MIRABELLE METROPOLITAN DISTRICT NO. 1
Douglas County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

MIRABELLE METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT	**I**
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	**1**
STATEMENT OF ACTIVITIES	**2**
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	**3**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS	**4**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	**5**
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	**6**
SPECIAL REVENUE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	**7**
NOTES TO BASIC FINANCIAL STATEMENTS	**8**
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**23**
CAPITAL PROJECTS FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**24**
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	**26**

FISCAL FOCUS PARTNERS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mirabelle Metropolitan District No. 1
Douglas County, Colorado

Opinions

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

In our opinion, the 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, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund and the special revenue 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.

Fiscal Focus Partners, LLC

PO Box 740339, Arvada, CO 80006
303.202.1800 Office www.ffpcpa.com

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 and Other 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 and other information (together, the 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.

Fiscal Focus Partners, LLC

Arvada, Colorado
July 31, 2025

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
Assets	
Cash and Investments	$ 143,199
Cash and Investments - Restricted	32,257
Accounts Receivable	777,840
Due from Other Governments	13,856
Receivable from County Treasurer	87
Prepaid Insurance	8,449
Property Taxes Receivable	12,723
Capital Assets, not being depreciated	12,774,719
Capital Assets, net of depreciation	18,727,534
Total Assets	32,490,664
Liabilities	
Accounts Payable	730,693
Prepaid Operations & Maintenance Fees	18,160
Due to Other Governments	58
Retainage Payable	83,863
Noncurrent Liabilities	
Due in more than one year	28,567,484
Total Liabilities	29,400,258
Deferred Inflows of Resources	
Deferred Property Tax Revenue	12,723
Total Deferred Inflows of Resources	12,723
Net Position	
Net Investment in Capital Assets	2,934,769
Restricted for:	
Emergency Reserves	32,257
Unrestricted	110,657
Total Net Position	$ 3,077,683

See accompanying Notes to Basic Financial Statements.

MIRABELLE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net Revenues (Expense) and Change in Net Position: Governmental Activities
Primary Government					
Government Activities					
General Government	$ 4,755,138	$ 273,145	$ 1,053,219	$ 2,575,558	$ (853,216)
Dedication of Public Improvements	2,377,040	-	-	-	(2,377,040)
Interest and Related Costs on Long-Term Debt	79,886	-	-	-	(79,886)
Total Governmental Activities	$ 7,212,064	$ 273,145	$ 1,053,219	$ 2,575,558	(3,310,142)
General Revenues					
Property Taxes					12,981
Specific Ownership Taxes					963
Net Investment Income					15,546
Total General Revenues					29,490
Changes in Net Position					(3,280,652)
Net Position - Beginning of Year					6,358,335
Net Position - End of Year					$ 3,077,683

See accompanying Notes to Basic Financial Statements.

MIRABELLE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Assets					
Cash and Investments	$ 60,154	$ 23,934	$ -	$59,111	$ 143,199
Cash and Investments - Restricted	32,257	-	-	-	32,257
Due from other Governments	13,856	-	-	-	13,856
Accounts Receivable	488	5,456	-	771,896	777,840
Receivable from County Treasurer	29	-	58	-	87
Prepaid Insurance	8,449	-	-	-	8,449
Property Taxes Receivable	4,241	-	8,482	-	12,723
Total Assets	$119,474	$ 29,390	$ 8,540	$831,007	$ 988,411
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payables	$ 17,619	$ 41,181	$ -	$671,893	$ 730,693
Prepaid Operations and Maintenance Fees	-	18,160	-	-	18,160
Retainage Payable	-	-	-	83,863	83,863
Due to Other Governments	-	-	58	-	58
Total Liabilities	17,619	59,341	58	755,756	832,774
Deferred Inflows of Resources					
Deferred Property Taxes	4,241	-	8,482	-	12,723
Total Deferred Inflows of Resources	4,241	-	8,482	-	12,723
Fund Balances					
Restricted for:					
Emergency Reserves	32,257	-	-	-	32,257
Unassigned	65,357	(29,951)	-	75,251	110,657
Total Fund Balances	97,614	(29,951)	-	75,251	142,914
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$119,474	$ 29,390	$ 8,540	$831,007	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital Assets used in governmental activities are not financials resources and; therefore, are not reported as assets in the funds.					
Capital Assets, not being depreciated					12,774,719
Capital Assets, being depreciated					18,727,534
Long-term liabilities, including bonds payable, are not due and payable in the current period and; therefore, are not recorded as liabilities in the funds.					
Developer Advance Payable					(28,114,006)
Accrued Interest on Developer Advance Payable					(453,478)
Net Position of Governmental Activities					$ 3,077,683

See accompanying Notes to Basic Financial Statements.

MIRABELLE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Property Taxes	$ 4,327	$ -	$ 8,654	$ -	$ 12,981
Specific Ownership Taxes	321	-	642	-	963
Net Investment Income	15,546	-	-	-	15,546
Intergovernmental Service Fees	1,053,219	-	-	-	1,053,219
Operations and Maintenance Fees	-	264,936	-	-	264,936
Tap Fees	-	-	-	2,575,558	2,575,558
Other Revenues	1,825	5,458	-	926	8,209
Total Revenues	1,075,238	270,394	9,296	2,576,484	3,931,412
Expenditures					
General and Administrative					
Management	125,306	-	-	-	125,306
Accounting	53,883	-	-	-	53,883
Audit	11,700	-	-	-	11,700
Legal Services	51,862	-	-	-	51,862
Insurance	6,886	-	-	-	6,886
Dues and Memberships	1,505	-	-	-	1,505
Website	1,447	-	-	-	1,447
Treasurer's Fee	65	-	130	-	195
Collection Costs	-	5,297	-	-	5,297
Other Expenditures	4,564	-	-	-	4,564
Operations and Maintenance					
Utilities	-	365,517	-	-	365,517
Landscaping	-	495,026	-	-	495,026
Snow Removal	-	17,249	-	-	17,249
Other Repairs and Maintenance	-	129,840	-	-	129,840
Debt Service					
Intergovernmental Expenditures	-	-	9,166	-	9,166
Capital					
Engineering	-	-	-	52,416	52,416
Infrastructure	-	-	-	2,319,987	2,319,987
Tap Option Payment	-	-	-	160,170	160,170
Tap Fees	-	-	-	2,346,932	2,346,932
Total Expenditures	257,218	1,012,929	9,296	4,879,505	6,158,948
Excess of Revenues Over (Under) Expenditures	818,020	(742,535)	-	(2,303,021)	(2,227,536)
Other Financing Sources (Uses)					
Developer Advance	-	-	-	2,178,645	2,178,645
Transfers from Other Funds	-	757,026	-	-	757,026
Transfers to Other Funds	(757,026)	-	-	-	(757,026)
Total Other Financing Sources (Uses)	(757,026)	757,026	-	2,178,645	2,178,645
Net Change in Fund Balances	60,994	14,491	-	(124,376)	(48,891)
Fund Balances (Deficits) - Beginning of Year	36,620	(44,442)	-	199,627	191,805
Fund Balances (Deficits) - End of Year	$ 97,614	$(29,951)	$ -	$ 75,251	$ 142,914

See accompanying Notes to Basic Financial Statements.

MIRABELLE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds	$ (48,891)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.	
Capital Outlay	2,372,403
Depreciation Expense	(977,890)
Dedication of Public Improvements	(2,377,040)
Long-term debt (e.g. bonds, and 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. 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.	
Developer Advance	(2,160,014)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest on Developer Advances	(89,220)
Changes in Net Position of Governmental Activities	$(3,280,652)

See accompanying Notes to Basic Financial Statements.

MIRABELLE METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property Tax	$ 4,288	$ 4,327	$ 39
Specific Ownership Tax	386	321	(65)
Intergovernmental Revenues	1,058,232	1,053,219	(5,013)
Net Investment Income	5,000	15,546	10,546
Other Revenues	-	1,825	1,825
Total Revenues	1,067,906	1,075,238	7,332
Expenditures			
Management	98,750	125,306	(26,556)
Accounting	107,350	53,883	53,467
Audit	11,700	11,700	-
Legal Services	45,000	51,862	(6,862)
Insurance	6,500	6,886	(386)
Dues and Memberships	1,800	1,505	295
Website	600	1,447	(847)
Treasurer's Fee	64	65	(1)
Other Expenditures	28,236	4,564	23,672
Total Expenditures	300,000	257,218	42,782
Excess of Revenues Over (Under) Expenditures	767,906	818,020	50,114
Other Financing Sources (Uses)			
Transfers to other Funds	(752,266)	(757,026)	(4,760)
Total Other Financing Sources (Uses)	(752,266)	(757,026)	(4,760)
Net Change in Fund Balances	15,640	60,994	45,354
Fund Balances - Beginning of Year	16,460	36,620	20,160
Fund Balances - End of Year	$ 32,100	$ 97,614	$ 65,514

See accompanying Notes to Basic Financial Statements.

MIRABELLE METROPOLITAN DISTRICT NO. 1
SPECIAL REVENUE FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Operations and Maintenance Fees	$ 284,080	$ 264,936	$ (19,144)
Other Revenues	2,500	5,458	2,958
Net Investment Income	-	-	-
Total Revenues	286,580	270,394	(16,186)
Expenditures			
Utilities	171,000	365,517	(194,517)
Landscaping	525,000	462,813	29,974
Landscape and Sprinkler Repairs	30,000	21,306	8,694
Storm Water Maintenance	105,000	129,840	(24,840
Snow Removal	75,000	17,249	57,751
Other Repairs and Maintenance	151,000	10,907	140,093
Collection Costs	8,000	5,297	2,703
Total Expenditures	1,065,000	1,012,929	52,071
Excess of Revenues Over (Under) Expenditures	(778,420)	(742,535)	35,885
Other Financing Sources (Uses)			
Developer Advance	26,154	-	(26,154)
Transfers from other Funds	752,266	757,026	4,760
Total Other Financing Sources (Uses)	778,420	757,026	(21,394)
Net Change in Fund Balances	-	14,491	14,491
Fund Balances (Deficits) - Beginning of Year	-	(44,442)	(44,442)
Fund Balances (Deficits) - End of Year	$ -	$ (29,951)	$ (29,951)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Mirabelle Metropolitan District No. 1, formerly Highlands Ranch Metropolitan District No. 5, (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court of Douglas County, Colorado on June 25, 1980, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under an Amended and Restated Service Plan approved by the Douglas County Board of County Commissioners on October 25, 2016. The District was established to provide operations and maintenance and design, acquisition, installation, construction, relocation, redevelopment, and completion of public improvements, covenant enforcement services, and planning services, including water, sanitation, streets, security services, park and recreation, public transportation, traffic and safety, limited fire protection, limited television relay and translation, and mosquito control. Mirabelle Metropolitan District No. 2 (District No. 2), Mirabelle Metropolitan District No. 3 (District No. 3), and Mirabelle Metropolitan District No. 4 (District No. 4) were organized by order and decree of the District Court of Douglas County, Colorado on November 17, 2016. The District and District No. 2 have entered into an intergovernmental agreement whereby the District shall perform the administrative services on behalf of District No. 2. District No. 2 is responsible for all the District's costs in providing administrative and operations and maintenance services (collectively, the Operating Services) through the imposition of the Operations and Maintenance Mill Levy. As of December 31, 2024, District No. 3 and District No. 4 are inactive, and the District has not performed administrative services on their behalf.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and developer advances. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with operations and maintenance.

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

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated. Actual expenditures exceeded budgeted expenditures in the Capital Projects Fund which may be a violation of Colorado Local Government budget law.

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 average equity balance in the total cash.

Property Taxes

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

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental 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.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Storm Drainage Facilities	50 Years
Landscape	15 Years
Water and Sewer Systems	40 Years
Mailboxes	30 Years

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, *deferred property tax revenue is* deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvements of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

Restricted – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

Unrestricted – the component of net position that does not meet the definitions above.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (continued)

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

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

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

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

Deficits

The Special Revenue Fund reported a deficit in the fund balance as of December 31, 2024. The deficit in the Special Revenue Fund will be eliminated with an interfund transfer.

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	$ 143,199
Cash and Investments - Restricted	32,257
Total Cash and Investments	$ 175,456

Cash and investments as of December 31, 2024, consist of the following:	
Deposits with Financial Institutions	$ 70,092
Investments	105,364
Total Cash and Investments	$ 175,456

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, 2024, the District's cash deposits had a bank balance of $131,012 and a carrying balance of $70 092.

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, 2024, the District had $105,364 invested in COLOTRUST PLUS+.

COLOTRUST

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by 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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (CONTINUED)

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

NOTE 4 CAPITAL ASSETS

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

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Capital Assets, not Being Depreciated				
Land	$ 1,693,698	$ -	$ -	$ 1,693,698
construction in Progress	16,468,845	2,372,403	7,760,227	11,081,021
Total Capital Assets, not Being Depreciated	18,162,543	2,372,403	7,760,227	12,774,719
Capital Assets being depreciated				
Storm Drainage Facilities	305,232	-	-	305,232
Mailboxes	26,794	-	-	26,794
Landscaping	5,890,733	5,383,187	-	11,273,920
Water & Sewer System	8,771,889	-	-	8,771,889
Total Capital Assets, Being Depreciated	14,994,648	5,383,187	-	20,377,835
Less: Accumulated Depreciation				
Storm Drainage Facilities	(16,279)	(6,105)	-	(22,384)
Mailboxes	(2,307)	(893)	-	(3,200)
Landscape	(392,716)	(751,595)	-	(1,144,311)
Water & Sewer System	(261,109)	(219,297)	-	(480,406)
Total Accumulated Depreciation	(672,411)	(977,890)	-	(1,650,301)
Total Assets, Being Depreciated, Net	14,322,237	4,405,297	-	18,727,534
Governmental Activities Capital Assets, Net	$32,484,780	$ 6,777,700	$7,760,227	$ 31,502,253

Depreciation expense of $977,890 was charged to the general government function of the District.

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Developer Advances - Capital	$24,190,182	$2,426,039	$ -	$26,616,221	$-
Accrued Interest on Developer Advances - Capital	264	-	-	264	-
Developer Advances - CWSD	1,089,224	10,860	272,981	827,103	-
Accrued Interest on Developer Advances - CWSD	219,795	33,183	-	252,978	-
Developer Advances - General	674,586	-	3,904	670,682	-
Accrued Interest on Developer Advances - General	144,199	56,037	-	200,236	
Total	$26,318,250	$2,526,119	$ 276,885	$28,567,484	$-

Authorized Debt

At December 31, 2024, the District has authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized November 8, 2016	Authorized But Unissued
Street Improvements	$ 90,000,000	$ 90,000,000
Parks and Recreation	90,000,000	90,000,000
Water	90,000,000	90,000,000
Sanitation/Storm Sewer	90,000,000	90,000,000
Transportation	90,000,000	90,000,000
Mosquito Control	90,000,000	90,000,000
Safety Protection	90,000,000	90,000,000
Fire Protection	90,000,000	90,000,000
Television Relay and Translation	90,000,000	90,000,000
Security	90,000,000	90,000,000
In-District Special Assessment Debt	90,000,000	90,000,000
Operations and Maintenance Debt	90,000,000	90,000,000
Refunding Debt	90,000,000	90,000,000
District Intergovernmental Agreements as Debt	90,000,000	90,000,000
District Private Agreements as Debt	90,000,000	90,000,000
Total	$ 1,350,000,000	$ 1,350,000,000

Pursuant to the Amended and Restated Service Plan, the aggregate debt limit is $90,000,000 for all of District Nos. 1 – 4 combined, exclusive of refundings. District No. 2 issued its $29,295,000 General Obligation Limited Tax Bonds, Series 2020A and $7,365,000 General Obligation Subordinate Limited Tax Bonds, Series 2020B on January 30, 2020. The remaining Debt authorized under the Service Plan is $53,340,000 for all of District Nos. 1 – 4 combined.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (continued)

Pursuant to the Amended and Restated Service Plan, the maximum mill levy for general obligation debt and operations and maintenance is 75.000 mills of which the District imposes 25.000 mills for operations. The combined mill levy of 75.000 mills is subject to adjustment for increases or decreases in the residential assessment ratio so that the actual tax revenues derived from the mill levy, as adjusted, are neither diminished nor enhanced as a result.

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.

Developer Advance

The District has entered into Funding and Reimbursement Agreements with Shea Homes Limited Partnership (the Developer) as follows:

Operations Funding and Reimbursement Agreement

The District and the Developer entered into a Funding and Reimbursement Agreement (Operations and Maintenance) on January 1, 2017, (the OFRA) as amended by a First Amendment to the OFRA, dated November 11, 2020, a Second Amendment to the OFRA, dated October 12, 2022, and a Third Amendment to OFRA, dated November 9, 2022, whereby the Developer agreed to loan moneys to the District for the purpose of covering revenue shortfalls with respect to operations and maintenance expenses of the District.

Interest accrues from date Developer deposits funds at a rate of 5%, plus the Municipal Market data (MMD) BAA 30-year index. The funds are to be loaned to the District in a series of installments and are to be available to the District through December 31, 2024 (the O&M Loan Obligation Termination Date). Thereafter, the Developer may agree to renew its agreement on an annual basis by providing written notice to the District, in which case, the Loan Obligation Termination Date will be amended to the date provided but not earlier than December 31 of the succeeding year. The District's obligations hereunder shall terminate at the earlier of the repayment in full of all amounts loaned to the District by the Developer hereunder or 40 years from the December 31 of the year that each amount is loaned to the District by the Developer.

The balance of advances outstanding as of December 31, 2024, is $670,682 of principal and $200,236 of interest.

Infrastructure Acquisition Reimbursement Agreement

The District and the Developer entered into an Infrastructure Acquisition Reimbursement Agreement (IARA) on January 1, 2017, as amended on June 10, 2020, whereby the Developer agreed to loan moneys to the District for the purpose of funding public infrastructure costs of the District. Under the IARA construction contracts for infrastructure entered into by the Developer for the benefit of the District are subject to future reimbursement by the District. Interest accrues from date Developer deposits funds at a rate of 5%, plus the Municipal Market data (MMD) BAA 30 year index not to exceed 8%. After such time, as all funds in both the Senior Project Fund and the Subordinate Project Fund from District No. 2's 2020 Bond Issuance are depleted, no interest will accrue or continue to accrue on any installment advanced under the IARA.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advance (Continued)

Infrastructure Acquisition Reimbursement Agreement (continued)

The District anticipates repaying District Eligible Costs, as defined in the IARA, approved by the District under this Agreement from the proceeds of loans or bonds issued by the District, and/or the Financing Districts that are remitted to the District under the terms of the Amended and Restated Mill Levy Equalization and Pledge Agreement dated December 7, 2016 (MLEPA), as amended and restated on January 8, 2020, and/or other legally available funds of the District not otherwise required for reasonable operating costs of the District. The District and the Developer have executed multiple addenda to the IARA to account for the estimated public improvement construction costs.

The balance of advances outstanding as of December 31, 2024, is $26,616,221 of principal and $264 of interest.

CWSD Agreement Fees Funding and Reimbursement Agreement

The District and the Developer entered into a Funding and Reimbursement Agreement on July 11, 2018 as amended and restated on March 13, 2019 (FFRA) and as amended October 12, 2022, whereby the Developer agreed to loan moneys to the District for the purpose of paying amounts due to Centennial Water and Sanitation District (CWSD). Amounts due include the administrative advance, tap fees, tap option payments, and engineering fees (the Costs). Interest accrues from date Developer deposits funds at a rate of 5%, plus the Municipal Market data (MMD) BAA 30-year index. The Developer agrees to loan to the District one or more sums of money as requested by the District for the Costs, as defined in the FFRA, incurred or to be incurred by the District. These funds shall be loaned to the District in one or a series of installments and shall be available to the District through December 31, 2025. Thereafter, the Developer may agree to renew its agreement hereunder on an annual basis by providing written notice thereof to the District, in which case the Loan Obligation Termination Date shall be amended to the date provided in such notice, which date shall not be earlier than December 31 of the succeeding year. The District's obligations hereunder shall terminate at the earlier of the repayment in full of all amounts loaned to the District by the Developer hereunder or 40 years from December 31 of the year that each amount is loaned to the District by the Developer.

The balance of the advance outstanding as of December 31, 2024, is $827,103 of principal and $252,978 of interest.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024, the District had net investment in capital assets calculated as follows:

Net investment in Capital Assets:	
Capital Assets, Net	$ 31,502,253
Noncurrent Portion of Long-Term Obligations	(28,567,484)
Net Investment in Capital Assets	$ 2,934,769

NOTE 6 NET POSITION (CONTINUED)

The restricted component of 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 legislations. The District had restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	$ 32,257
Total	$ 32,257

The District's unrestricted net position as of December 31, 2024, is $110,657.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Shea Homes Limited Partnership. The majority members of the Board of Directors are employees, owners, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 DISTRICT AGREEMENTS

Subdivision Improvements Agreement and Intergovernmental Agreement

The District, Shea Homes Limited Partnership (the Developer) and the Board of County Commissioners of the Count of Douglas (County) has entered into the Subdivision Improvements Agreement and Intergovernmental Agreements (Subdivision Agreements) to provide for improvements and landscape and park improvements within Filings 1, 2, 3, 4, and 5 of the District. Improvements shall mean (i) all on and off-site grading, and streets and traffic facilities associated with the Subdivision, (ii) the detached sidewalks adjacent to the streets, and (iii) all on-site facilities for storm water drainage, water and water quality, and sanitary sewer associated with the Subdivision; all as more particularly described in the Improvement Plans. Landscape and Park Improvements shall mean landscape and hardscape improvements associated with the Subdivision. To the extent the District has not made or continued to make funds available for the completion of the Improvements or the Landscape and Park Improvements, or otherwise remains in default in its obligations after due notice as required, in order to secure the performance of the obligations of the District under the Subdivision Agreements to complete the Improvements and the Landscape and Park Improvements for the Subdivision, the Developer shall deposit with the County, at the time of such default, an irrevocable letter of credit (Completion LOC). The Completion LOC, if required, shall be in the amount equal to 115% of the estimated cost to complete the construction. If required, the Completion LOC shall be retained by the County until satisfaction of the Developer's obligations under the Subdivision Agreements with respect to each particular Construction Phase or earlier release by the County.

Restated and Amended Highlands Ranch Water and Wastewater Agreement

The District and Centennial Water and Sanitation District (Centennial) entered into the Amended and Restated Highlands Ranch Water and Wastewater Agreement on February 26, 2018 (Water Agreement). The Water Agreement provides for Centennial to provide potable water and wastewater treatment services to areas included within the District in exchange for prepayment of the reserved capacity fees to Centennial in anticipation of collection of future tap fees. Centennial has reserved for use within the Mirabelle service area up to 1,500 single family equivalent (SFE) water and 1,500 SFE wastewater taps.

NOTE 8 DISTRICT AGREEMENTS (CONTINUED)

Restated and Amended Highlands Ranch Water and Wastewater Agreement (Continued)

Under the Water Agreement, The District shall pay tap fees to Centennial to fully recover 100% of the capital and other costs incurred by Centennial to extend services to Mirabelle and shall pay tap option payments to Centennial annually beginning on January 1, 2020 in an amount equal to 2% of the water and wastewater tap fee for all SFE water and wastewater taps reserved but not yet purchased as of December 31st of the preceding calendar year. Centennial shall bill Mirabelle customers in accordance with the water and wastewater service rates adopted by Centennial by resolution and shall directly bill Mirabelle customers monthly in accordance with Centennial's standard billing practices.

Amended and Restated Mill Levy Equalization and Pledge Agreement

The District and District No. 2 entered into the Mill Levy Equalization and Pledge Agreement (MLEPA) on December 7, 2016, as amended and restated on January 8, 2020, in order to promote the integrated plan of development set forth in the Service Plan for the Districts. The MLEPA is intended to ensure an equitable allocation among the Districts of the costs of acquiring, installing, constructing, designing, administering, financing, operating, and maintaining streets, water, sanitation, and various other public improvements and services.

Pursuant to the MLEPA, each Financing District agrees to impose an "Equalization Mill Levy" consisting of the Debt Service Mill Levy plus the Operations and Maintenance Mill Levy in order to pay the Developer Debt, the Senior Bonds and the operations and maintenance costs of the Districts. The MLEPA generally defines the term "Developer Debt" as amounts owed to the Developer for advancing of amounts to fund operations shortfalls, amounts owed to the Developer for advancing of guaranty payments on the Senior Bonds, amounts owed to the Developer for the provision of public improvements, and any other repayment obligation incurred by the Districts in connection with advances made by the Developer to the Districts. The MLEPA generally defines the term "Senior Bonds" as all Bonds issued by any of the Financing Districts, now or in the future, which bonds shall be senior to any obligations of the Districts under the MLEPA.

District Operating Services Agreement

The District entered into the District Operating Services Agreement with District No. 2 on December 7, 2016 wherein the District shall perform the administrative services on behalf of District No. 2. It is anticipated that the District will own, operate, and maintain all Public Improvements within the boundaries of the Districts that are not otherwise conveyed to other governmental entities. District No. 2, as a party to the MLEPA, shall be responsible for any and all costs incurred by the District in providing administrative and operations and maintenance services (collectively, the Operating Services) through the imposition of the Operations and Maintenance Mill Levy, as well as the Debt Service Mill Levy to the extent the District borrows revenues to pay for the operating services.

Mill Levy Agreement

The District entered into the Mill Levy Agreement with District No. 2 on January 1, 2022, as amended on November 8, 2023, wherein the District shall cooperate and coordinate with District No. 2 in good faith to ensure that a mill levy is imposed by the District equal to the Equalization Mill Levy (comprised of the Debt Service Mill Levy and the Operations and Maintenance Mill Levy) that is to be certified by the District in accordance with the MLEPA. The Debt Service Revenue generated by the District is pledged to District No. 2 for the purpose of paying construction or debt service costs and obligations of District No. 2 or for the benefit of the constituents of the District and District No. 2.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of December 31, 2024, the District had unexpended construction related contract commitments of approximately $1,328,420 consisting of:

Landscaping	$1,328,420
Total Commitments	$1,328,420

NOTE 10 INTERFUND AND OPERATING TRANSFERS

The transfers from the General Fund to the Special Revenue Fund was the result of amounts due to the Special Revenue Fund to pay for operations and maintenance expenditures.

NOTE 11 RISK MANAGEMENT

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

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

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

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 8, 2016, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District 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. District No. 1 serves as the Operating District and has established an Emergency Reserve for the District.

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.

NOTE 13 SUBSEQUENT EVENTS

The Amended and Restated Mill Levy Equalization and Pledge Agreement, and the Mill Levy Agreement were terminated at the January 8, 2025 Joint Regular Meeting of the Districts.

SUPPLEMENTARY INFORMATION

MIRABELLE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	$ 8,575	$ 8,654	$ 79
Specific Ownership Taxes	772	642	(130)
Other Revenues	653	-	(653)
Total Revenues	10,000	9,296	(704)
Expenditures			
Treasurer's Fee	129	130	(1)
Intergovernmental Expenditures	9,218	9,166	52
Contingency	653	-	653
Total Expenditures	10,000	9,296	704
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	$ -	$ -	$ -

MIRABELLE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Tap Fees	$ 2,119,186	$ 2,575,558	$ 456,372
Other Revenues	-	926	926
Total Revenues	2,119,186	2,576,484	457,298
Expenditures			
Accounting	26,000	-	26,000
Legal Services	8,500	-	8,500
Infrastructure	1,605,285	2,372,403	(767,118)
Tap Option Payment	160,170	160,170	-
Tap Fees	1,931,020	2,346,932	(415,912)
Contingency	73,500	-	73,500
Total Expenditures	3,804,475	4,879,505	(1,075,030)
Excess of Revenues Over (Under) Expenditures	(1,685,289)	(2,303,021)	(617,732)
Other Financing Sources (Uses)			
Developer Advance	1,685,289	2,178,645	493,356
Total Other Financing Sources (Uses)	1,685,289	2,178,645	493,356
Net Change in Fund Balances	-	(124,376)	(124,376)
Fund Balances - Beginning of Year	-	199,627	199,627
Fund Balances - End of Year	$ -	$ 75,251	$ 75,251

OTHER INFORMATION

MIRABELLE 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 Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	$ 82,820	27.638	$ 2,289	$ 2,289	100.0%
2019	11,220	27.638	310	310	100.0%
2020	125,520	83.495	10,480	10,480	100.0%
2021	128,500	83.496	10,729	10,729	100.0%
2022	116,700	83.496	9,744	9,744	100.0%
2023	159,100	83.496	13,284	13,284	100.0%
2024	165,000	77.956	12,863	12,981	100.9%
2025[1]	163,200	77.956	12,723		

[1] Estimated

NOTE:
Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.