSD Funding Agreement, including the obligation to reimburse RGI for amounts advanced to District No. 1 and still outstanding, from District No. 1 to District No. 5, and the District agreed to assume all such rights and obligations, (together with the original agreement and all prior and future amendments, the Assumed 2007 PWSD Funding Agreement).

In addition, pursuant to the PWSD Assignment, District No. 1 agreed to transfer or direct to District No. 5 any and all payments made for Water Resource Credits allocated to District No. 1 pursuant to the PWSD IGA (see Note 9 - Agreements) purchased by a developer or builder in the East Side Property (Water Resource Credit Payments).

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

Capital Funding and Reimbursement Agreement for Water and Sewer Service through Parker Water and Sanitation District (Continued)

Finally, on March 24, 2021, with an effective date of January 1, 2020, a Fifth Amendment to the Assumed 2007 PWSD Funding Agreement amended and clarified the priority of payment of reimbursement rights and obligations under the Assumed 2007 PWSD Funding Agreement and the East Side Agreement (see below) from either an East Side bond issuance or from Water Resource Credit Payments.

On July 30, 2021, a repayment of accrued interest on the Water Rights in the amount of $255,000 was made to RGI from a Water Resource Credit Payment. Then, the entire balance owed and outstanding to RGI pursuant to the Assumed 2007 PWSD Funding Agreement was paid off with proceeds of the Bonds on October 5, 2021, a total principal balance of $21,331,281 plus $17,079,931 of accrued interest.

Capital Funding and Reimbursement Agreement – East Side

On March 2, 2017, District No. 1 and RGI entered into a Capital Funding and Reimbursement Agreement – East Side (the 2017 East Side Capital Agreement), with an effective date of January 1, 2017. This agreement sets forth the terms by which RGI will advance funds to District No. 1 for costs incurred on the properties to be served by PWSD, which are within the boundaries of Rampart Range Metropolitan District Nos. 3 – 6, 8 and 9 (the East Side CFRA Properties). The 2017 East Side Capital Agreement identified and "Transferred" prior capital advances in the principal amount of $3,743,052 plus accrued interest of $60,685, which were initially funded under the Amended 2007 PWSD Funding Agreement to the 2017 East Side Capital Agreement, where such advances were deemed to be more appropriately accounted for. These costs include general planning expenses and preliminary design costs associated with the East Side CFRA Properties, as well as costs associated with the Sky Ridge Bridge Extension Project. Under the 2017 East Side Capital Agreement, RGI agreed to advance up to $30,000,000 to District No. 1 through December 31, 2020. On August 22, 2018, a First Amendment (together with the original agreement and all amendments, the Amended 2017 East Side Capital Agreement) increased the funding amount through December 31, 2020 up to $65,000,000.

Beginning in 2016, construction on District No. 1's Sky Ridge Bridge Expansion Project (the Bridge Project) began, which is an automobile, bike and walking bridge constructed over Interstate-25, parallel to the RTD Southeast Rail Extension (SERE) Project light-rail bridge that connects the west and east sides of the RidgeGate Development. The Bridge Project costs were being paid through Developer Advances under the Amended 2017 East Side Capital Agreement. In early 2019, District No. 1 engaged Ranger Engineering, LLC to conduct a cost benefit analysis on the Bridge Project. Ranger Engineering's final report, dated April 30, 2019, recommended a total Bridge Project costs allocation split of 80% to the West Side Districts and 20% to the East Side Districts. 80% of the total estimated Bridge Project costs is $7,656,725.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

Capital Funding and Reimbursement Agreement – East Side (Continued)

As a result of the cost benefit analysis on the Bridge Project District No. 1 entered into a Second Amendment to the Capital Funding and Reimbursement Agreement – East Side simultaneously with a Fourth Amendment to the Capital Funding and Reimbursement Agreement – West Side (originally dated December 31, 2007, as amended and restated, the 2007 Capital Agreement – West Side), both dated April 24, 2019, and effective as of May 14, 2019, to transfer $7,656,725 of Developer Advance principal amounts and the related accrued and outstanding interest from the Amended 2017 East Side Capital Agreement to the 2007 Capital Agreement – West Side. Furthermore, the 80% of the Bridge Project funding principal amounts transferred to the West Side would no longer be considered as East Side advances or as part of the maximum funding amount under the Amended 2017 East Side Capital Agreement.

In like manner, during 2019, construction on District No. 1's RidgeGate Parkway Expansion Project (the RG Parkway Project) began on the East Side of the RidgeGate Development. The RG Parkway Project costs were being paid through Developer Advances under the Amended 2017 East Side Capital Agreement. On July 8, 2019, District No. 1 received a cost benefit analysis report from Ranger Engineering, LLC which recommended a total RG Parkway Project costs allocation split of 75% to the West Side Districts and 25% to the East Side Districts. As the RG Parkway Project was to extend into 2021, the total amount of related costs was not known. Therefore, District No. 1 entered into a Third Amendment to the Capital Funding and Reimbursement Agreement – East Side simultaneously with a Fifth Amendment to the 2007 Capital Agreement – West Side, both approved on October 23, 2019, and effective as of October 31, 2019, to transfer $6,420,513 in principal of Developer Advances which are associated with the RG Parkway Project and $125,802 of related accrued and outstanding interest from the Amended 2017 East Side Capital Agreement to the 2007 Capital Agreement – West Side. Furthermore, the 75% of the RG Parkway Project funding principal amounts transferred to the West Side would no longer be considered as East Side advances or as part of the maximum funding amount under the Amended 2017 East Side Capital Agreement. In addition, it was determined that future RG Parkway Project costs would be funded from capital advances according to the same allocation of 75% to the West Side Districts and 25% to the East Side Districts.

The Amended 2017 East Side Capital Agreement was "Terminated" on January 1, 2020, see second paragraph of the following agreement.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

East Side Capital Funding and Reimbursement Agreement

On October 23, 2019, to be effective December 1, 2019, the District and RGI entered into the East Side Capital Funding and Reimbursement Agreement (the East Side CF&R Agreement). This agreement sets forth the terms by which RGI will advance funds to District No. 5 for costs incurred for the design, testing, engineering, construction, installation, and/or acquisition of public improvements on the East Side Properties. The East Side CF&R Agreement acknowledges and agrees to reimburse RGI for “Prior Advances and Expenditures” under the Amended 2017 East Side Capital Agreement, the amount of which will be agreed to in an amendment to this Agreement, as well as for capital advances made by RGI according to the East Side CF&R Agreement. For the period beginning December 1, 2019 and ending December 31, 2022, RGI agreed to advance up to $65,000,000 to the District under the East Side CF&R Agreement. These advances will accrue interest at the higher rate of 3% per annum or the applicable short-term federal interest rate in effect as of the first day of each year, compounded annually. Interest shall be calculated on the basis of a 365-day year and the actual number of days elapsed. In the event the District has not repaid all obligations owed to RGI under the East Side CF&R Agreement by December 31, 2022, the interest rate could increase.

The District entered into two agreements with RGI on March 24, 2021, each with an effective date of January 1, 2020. (A) First, the Transfer Of Prior Advances and Expenditures And Termination of Capital Funding And Reimbursement Agreement – East Side (the Transfer Agreement), wherein the outstanding balances of the Prior Advances and Expenditures under the Amended 2017 East Side Capital Agreement in the principal amount of $16,540,814 plus accrued interest of $910,990 to be repaid by District No. 1 were “Transferred” to the East Side CF&R Agreement, where all such advances will now be repaid by District No. 5. These costs include general planning expenses and preliminary design costs associated with the East Side Properties, as well as costs associated with the Sky Ridge Bridge Extension Project. After completion of the above, the Capital Funding and Reimbursement Agreement – East Side was terminated. (B) The second agreement, a “First Amendment” to the East Side CF&R Agreement (together with the original agreement and the Transfer Agreement, the Amended East Side CF&R Agreement) reaffirmed the original East Side CF&R Agreement and reconfirmed the amounts identified in the Transfer Agreement and the rights and obligations of the Prior Advances and Expenditures as to repayment. Any repayment to RGI from all amounts currently outstanding under the Amended East Side CF&R Agreement will be against each advance individually in chronological order, on a first in, first out (FIFO) basis, being applied to accrued and outstanding interest first and then to principal.

All outstanding Developer Advance balances existing at that time under the Amended East Side CF&RA Agreement were repaid to RGI in full with proceeds of the Bonds on October 5, 2021, principal of $40,310,814 and accrued interest of $2,585,569.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

East Side Capital Funding and Reimbursement Agreement (Continued)

A Second Amendment to East Side Capital Funding and Reimbursement Agreement was entered into on November 21, 2022, which increased RGI's funding period and funding obligation to say, starting December 1, 2019 through December 31, 2027, there is a maximum funding amount of $85,000,000. The Second Amendment acknowledged that as of October 5, 2021 the balance of all outstanding Developer Advances was $-0-. In addition, commencing on November 1, 2022 through October 31, 2027, the interest rate is increased to 4.00%.

No Developer Advances were received under the Amended East Side CF&R Agreement during the remainder of 2021 or during 2022; therefore, the remaining balance of the funding obligation available for use as of December 31, 2022, is $61,230,000.

East Side Operations Funding Agreement

On August 28, 2019, to be effective December 1, 2019, the District and RGI entered into the East Side Operations Funding Agreement. This agreement sets forth the terms by which RGI will advance funds to District No. 5 for operations, maintenance and administrative expenses incurred by the District during the period when other funding sources for these expenses are not anticipated to be available. RGI will provide funding under the East Side Operations Funding Agreement beginning December 1, 2019 and ending December 31, 2022, up to $1,500,000. These operations advances will accrue simple interest at the rate of 4% per annum. The District acknowledged its intention to reimburse RGI for any amounts advanced pursuant to the East Side Operations Funding Agreement to the extent future funding is available to do so; however, any obligation of the District to reimburse RGI shall expire on December 31, 2052, on which date the terms of this Agreement shall also expire. Subject to the provisions of the Agreement, payments to reimburse RGI shall be made on December 15th of each year, applied first to accrued and unpaid interest and then to principal. Payments may be made at any time prior to this date at the District's discretion.

A First Amendment to East Side Operations Funding Agreement was entered into on October 26, 2022, which extends the term of the Developer's funding obligation through fiscal year 2025. The term of the Agreement and the date of the District's obligation to reimburse RGI were also extended to commence on December 1, 2019, and shall expire on December 31, 2055.

As of December 31, 2022, the principal and accrued interest balances outstanding and owed to RGI pursuant to the East Side Operations Funding Agreement are $200,000 and $16,301, respectively.

NOTE 7 DEBT AUTHORIZATION

On November 7, 2000, a majority of the District's qualified electors authorized the issuance of indebtedness in an amount not to exceed $882,250,000 at an interest rate not to exceed 18% per annum. On November 1, 2005, the District's electors authorized the issuance of additional indebtedness in an amount not to exceed $5,505,000,000 at an interest rate not to exceed 18% per annum. On May 8, 2012, the District's electors again authorized the issuance of additional indebtedness in an amount not to exceed $5,505,000,000 at an interest rate not to exceed 18% per annum. Most recently, on May 5, 2020, the District's electors authorized the issuance of additional indebtedness in an amount not to exceed $6,500,000,000 at an interest rate not to exceed 18% per annum.

The Indenture of Trust for the District's 2021 Bonds, Dated October 1, 2021, allocates the indebtedness from the Bonds against the May 5, 2020 authorized debt only.

At December 31, 2022, the District had authorized indebtedness in the following amounts allocated for the following purposes:

	Authorized May 5, 2020 Election	Authorization Used	Remaining at December 31, 2022
Emergency Medical Facilities and Fire Protection	$ 500,000,000	$ -	$ 500,000,000
Intergovernmental Agreements	500,000,000	-	500,000,000
Mosquito Control	500,000,000	-	500,000,000
Operating Expenses	500,000,000	-	500,000,000
Parks and Recreation	500,000,000	87,230	499,912,770
Refund Debt	500,000,000	-	500,000,000
Sanitary Sewer (Includes Storm)	500,000,000	36,262,328	463,737,672
Security Services and Improvements	500,000,000	-	500,000,000
Streets	500,000,000	19,969,638	480,030,362
Television Relay and Communication Systems	500,000,000	81,492	499,918,508
Traffic and Safety Controls	500,000,000	-	500,000,000
Transportation System	500,000,000	-	500,000,000
Water Facilities	500,000,000	39,783,355	460,216,645
Unallocated Authorization Used	-	23,815,957	(23,815,957)
Election Authorization Totals	$ 6,500,000,000	$ 120,000,000	$ 6,380,000,000
Service Plan Debt Totals			$ 500,000,000

Pursuant to the Service Plan, the District is limited to issuing $500,000,000 in total debt, regardless of individual debt category line amounts. In addition, the maximum debt service mill levy for the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

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 8 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 as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserves - TABOR	$ 100
Debt Service	488,671
Capital Projects	2,409,168
Total Restricted Net Position	$ 2,897,939

The District has a deficit in unrestricted net position as of December 31, 2022. This deficit is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 9 AGREEMENTS

Annexation and Development Agreement

Colony Investments, Inc. entered into an Annexation and Development Agreement with the City, which was recorded by the Douglas County Clerk on September 5, 2000 (the Annexation Agreement), which sets forth and establishes an overall plan for the provision of capital infrastructure (including but not limited to financing, development, operations, maintenance, repair and replacement) to assist in development of property within the service area of the Districts, also known as the RidgeGate planned development (the Property). Although the Districts were not organized until after the Annexation Agreement was executed, the Annexation Agreement did anticipate that certain rights and obligations would be assigned to the Districts upon their organization. The Annexation Agreement establishes obligations of the Developer and/or the Districts to provide certain on-site Improvements and off-site Improvements, which are needed for the development of the Property. In consideration for the obligation to provide the Improvements to the Property, the Annexation Agreement sets forth the City's agreement to pay certain Net Shared Sales Taxes to the Developer. In addition, the Annexation Agreement details the City's obligation to provide various Municipal Services, which are identified in the agreement, including public safety/police protection; residential trash collection; and public road and bridge maintenance, cleaning, snow removal, and repairs.

NOTE 9 AGREEMENTS (CONTINUED)

Annexation and Development Agreement (Continued)

On November 21, 2017, an Amended and Restated Annexation and Development Agreement with Respect to the East Side Property was entered into between RGI and the City (the Amended and Restated Annexation Agreement – East Side), which was executed simultaneously with the Mill Levy Pledge Agreement. The Amended and Restated Annexation Agreement – East Side amends and restates the Annexation Agreement with respect to all Rampart Range Metropolitan Districts properties located east of I-25, the term of which expires on December 31, 2055, but does not in any way alter or amend the Annexation Agreement with respect to the West Side Properties. Furthermore, the Amended and Restated Annexation Agreement – East Side terminates the sharing of sales taxes between the City and the Developer, stating that other than the revenue pledged in the Mill Levy Pledge Agreement, there shall be no other revenue sharing for the East Side Properties.

In addition, the Amended and Restated Annexation Agreement – East Side requires the East Side Districts to be included within the boundaries of South Suburban Parks and Recreation District (SSPRD), which will be the provider of recreational services.

District Facilities Construction and Service Agreement

On December 1, 2019, the District entered into the East Side District Facilities Construction and Service Agreement with District No. 4 as the “Regional District”, and Rampart Range Metropolitan District Nos. 6 and 8 as the “East Side DFCSA Taxing Districts” (the East Side Master IGA). In accordance with the East Side Master IGA, as the Operating District, the District agrees to construct, manage the financing, operate, and maintain the public facilities and services within the East Side Districts. The East Side DFCSA Taxing Districts will pay all costs related to the construction, operation, and maintenance of these facilities and services, and pursuant to the East Side Master IGA, they agree to consider obligating themselves to pay their respective shares of the costs of facilities and services provided by the District.

Water Rights and Wells Purchase Agreement with Colony Investments, Inc.

In October 2006, District No. 1 entered into a water rights and wells purchase agreement with Colony Investments, Inc. These water rights were subsequently conveyed to PWSD for the benefit of the properties on the East Side. The liability for repayment to the Developer was assumed by District No. 5 from District No. 1 as of January 1, 2020, and paid in full on October 5, 2021, with proceeds from the Bonds.

NOTE 9 AGREEMENTS (CONTINUED)

Intergovernmental Agreement for Water and Sewer Service

On December 13, 2006, District No. 1 entered into an Intergovernmental Agreement for water and sewer service by and among PWSD and RGI (the PWSD IGA). Pursuant to the PWSD IGA, it is acknowledged that the area in Rampart Range Metropolitan District Nos. 3 through 6, 8 and 9 will be included into the service area for PWSD. The PWSD IGA addresses conveyance of certain water rights and well sites and clarifies the obligations for construction of the water and sewer improvements to serve the Districts within PWSD's service area. Such assets will ultimately be conveyed to PWSD for ownership and maintenance. District No. 1 was obligated to pay inclusion fees to PWSD annually over a ten-year period commencing December 2007 in exchange for PWSD providing water and sewer services to the Districts within its service area. The PWSD IGA also established the Water Resource Credits and the related WRC Fee revenue as described under Note 2 – Summary of Significant Accounting Policies – Water Resource Credit Fees.

PWSD Financial Guarantee and Improvements Agreements

In May 2019, District No. 1 and PWSD entered into a set of two interrelated agreements. The Water and/or Sewer Main Improvement Agreement for Rampart Range Metropolitan District (the PWSD Improvement Agreement), which outlines how District No. 1 would proceed in constructing water and/or sewer improvements within the East Side CFRA Properties in accordance with PWSD rules and regulations and the eventual conveyance of such improvements to PWSD. In order to comply with Section 6.4 of the PWSD rules and regulations, a second agreement was executed, the Cash in Lieu of Letter of Credit Financial Guarantee Agreement (the PWSD Guarantee Agreement). The PWSD Guarantee Agreement is put in place to provide to PWSD a financial guarantee from District No. 1 for the performance and completion of the improvements to be constructed under the PWSD Improvement Agreement (the PWSD Improvements). In general, the PWSD Guarantee Agreement specifies that at the commencement of the PWSD Improvements, District No. 1 is to provide monetary funds to PWSD for 100% of the "Total Estimated Costs" of such improvement plus an additional 20% of such costs as the "Guarantee", the total 120% being the "Guarantee Funds" or the "Surety". The PWSD Guarantee Agreement states that all such Guarantee Funds shall be deposited in PWSD's General Fund and PWSD shall not be required to pay any interest earnings on such funds. A PWSD Engineering "Inspector" will periodically assess the construction of such improvements. The first 100% of the Guarantee Funds will be released by PWSD back to District No. 1 in four stages at the 25%, 50%, 75%, and 100% markers of completion of a specific project as identified in a specific Guarantee Agreement at the direction of the Inspector. The remaining 20% of the Guarantee Funds are to be held by PWSD and released to District No.1 only after the two-year warranty period and upon obtaining final acceptance of such project from PWSD in exchange for the conveyance of such improvement to PWSD. The Guarantee Agreement further states that PWSD may draw on the Guarantee Funds at any time, including during the warranty period, to correct any problems with the PWSD Improvements not corrected by District No. 1.

NOTE 9 AGREEMENTS (CONTINUED)

PWSD Financial Guarantee and Improvements Agreements (Continued)

District No. 1 and PWSD entered into the Cash in Lieu of Letter of Credit Financial Guarantee Agreement (RidgeGate Parkway – Phase 2) on May 16, 2019, followed by the Water and/or Sewer Main Improvement Agreement for RidgeGate Parkway Phase II on May 23, 2019, both of which were specifically for the construction of the RidgeGate Parkway Phase 2 - Water and Sanitary Sewer Mains Project (MD5-003), with Total Estimated Costs of $1,109,316, and the Guarantee amount of $221,863. District No. 1 paid the full Surety amount of $1,331,179 to PWSD on May 20, 2019. District No. 1 received the first Release of 25% of the Total Estimated Costs of $277,329 from PWSD on November 25, 2019. As of January 1, 2020, the current constructed assets and the remaining project construction management for the RidgeGate Parkway Phase 2 - Water and Sanitary Sewer Mains Project was transferred from District No. 1 to District No. 5. District No. 5 received the second and third Releases of 25% of the Total Estimated Costs of $277,329 each from PWSD in February and August of 2020. The District received a letter of Initial Acceptance of the RidgeGate Parkway Phase 2 - Water and Sanitary Sewer Mains Project from PWSD dated December 21, 2020, which started the two-year warranty period; however, the fourth Release of 25% of the Total Estimated Costs of $277,329 was not received from PWSD until January 5, 2021. Final Acceptance was not received from PWSD until early in 2023, therefore, as of December 31, 2022, PWSD was still holding $221,863 of the Surety on the RidgeGate Parkway Phase 2 - Water and Sanitary Sewer Mains Project.

District No. 5 and PWSD simultaneously entered into a second set of interrelated agreements, the Cash in Lieu of Letter of Credit Financial Guarantee Agreement and the Water and/or Sewer Main Improvement Agreement for First Street Lift Station on February 27, 2020, both of which were specifically for the construction of the First Street Lift Station Sanitary Sewer Project (MD5-004A), with Total Estimated Costs of $3,729,642, and the Guarantee amount of $745,928. The District paid the full Surety amount of $4,475,570 to PWSD on March 2, 2020. The District received the first, second, and third Releases of 25% of the Total Estimated Costs during 2020 and the fourth Release on April 15, 2021, of $3,729,642 in total from PWSD. District No. 5 received a letter of Initial Acceptance of the First Street Lift Station Sanitary Sewer Project from PWSD on March 23, 2021, which started the two-year warranty period. As of December 31, 2022, PWSD was still holding $745,928 of the Surety on the First Street Lift Station Sanitary Sewer Project.

District No. 5 and PWSD simultaneously entered into the third set of interrelated agreements, the Cash in Lieu of Letter of Credit Financial Guarantee Agreement and the Water and/or Sewer Main Improvement Agreement for Dual Force Main on February 27, 2020, both of which were specifically for the construction of the Dual Force Main Sanitary Sewer Project (MD5-004B), with Total Estimated Costs of $3,672,828, and the Guarantee amount of $734,566. The District paid the full Surety amount of $4,407,394 to PWSD on March 2, 2020. The District received the first, second, and third Releases of 25% of the Total Estimated Costs during 2020 and the fourth Release on April 27, 2021, of $3,672,828 in total from PWSD. District No. 5 received a letter of Initial Acceptance of the Dual Force Main Sanitary Sewer Project from PWSD on April 8, 2021, which started the two-year warranty period. As of December 31, 2022, PWSD was still holding $734,566 of the Surety on the Dual Force Main Sanitary Sewer Project.

NOTE 9 AGREEMENTS (CONTINUED)

PWSD Financial Guarantee and Improvements Agreements (Continued)

District No. 5 and PWSD simultaneously entered into the fourth set of interrelated agreements, the Cash in Lieu of Letter of Credit Financial Guarantee Agreement and the Water and/or Sewer Main Improvement Agreement for Happy Canyon Trunk Sanitary Sewer on February 27, 2020, both of which were specifically for the construction of the Happy Canyon Sanitary Sewer Outfall – Meridian Phase 1 Project (MD5-005), with Total Estimated Costs of $1,255,127, and the Guarantee amount of $251,025. The District paid the full Surety amount of $1,506,152 to PWSD on March 2, 2020. The District received all four Releases of 25% of the Total Estimated Costs of $1,255,127 in total from PWSD during 2020. District No. 5 received a letter of Final Acceptance of the Happy Canyon Trunk Sanitary Sewer Phase 1 Project on June 17, 2022, and final Surety release of $251,025 from PWSD on September 28, 2022.

District No. 5 and PWSD simultaneously entered into the fifth set of interrelated agreements, the Cash in Lieu of Letter of Credit Financial Guarantee Agreement and the Water and/or Sewer Main Improvement Agreement for Transit Oriented Development Water and Sanitary Sewer on January 26, 2021, both of which were specifically for the water and sanitary sewer portions of the construction of the RidgeGate East Filing No. 1 Earthwork and Utility TOD Phase 1 Project (MD5-014A), with Total Estimated Costs of $209,140, and the Guarantee amount of $41,828. The District paid the full Surety amount of $250,968 to PWSD on January 26, 2021. The District received one Release for the full 100% of the Total Estimated Costs of $209,140 from PWSD on December 23, 2021. District No. 5 received a letter of Initial Acceptance of the RidgeGate East Filing No. 1 Earthwork and Utility TOD Phase 1 Project from PWSD on December 8, 2021, which started the two-year warranty period. As of December 31, 2022, the 20% Guarantee on this project was still being held by PWSD in the amount of $41,828.

District No. 5 and PWSD entered into the sixth set of interrelated agreements, the Water and/or Sewer Main Improvement Agreement for Happy Canyon Trunk Sanitary Sewer – Phase 2 on June 23, 2021, and the Cash in Lieu of Letter of Credit Financial Guarantee Agreement on September 1, 2021, both of which were specifically for the construction of the Happy Canyon TOD Sanitary Outfall Phase 2 Project (MD5-006), with Total Estimated Costs of $1,520,043, and the Guarantee amount of $304,009. The District paid the full Surety amount of $1,824,052 to PWSD on July 16, 2021. The District received the first Release of 25% of the Total Estimated Costs of $380,011 from PWSD on December 13, 2021, and second, third and fourth Releases during 2022. The District received a letter of Initial Acceptance of the Happy Canyon Trunk Sanitary Sewer Phase 2 Project on April 12, 2022, which starts the two-year warranty period. As of December 31, 2022, PWSD was still holding $304,009 of the Surety on the Happy Canyon Trunk Sanitary Sewer Phase 2 Project.

NOTE 9 AGREEMENTS (CONTINUED)

PWSD Financial Guarantee and Improvements Agreements (Continued)

District No. 5 and PWSD simultaneously entered into the seventh set of interrelated agreements, the Cash in Lieu of Letter of Credit Financial Guarantee Agreement and the Water and/or Sewer Main Improvement Agreement for the South Water Main on October 7, 2021, both of which were specifically for the construction of the South Water Main Phase 2 Project (MD5-009), with Total Estimated Costs of $3,069,061, and the Guarantee amount of $613,812. (Both of these agreements were complete in July, but they were not fully executed by PWSD until October.) The District paid the full Surety amount of $3,682,873 to PWSD on July 16, 2021. The District received all four Releases of 25% of the Total Estimated Costs of $3,069,061 in total from PWSD during 2022, and received a letter of Initial Acceptance of the South Water Main Phase 2 Project on March 23, 2022. As of December 31, 2022, PWSD was still holding $613,812 of the Surety on the South Water Main Phase 2 Project.

During 2022, District No. 5 and PWSD entered into the eighth set of interrelated agreements, the Cash in Lieu of Letter of Credit Financial Guarantee Agreement and the Water and/or Sewer Main Improvement Agreement for Filing No. 1 Water and Sanitary Sewer - Phase 2 on April 7, 2022, both of which were specifically for the construction of the RidgeGate East Filing No. 1 Earthwork and Utility TOD Phase 2 Project (MD5-014B), with Total Estimated Costs of $215,735, and the Guarantee amount of $43,147. The District paid the full Surety amount of $258,882 to PWSD on March 25, 2022. The District did not receive any surety Releases on this project from PWSD during 2022. As of December 31, 2022, PWSD was holding $258,882 of the Surety on this project.

District No. 5 had seven projects constructed or still under construction within the PWSD boundaries that had not reached Final Acceptance during 2022; therefore, as of December 31, 2022, the District had total Surety funds on deposit with PWSD in the amount of $2,920,888.

City IGAs Regarding the RidgeGate Parkway Widening Project

On September 18, 2018, the City entered into five consolidated Intergovernmental Agreements Regarding the RidgeGate Parkway Widening Project (RGPW Project), (City RG Parkway IGAs). The first of the City RG Parkway IGAs was a state of Colorado Intergovernmental Contract with the Colorado Department of Transportation (CDOT) for the construction of Phase 2 of the RGPW Project, establishing the City as the Local Agency. Three of the City RG Parkway IGAs were with individual partners to provide the local funding for the RGPW Project: Douglas County, the Southeast Public Improvement Metropolitan District (SPIMD), and District No. 1. The District No. 1 Intergovernmental Agreement Concerning Construction Funding and Management - RidgeGate Parkway Widening Project, the (District No. 1 RGPW Funding IGA) identified the “Total Construction Costs” for the RGPW Project were estimated at $26,900,000, with the funding amounts to be provided by each participating party, the RRMD District Contribution was stated as being $15,500,000. However, the District No. 1 RGPW Funding IGA stated that prior to the award of the Phase 2 construction contract District No. 1 was to deposit funding to the City in the amount of the Total Construction Costs, less any funding partner contributions received by the City. The actual amount Rampart Range was required to fund was $8,418,508, which was paid to the City by District No. 1 on May 6, 2019.

NOTE 9 AGREEMENTS (CONTINUED)

City IGAs Regarding the RidgeGate Parkway Widening Project (Continued)

In addition to the funding aspect, District No. 1 was also responsible for providing RGPW Project design right-of-way plans and bid documents, and continued to provide construction management, record keeping, materials testing, and other services, all to be provided at District No. 1's own expense. The Total Construction Costs did not include costs for construction administration services to be performed by the City, and District No. 1 was to reimburse the City for such costs up to a maximum of $100,000. The fifth of the City RG Parkway IGAs was the District Project Management Work Allocation Agreement – RidgeGate Parkway which further defined the responsibilities of the City and District No. 1 regarding certain aspects of the management associated with the RGPW Project.

As discussed above in the Capital Funding and Reimbursement Agreement – East Side section under Developer Advances (Note 6 - Long-Term Obligations), on July 8, 2019, District No. 1 received a cost benefit analysis report from Ranger Engineering recommending a total RGPW Project costs allocation split of 75% to the West Side Districts and 25% to the East Side Districts, and effective as of October 31, 2019, District No. 1 entered into a Third Amendment to the Capital Funding and Reimbursement Agreement – East Side along with a Fifth Amendment to the 2007 Capital Agreement – West Side, to reallocate the funding amounts for the RGPW Project.

Total RGPW Project costs from inception in 2017 through December 31, 2019, were $11,563,884, recorded in the District No. 1 Capital Projects – East Side Fund; however, only $10,454,568 of these costs were to be shared. During 2019, District No. 1 transferred expenses of $7,840,746 to the Capital Projects – West Side Fund. As of December 31, 2019, total RGPW Project costs of $7,840,926 were expensed in the District No. 1 Capital Projects – West Side Fund, equal to 75% of the total costs to be shared since inception of the project.

During 2020 and 2021, total costs incurred on the RGPW Project equalled $1,404,157. Of the total RGPW Project costs incurred during 2020 and 2021, $1,053,118 (75%) was expensed by District No. 1 and $351,039 (25%) was expensed by District No. 5.

As of December 31, 2021, the RGPW Project had been completed by the City and was under-budget, as a result the funding remaining and held by the City was to be returned to District Nos. 1 and 5 according to their respective funding ratios. In addition, as the City's construction of the RGPW Project was completed in 2021 and placed in service, the District's total funding costs paid on the RGPW Project of $2,964,681 were conveyed to the City as of December 31, 2021. During 2021, the City made three releases of excess funding to District Nos. 1 and 5, and District No. 5 recorded $280,178 from those releases as Other Income – Reimbursements. During 2022, the City made the final release of excess funding to District Nos. 1 and 5, and District No. 5 recorded $10,020 from the final release as Other Income – Reimbursements. The District's remaining asset costs for the RGPW Project will be conveyed to PWSD in early 2023.

NOTE 9 AGREEMENTS (CONTINUED)

Operations Pledge Agreement

On December 1, 2019, the District entered into the East Side Operations Pledge Agreement with Rampart Range Metropolitan District Nos. 6 and 8 as the “East Side OPA Taxing Districts”, whereby District Nos. 6 and 8 agreed to impose an operations mill levy in amounts determined as necessary by the District in order to pay their proportionate share of the District’s administrative and operations and maintenance costs.

Inclusion Agreement

Effective October 5, 2021, the District as the “Operating District” and District Nos. 6 and 8 as the “Taxing Districts” entered into an “Inclusion Agreement” with RGI. Pursuant to the Inclusion Agreement, RGI will execute one or more petitions for inclusion of real property into either of the Taxing Districts upon any Trigger (as defined in the Inclusion Agreement). Following the receipt of any petitions for inclusion, the District and the appropriate Taxing District are to process the inclusion in order to ensure that the real property becomes a part of a Taxing District and supports the financing of the East Side District’s public improvements through the collection of taxes, fees, rates, tolls, and charges.

Intergovernmental Cost Sharing Agreement with Regional Transportation District

On April 5, 2021, the District entered into the Intergovernmental Agreement Regarding Funding, Construction, and Reimbursement of RidgeGate Parkway Station Transit Oriented Development – Earthwork and Utilities – Phase 1 with the Regional Transportation District (RTD) (the RTD CSA). The District and RTD had previously worked together to build some temporary improvements near the site of RTD’s light-rail station within the District. The District and RTD determined to cooperate in the demolition of those temporary improvements and the construction of permanent improvements which are included with the District’s TOD Phase 1 Project MD5-014A.

The RTD CSA establishes the obligation of the District to construct such improvements and for RTD to reimburse the District for a portion of those costs (as defined in the RTD CSA). RTD is to reimburse the District in phases for a total amount not to exceed $576,520. On July 27, 2021, the District invoiced RTD for the Initial Construction Costs of $384,964, which were received and recorded on April 25, 2022. On December 14, 2022, the District invoiced RTD for the Remaining Construction Costs of $191,556. The Remaining Construction Costs were received on February 9, 2023, but the income was accrued as of December 31, 2022.

NOTE 9 AGREEMENTS (CONTINUED)

Cost Sharing and Reimbursement Agreement (Rail Way Sidewalk)

Effective July 13, 2021, the District and RidgeGate Station Affordable LLC (RGSA) entered into a cost sharing agreement (the Rail Way CSA). RGSA is developing a parcel of land within the District, RidgeGate East Filing No. 1, 2nd Amendment, Lot 2-A-4. As part of its residential development on this property RGSA is constructing some private improvements, and adjacent to these improvements along South Havana Street and Rail Way, the District is constructing some public improvements (as defined in the Rail Way CSA). Pursuant to the Rail Way CSA, in between these public and private improvements, RGSA shall construct a sidewalk along the north side of Rail Way. After preliminary acceptance by the appropriate accepting jurisdiction and prior to final acceptance, the District shall acquire the Rail Way sidewalk, and will reimburse RGSA for the agreed upon reasonable “Verified Costs” of the sidewalk. As of December 31, 2022, the Rail Way sidewalk has not yet been completed.

NOTE 10 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 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2022, the District had unexpended construction related contract commitments of $1,668,107.

NOTE 12 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 general 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 13 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 that apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. On November 7, 2000, a majority of the District's electors approved an election question to remove limits on the amount of all revenues, excluding revenues generated from ad valorem taxes, the District is allowed to collect and spend or retain without regard to any limitations 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 salary or benefit increases.

On November 7, 2000, District voters passed an election question to increase property taxes $500,000 annually, without limitation of rate, to pay the District's operational and maintenance costs. On November 1, 2005, and again on May 8, 2012, District voters passed election questions to increase property taxes $5,000,000 annually, without limitation of rate, to pay the District's operational and maintenance costs. On May 5, 2020, District voters passed an election question to increase property taxes $500,000,000 annually, without limitation of rate, to pay the District's operational and maintenance costs.

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

SUPPLEMENTARY INFORMATION

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
IGA Revenue #6 - Property Taxes (Net)	$ 106	$ 106	$ -
IGA Revenue #6 - Specific Ownership Tax	9	10	1
IGA Revenue #6 - Development Fees	174,000	34,000	(140,000)
IGA Revenue #8 - Property Taxes (Net)	4,042	4,043	1
IGA Revenue #8 - Specific Ownership Tax	328	363	35
Water Resource Credit Fees Revenue	435,000	85,000	(350,000)
Net Investment Income	16,515	289,600	273,085
Total Revenues	630,000	413,122	(216,878)
EXPENDITURES			
Paying Agent Fees	4,000	4,000	-
Bond Interest Expense - Series 2021	4,800,000	4,800,000	-
Contingency	46,000	-	46,000
Total Expenditures	4,850,000	4,804,000	46,000
NET CHANGE IN FUND BALANCE	(4,220,000)	(4,390,878)	(170,878)
Fund Balance - Beginning of Year	20,483,000	20,479,549	(3,451)
FUND BALANCE - END OF YEAR	$ 16,263,000	$ 16,088,671	$ (174,329)

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Other Income	$ -	$ 40,000	$ 40,000
Other Income - Reimbursements	191,556	640,223	448,667
Net Investment Income	13,444	151,048	137,604
Total Revenues	205,000	831,271	626,271
EXPENDITURES			
General and Administrative:			
Accounting	320,000	257,967	62,033
District Management	150,000	122,783	27,217
Dues and Licenses	5,000	-	5,000
Legal	150,000	91,325	58,675
Capital Projects - East Side:			
Construction Management	100,000	63,614	36,386
Engineering	5,000	6,820	(1,820)
Landscape Maintenance	-	4,155	(4,155)
Miscellaneous	15,000	47	14,953
Operations Expenses until Final Acceptance	10,000	8,306	1,694
Planning/Design	250,000	178,806	71,194
Repairs on Existing Infrastructure	20,000	1,021	18,979
Capital Outlay - East Side:			
Communication Systems	30,000	27,548	2,452
Grading - RG Station TOD Improvements	-	389,388	(389,388)
Grading - Xcel Gas Line and Electric Feeder Relocations	300,000	3,149,734	(2,849,734)
Landscaping - RidgeGate Parkway East	-	55,970	(55,970)
Parks - Couplet	-	9,715	(9,715)
Parks - Larry Levin Park	-	70,564	(70,564)
Sewer - Badger Gulch Sanitary Outfall	-	25,118	(25,118)
Sewer - Dual Force Main Sanitary	-	11,039	(11,039)
Sewer - First Street Lift Station Sanitary	-	8,388	(8,388)
Sewer - Happy Canyon Sanitary Outfall - Meridian P1	-	21,510	(21,510)
Sewer - Happy Canyon TOD Sanitary Outfall P2	1,200,000	534,812	665,188
Sewer - RG Station TOD Improvements	-	70,119	(70,119)
Storm Drainage - Happy Canyon Detention/WQ	7,580,000	880,691	6,699,309
Storm Drainage - Ridgegate Parkway Couplet	50,000	-	50,000
Storm Drainage - RG Station TOD Improvements	665,000	765,967	(100,967)
Streets - High Note Avenue	30,000	1,428	28,572
Streets - Ridgegate Parkway Couplet	100,000	151,552	(51,552)
Streets - RG Station TOD Improvements	3,300,000	2,827,473	472,527
Streetscape - City Center Signals	-	263	(263)
Streetscape - Havana/SW Village Signal	490,000	5,891	484,109
Streetscape - Lighting Design	100,000	8,549	91,451
Streetscape - RG Parkway Couplet Signals	275,000	41,318	233,682
Streetscape - RG Parkway/Lyric Signal	-	220,755	(220,755)
Streetscape - RidgeGate Parkway East	4,465,000	235,446	4,229,554
Streetscape - Signage	75,000	28,330	46,670
Water - RidgeGate Parkway Water Main (P2)	2,000,000	1,274,708	725,292
Water - RG Station TOD Improvements	-	601,593	(601,593)
Contingency	385,000	-	385,000
Total Expenditures	22,070,000	12,152,713	9,917,287
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,865,000)	(11,321,442)	10,543,558

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 5,100,000	$ -	$ (5,100,000)
Total Other Financing Sources (Uses)	5,100,000	-	(5,100,000)
NET CHANGE IN FUND BALANCE	(16,765,000)	(11,321,442)	5,443,558
Fund Balance - Beginning of Year	20,420,000	18,869,045	(1,550,955)
FUND BALANCE - END OF YEAR	$ 3,655,000	$ 7,547,603	$ 3,892,603

RAMPART RANGE METROPOLITAN DISTRICT NO. 5
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2022

Bonds and Interest Maturing in the Year Ending December 31,	$120,000,000 Limited Tax Supported and Special Revenue Bonds Dated October 5, 2021 Series 2021 Interest Rate 4.00% Interest Due June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2023	$ -	$ 4,800,000	$ 4,800,000
2024	-	4,800,000	4,800,000
2025	-	4,800,000	4,800,000
2026	-	4,800,000	4,800,000
2027	-	4,800,000	4,800,000
2028	-	4,800,000	4,800,000
2029	-	4,800,000	4,800,000
2030	-	4,800,000	4,800,000
2031	530,000	4,800,000	5,330,000
2032	1,185,000	4,778,800	5,963,800
2033	1,360,000	4,731,400	6,091,400
2034	2,075,000	4,677,000	6,752,000
2035	2,455,000	4,594,000	7,049,000
2036	2,745,000	4,495,800	7,240,800
2037	3,170,000	4,386,000	7,556,000
2038	3,910,000	4,259,200	8,169,200
2039	4,075,000	4,102,800	8,177,800
2040	4,690,000	3,939,800	8,629,800
2041	4,885,000	3,752,200	8,637,200
2042	5,560,000	3,556,800	9,116,800
2043	5,795,000	3,334,400	9,129,400
2044	6,530,000	3,102,600	9,632,600
2045	6,805,000	2,841,400	9,646,400
2046	7,610,000	2,569,200	10,179,200
2047	7,925,000	2,264,800	10,189,800
2048	8,815,000	1,947,800	10,762,800
2049	9,175,000	1,595,200	10,770,200
2050	10,145,000	1,228,200	11,373,200
2051	20,560,000	822,400	21,382,400
Total	$ 120,000,000	$ 110,179,800	$ 230,179,800