

COAL CREEK METROPOLITAN DISTRICT NO. 1
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
OTHER INFORMATION

YEAR ENDED DECEMBER 31, 2024

**COAL CREEK METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2024**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management
Coal Creek Metropolitan District No. 1
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Coal Creek Metropolitan District No. 1 ("District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

BiggsKofford, P.C.

Colorado Springs, Colorado
July 29, 2025

BASIC FINANCIAL STATEMENTS

COAL CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	\$ 12,924,797
Cash and Investments - Restricted	379,800
Prepaid Insurance	3,581
Receivable from County Treasurer	68,118
Property Tax Receivable	3,583,231
Total Assets	16,959,527
LIABILITIES	
Accounts Payable	2,748
Total Liabilities	2,748
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	3,583,231
Total Deferred Inflows of Resources	3,583,231
NET POSITION	
Restricted for:	
Emergency Reserve	379,800
Net Position - Unrestricted	12,993,748
Total Net Position	\$ 13,373,548

See accompanying Notes to Basic Financial Statements.

**COAL CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 210,057	\$ -	\$ -	\$ -	\$ (210,057)
Total Governmental Activities	\$ 210,057	\$ -	\$ -	\$ -	(210,057)
 GENERAL REVENUES					
Property Taxes					11,671,949
Specific Ownership Taxes					687,203
Net Interest Income					296,441
Other Revenue					2,070
Total General Revenues					12,657,663
 CHANGES IN NET POSITION					
Net Position - Beginning of Year					925,942
NET POSITION - END OF YEAR					\$ 13,373,548

See accompanying Notes to Basic Financial Statements.

**COAL CREEK METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2024**

	General	Total Governmental Fund
ASSETS		
Cash and Investments	\$ 12,924,797	\$ 12,924,797
Cash and Investments - Restricted	379,800	379,800
Receivable from County Treasurer	68,118	68,118
Prepaid Insurance	3,581	3,581
Property Tax Receivable	3,583,231	3,583,231
Total Assets	\$ 16,959,527	\$ 16,959,527
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 2,748	\$ 2,748
Total Liabilities	2,748	2,748
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax	3,583,231	3,583,231
Total Deferred Inflows of Resources	3,583,231	3,583,231
FUND BALANCES		
Nonspendable:		
Prepaid Expense	3,581	3,581
Restricted for:		
Emergency Reserves	379,800	379,800
Unassigned	12,990,167	12,990,167
Total Fund Balances	13,373,548	13,373,548
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,959,527	\$ 16,959,527

Amounts reported for governmental activities in the statement of net position are the same as above.

COAL CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2024

	General	Total Governmental Fund
REVENUES		
Property Taxes	\$ 11,671,949	\$ 11,671,949
Specific Ownership Taxes	687,203	687,203
Net Interest Income	296,441	296,441
Other Revenue	2,070	2,070
Total Revenues	12,657,663	12,657,663
EXPENDITURES		
Current:		
Accounting	10,500	10,500
County Treasurer's Fee	175,110	175,110
Dues and Membership	447	447
Election	372	372
Insurance	4,731	4,731
Legal	17,697	17,697
Website	1,200	1,200
Total Expenditures	210,057	210,057
NET CHANGE IN FUND BALANCES	12,447,606	12,447,606
Fund Balances - Beginning of Year	925,942	925,942
FUND BALANCES - END OF YEAR	\$ 13,373,548	\$ 13,373,548

Amounts reported for governmental activities in the statement of activities are the same as above.

**COAL CREEK METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 11,671,954	\$ 11,671,954	\$ 11,671,949	\$ (5)
Specific Ownership Taxes	700,317	700,317	687,203	(13,114)
Net Interest Income	400,000	400,000	296,441	(103,559)
Other Revenue	-	-	2,070	2,070
Total Revenues	<u>12,772,271</u>	<u>12,772,271</u>	<u>12,657,663</u>	<u>(114,608)</u>
EXPENDITURES				
Accounting	10,500	10,500	10,500	-
Contingency	6,271	4,815	-	4,815
County Treasurer's Fee	175,079	175,110	175,110	-
Dues and Membership	400	447	447	-
Election	-	-	372	(372)
Insurance	3,000	4,731	4,731	-
Legal	10,500	17,697	17,697	-
Miscellaneous	500	500	-	500
Website	750	1,200	1,200	-
Total Expenditures	<u>207,000</u>	<u>215,000</u>	<u>210,057</u>	<u>4,943</u>
NET CHANGE IN FUND BALANCE	12,565,271	12,557,271	12,447,606	(109,665)
Fund Balance - Beginning of Year	<u>914,444</u>	<u>914,444</u>	<u>925,942</u>	<u>11,498</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 13,479,715</u></u>	<u><u>\$ 13,471,715</u></u>	<u><u>\$ 13,373,548</u></u>	<u><u>\$ (98,167)</u></u>

See accompanying Notes to Basic Financial Statements.

COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Coal Creek Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Arapahoe County on February 17, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Aurora, Arapahoe County, Colorado. The District was established to provide financing for the construction, installation, and operation of public improvements, including streets and safety controls, street lighting, monuments, signage, landscaping, water, sanitary sewer, storm drainage, television relay, transportation, mosquito control and park and recreation facilities, primarily for single family residential development within the District.

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's annual budget is required to be submitted to and approved by the City, thus enabling the City to impose its will on the District. Consequently, the District is considered to be a component unit of 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 property taxes and intergovernmental revenues.

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

COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental fund:

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.

COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The General Fund budget was amended in 2024.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Property Taxes

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

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

**COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 12,924,797
Cash and Investments - Restricted	379,800
Total Cash and Investments	\$ 13,304,597

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

Deposits with Financial Institutions	\$ 342,010
Investments	12,962,587
Total Cash and Investments	\$ 13,304,597

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 102.00% 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, 2024, the District's cash deposits had a bank balance and a carrying balance of \$342,010.

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.

**COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 12,962,587
		<u>\$ 12,962,587</u>

CSAFE

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

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE CASH FUND may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

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 CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

NOTE 4 LONG-TERM OBLIGATIONS

Authorized Debt

On November 3, 2015, the District’s electors authorized the incurrence of general obligation debt totaling \$2,880,000,000 in principal at a rate not to exceed 18%. At December 31, 2024, the District has authorized but unissued indebtedness for the following purposes:

	Authorized on November 3, 2015	Authorized Used	Remaining at December 31, 2024
In-District Special Assessment	\$ 192,000,000	\$ -	\$ 192,000,000
Street Improvements	192,000,000	-	192,000,000
Parks and Recreation	192,000,000	-	192,000,000
Water	192,000,000	-	192,000,000
Sanitation/Storm Sewer	192,000,000	-	192,000,000
Transportation	192,000,000	-	192,000,000
Mosquito Control	192,000,000	-	192,000,000
Safety Protection	192,000,000	-	192,000,000
Fire Protection	192,000,000	-	192,000,000
Television Relay and Translation	192,000,000	-	192,000,000
Security	192,000,000	-	192,000,000
Operations and Maintenance Debt	192,000,000	-	192,000,000
Refunding Debt	192,000,000	-	192,000,000
District Intergovernmental Agreements as Debt	192,000,000	-	192,000,000
District Private Agreements as Debt	192,000,000	-	192,000,000
	<u>\$ 2,880,000,000</u>	<u>\$ -</u>	<u>\$ 2,880,000,000</u>

The District’s Service Plan limits the aggregate debt issuance of the Districts to \$192,000,000 with a maximum debt mill levy of 50.000 mills, as may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation.

COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 NET POSITION

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

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

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserve	<u>\$ 379,800</u>

The District had an unrestricted net position of \$12,993,748 as of December 31, 2024.

NOTE 6 RELATED PARTIES

The Developer of the property which constitutes the District is Coal Creek Reserve, LLP. The members of the board of directors are officers or, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 7 AGREEMENTS

The District and Coal Creek Reserve, LLP (the Developer) entered into a Funding and Reimbursement Agreement (FRA) on February 23, 2016. Per the FRA, the Developer agreed to loan the District \$50,000 per annum for four years, up to \$200,000 through December 31, 2020. Thereafter, the Developer may agree to renew its obligation on an annual basis as provided by written notice. Prior to the issuance of a Reimbursement Obligation advances shall accrue 8.00% per annum from the date such an advance is made. At the request of the Developer, the District will issue one or more Reimbursement Obligations to evidence any repayment obligation of the District then existing. Such Reimbursement Obligations shall bear interest at a market rate to be determined at the time of issuance of such Reimbursement Obligations. The term of repayment of any Reimbursed Obligations shall not extend beyond February 23, 2046.

On October 26, 2021, the parties agreed to amend the FRA loan amount and term to advance funds up to \$50,000 (Annual Loan Cap) per annum for five years and not to exceed \$250,000 (Maximum Loan Amount) through the life of the agreement. In addition, the obligation to advance funds was extended to December 31, 2021 (Loan Obligation Termination Date) and then automatically extends for one-year terms unless the Developer provides written notice to the District of termination at least 30 days prior to December 31st of each year. Upon each automatic one year extensions of the Loan Obligation Termination Date, the Developer agrees to loan the District one or more sums of money up to the Annual Loan Cap. As of December 31, 2024, there was no principal and interest due under the FRA.

COAL CREEK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property 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 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% 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 3, 2015, the District's voters authorized the District to increase property taxes \$10,000,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

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.

OTHER INFORMATION

**COAL CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2020	\$ 7,471,022	70.000	\$ 522,972	\$ 522,972	100.00 %
2021	2,208,741	70.000	154,612	154,384	99.85
2022	1,054,196	70.000	73,794	73,560	99.68
2023	2,366,609	70.195	166,124	166,124	100.00
2024	166,742,200	70.000	11,671,954	11,671,949	100.00
Estimated for Year Ending December 31, 2025	\$ 51,189,009	70.000	\$ 3,583,231		

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

Source: Arapahoe County Assessor and Treasurer.