

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
Weld County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
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YEAR ENDED DECEMBER 31, 2024**

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Board of Directors
Wyndham Hill Metropolitan District No. 4
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Wyndham Hill Metropolitan District No. 4 (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Wyndham Hill Metropolitan District No. 4 as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

July 17, 2025

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	\$ 28,302
Cash and Investments - Restricted	309
Prepaid Insurance	1,935
Receivable from County Treasurer	24
Property Tax Receivable	7,124
Capital Assets:	
Capital Assets Not Being Depreciated	1,832,728
Total Assets	1,870,422
LIABILITIES	
Accounts Payable	98,187
Due to Other Districts	300,789
Noncurrent Liabilities:	
Due in More Than One Year	1,696,568
Total Liabilities	2,095,544
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	7,124
Total Deferred Inflows of Resources	7,124
NET POSITION	
Restricted for:	
Emergency Reserve	300
Unrestricted	(232,546)
Total Net Position	\$ (232,246)

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 78,812	\$ -	\$ 436,071	\$ -	\$ 357,259
Interest on Long-Term Debt and Related Costs	329,854	-	-	-	(329,854)
<u>Total Governmental Activities</u>	<u>\$ 408,666</u>	<u>\$ -</u>	<u>\$ 436,071</u>	<u>\$ -</u>	<u>27,405</u>
GENERAL REVENUES					
Property Taxes					8,289
Specific Ownership Taxes					293
Interest Income					874
Total General Revenues and Transfers					<u>9,456</u>
CHANGES IN NET POSITION					36,861
Net Position - Beginning of Year					<u>(269,107)</u>
NET POSITION - END OF YEAR					<u>\$ (232,246)</u>

See accompanying Notes to Basic Financial Statements.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
BALANCE SHEET –
GOVERNMENTAL FUND
DECEMBER 31, 2024**

	<u>General Fund and Total Governmental Funds</u>
ASSETS	
Cash and Investments	\$ 28,302
Cash and Investments - Restricted	309
Receivable from County Treasurer	24
Prepaid Insurance	1,935
Property Tax Receivable	<u>7,124</u>
Total Assets	<u><u>\$ 37,694</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 98,187
Due to Other Districts	<u>300,789</u>
Total Liabilities	398,976
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	<u>7,124</u>
Total Deferred Inflows of Resources	7,124
FUND BALANCES	
Nonspendable:	
Prepaid Expense	1,935
Restricted for:	
Emergency Reserves	300
Unassigned	<u>(370,641)</u>
Total Fund Balances	<u><u>(368,406)</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 37,694</u></u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 1,832,728
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest	(45,793)
Bonds Payable	(1,580,470)
Developer Advance Payable	<u>(70,305)</u>
Net Position of Governmental Activities	<u><u>\$ (232,246)</u></u>

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
DECEMBER 31, 2024

	<u>General Fund and Total Governmental Funds</u>
REVENUES	
Property Taxes	\$ 8,289
Specific Ownership Taxes	293
Interest Income	874
Intergovernmental Revenues	<u>436,071</u>
Total Revenues	445,527
EXPENDITURES	
Current:	
Accounting	33,204
County Treasurer's Fee	124
District Management	16,026
Dues And Membership	1,238
Election	141
Insurance	2,474
Intergovernmental Expenditures	5,000
Legal	20,437
Miscellaneous	168
Debt Service:	
Bond Interest	2,549
Bond Issue Costs	227,750
Capital Projects:	
Capital Outlay	105,576
Whmd4 - 30" Irrigation Pipeline	<u>669,759</u>
Total Expenditures	<u>1,084,446</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(638,919)
OTHER FINANCING SOURCES (USES)	
Bond Issuance Proceeds	1,580,470
Developer Advance	395,000
Repay Developer Advance	(1,237,152)
Developer Advance - Interest Expense	<u>(177,068)</u>
Total Other Financing Sources	<u>561,250</u>
NET CHANGE IN FUND BALANCES	(77,669)
Fund Balances - Beginning of Year	<u>(290,737)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (368,406)</u></u>

See accompanying Notes to Basic Financial Statements.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (77,669)

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

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

Capital Outlay 775,335

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

Bond Issuance (1,580,470)
Developer Advance (395,000)
Repay Developer Advance 1,237,152

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability (45,793)
Accrued Interest Payable Developer Advance - Change in Liability 123,306

Changes in Net Position of Governmental Activities \$ 36,861

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
GENERAL 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	\$ 8,104	\$ 8,289	\$ 185
Specific Ownership Taxes	324	293	(31)
Interest Income	-	874	874
Intergovernmental Revenues	5,000	436,071	431,071
Total Revenues	<u>13,428</u>	<u>445,527</u>	<u>432,099</u>
EXPENDITURES			
Accounting	5,000	33,204	(28,204)
Contingency	9,528	-	9,528
County Treasurer's Fee	122	124	(2)
District Management	-	16,026	(16,026)
Dues And Membership	750	1,238	(488)
Election	-	141	(141)
Insurance	2,100	2,474	(374)
Intergovernmental Expenditures	5,000	5,000	-
Legal	15,000	20,437	(5,437)
Miscellaneous	2,500	168	2,332
Bond Interest	-	2,549	(2,549)
Bond Issue Costs	100,000	227,750	(127,750)
Capital Outlay	6,000,000	105,576	5,894,424
Whmd4 - 30" Irrigation Pipeline	-	669,759	(669,759)
Total Expenditures	<u>6,140,000</u>	<u>1,084,446</u>	<u>5,055,554</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,126,572)	(638,919)	5,487,653
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	6,100,000	1,580,470	(4,519,530)
Developer Advance	26,572	395,000	368,428
Repay Developer Advance	-	(1,237,152)	(1,237,152)
Repay Developer Advance - Interest	-	(177,068)	(177,068)
Total Other Financing Sources (Uses)	<u>6,126,572</u>	<u>561,250</u>	<u>(5,565,322)</u>
NET CHANGE IN FUND BALANCE	-	(77,669)	(77,669)
Fund Balance - Beginning of Year	500	(290,737)	(291,237)
FUND BALANCE - END OF YEAR	<u>\$ 500</u>	<u>\$ (368,406)</u>	<u>\$ (368,906)</u>

See accompanying Notes to Basic Financial Statements.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Wyndham Hill Metropolitan District No. 4 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court in Weld County on January 12, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

Wyndham Hill Metropolitan District No. 1 (District No. 1), Wyndham Hill Metropolitan District No. 2 (District No. 2), and Wyndham Hill Metropolitan District No. 3 (District No. 3) were organized by order and decree of the District Court in Weld County on May 26, 2004. The Consolidated Service Plan with District No. 1, District No. 2, and District No. 3 was approved by the Town of Frederick on February 13, 2004 as amended on August 11, 2005, October 12, 2006, February 14, 2008, and April 9, 2020. The amendment to the April 9, 2020 Consolidated Service Plan formed the District. Pursuant to the Service Plan, District No. 2, District No. 3 and the District, the financing districts, are intended to provide funding to District No. 1, the operating district, for construction, operation and maintenance of the public improvements, while District No. 1 is intended to manage the financial, construction and operation and maintenance of such improvements.

The District was established to provide financing for the design, acquisition, construction, and completion of public improvements, including streets, traffic and safety controls and devices, transportation services, park and recreation, water, mosquito and pest control and sanitation facilities, generally located in the collector roadway system, services and programs. District No. 1 contracts with the Wyndham Hill Master Association, Inc. for the maintenance of park and recreation facilities including a District No. 1 operated pool and community building. The operation and maintenance of all other services and facilities is anticipated to be provided by other entities and not by the District.

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

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 is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 1, District No. 2, District No. 3, and the Town of Frederick.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Increases in bonds payable are recorded as an increase in liabilities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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 revenue source susceptible to accrual is property taxes. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures are recorded only when payment is 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.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors (the Board) 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 adopted budgets for the General Fund and Debt Service Fund have been consolidated and reflected as the General Fund Budget for financial reporting purposes.

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 instalments, 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 are recorded initially as deferred inflows 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.

Fund Balance and Net Position

Net position is reported in the governmental activities and is classified as restricted or unrestricted. Restrictions of net position represent amounts that are not available for appropriation or are legally restricted. As of December 31, 2024, fund balances of governmental funds are classified as follows:

Nonspendable fund balance – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact. This includes amounts that are not expected to be converted to cash, for example, prepaid amounts.

Restricted fund balance – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed fund balance – amounts that are subject to a purpose constraint imposed by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Net Position (Continued)

Assigned fund balance – amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the General Fund.

Unassigned fund balance – represents the residual classification for the District's General Fund and could report a surplus or deficit.

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.

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	\$ 28,302
Cash and Investments - Restricted	309
Total Cash and Investments	\$ 28,611

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

Deposits with Financial Institutions	\$ 26,865
Investments	1,746
Total Cash and Investments	\$ 28,611

Deposit 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 equal to 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 deposit had a carrying balance of \$26,865.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, it follows state statutes regarding investments. The District also follows investment policies in bond or note agreements when those agreements are more restrictive than state statutes.

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 disclosure requirements or subject to investment custodial credit risk 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 World Bank securities
- General obligation and revenue bonds of U.S. local government entities
- Certain certificate of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written 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 Surplus Assets Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,737
Morgan Stanley Liquid Government Portfolio Advisor Class Money Market	Maturities of 180 Days or Less	9
		<u>\$ 1,746</u>

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

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

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

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

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

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 1,057,393	\$ 775,335	\$ -	\$ 1,832,728
Total Capital Assets, Not Being Depreciated	<u>1,057,393</u>	<u>775,335</u>	<u>-</u>	<u>1,832,728</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,057,393</u>	<u>\$ 775,335</u>	<u>\$ -</u>	<u>\$ 1,832,728</u>

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 CAPITAL ASSETS (CONTINUED)

It is the policy of the Town of Frederick to accept the maintenance responsibility for water, sanitation, traffic and safety controls, park and recreation improvements, mosquito and pest control, transportation, and other related improvements within the District only after a probationary period following completion of construction. When the improvements enter the probation period, the District removes the cost of construction from its Statement of Net Position. There were no conveyances to the Town of Frederick during 2024.

NOTE 5 LONG-TERM OBLIGATIONS

The District's long-term obligations consist of the following for the year December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2024	\$ -	\$ 1,580,470	\$ -	\$ 1,580,470	\$ -
Subordinate Limited Tax Supported Revenue Bonds					
Series 2024	-	45,793	-	45,793	-
Subtotal Bonds Payable	-	1,626,263	-	1,626,263	-
Other Debts:					
Developer Advance	912,152	395,000	1,237,152	70,000	-
Accrued Interest on:					
Developer Advance	123,611	53,780	177,086	305	-
Subtotal Other Debts	1,035,763	448,780	1,414,238	70,305	-
Total Long-Term Obligations	\$ 1,035,763	\$ 2,075,043	\$ 1,414,238	\$ 1,696,568	\$ -

Series 2024 Bonds

On July 30, 2024, the District issued its Taxable (Convertible to Tax-Exempt) Limited General Obligation Drawdown Bonds for an amount not to exceed \$20,000,000 with the ability to draw on the Bond as needed (2024 Bonds). The 2024 Bonds were converted to tax exempt on September 13, 2024. Draws are to be issued to the Developer, a related party (see Note 6), for amounts advanced to the District by the Developer.

The 2024 Bonds bear interest at 7.65%, and 7.15% upon conversion to tax-exempt, computed on a 360-day year of twelve 30-day months, payable annually on December 1, commencing on December 1, 2024, until the Principal amount of the bond is paid. To the extent not paid when due, interest shall continue to accrue at the current rate. The 2024 Bonds Mature on December 1, 2063.

Any unpaid amounts remaining due on the 2024 Bond on December 2, 2065 shall automatically be discharged and the 2024 Bond shall be deemed paid and satisfied in full.

**WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

On April 21, 2021, the District entered into an Agreement with Frederick Development Company, Inc. (the Developer) for developer advances not to exceed \$20,000,000. The Developer will advance the District funds in order for the District to cover the costs of the capital being added to the district. The Developer Advances have an interest rate of 8%. The initial draw on the loan was \$42,104 (prior costs). During 2021, 2022, and 2023, the District had additional draws of \$870,048. In 2024, there were additional draws of \$395,000, and \$1,414,238 was paid with the issuance of the 2024 Bonds. At December 31, 2024, the balance outstanding is \$70,305, consisting of \$70,000 in principal and \$305 in accrued interest.

Authorization

The District has been authorized to issue debt in the principal amount not to exceed \$20,000,000 per the District Service Plan. At December 31, 2024, the District had remaining authorized but unissued indebtedness of \$18,419,530.

NOTE 6 NET POSITION

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

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

Restricted Net Position:

Emergencies	\$ 300
Total Restricted Net Position	<u>\$ 300</u>

The District had a deficit net position at December 31, 2024. This deficit amount is the result of the District being responsible for the repayment of developer advances issued for public improvements.

NOTE 7 RELATED PARTY

All of the members of the board of directors are employees and are associated with Bellock Construction Company, the Construction Manager and accountants for the District, and Frederick Development Company, Inc., the Developer within the District. During 2024, District No. 1, No. 3, and the District had the same board of directors.

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 RELATED PARTY (CONTINUED)

Construction Management Agreement

A construction management agreement was entered into during 2005 between District No. 1 and Bellock Construction Company. The agreement calls for Bellock Construction Company to provide management services of all activities related to construction projects to be completed within Wyndham Hill Metropolitan Districts No. 1, No. 2, No. 3, and No. 4. The agreement expires on December 31 of each year but is automatically extended for a successive annual period so long as sufficient funds have been appropriated, unless contrary action is taken. District No. 4 joined the District Coordinating Service Agreement with District No. 1, No. 2, and No. 3 on February 4, 2021.

The amount paid to Bellock Construction Company during 2024 for construction and construction management was \$145,282.

Private Placement Long Term Obligations

Frederick Development Company Inc. (the Developer), a related party, advanced the District funds for eligible costs defined by the District (see Note 4). All Developer Advances have an interest rate of 8%. As of December 31, 2024, the outstanding principal balance of the Developer Advances is \$70,000.

The Developer advanced the District funds for eligible costs as part of the 2024 Bonds (see Note 5). As of December 31, 2024, the outstanding balance of the 2024 Bonds is \$1,580,470.

NOTE 8 AGREEMENTS

District Facilities Construction and Service Agreement

In order to implement the Service Plan, the District entered into an intergovernmental agreement with District No. 1, District No. 2, and District No. 3. The agreement shall remain in full force and effect until such time as each of the terms and conditions has been performed in their entirety or until the agreement is terminated by mutual written agreement of the Districts. Per the intergovernmental agreement, District No. 1 is to construct the facilities benefiting the three Districts and transfer them to the Town of Frederick or the HOA as required. District No. 2 and District No. 3 will, to the extent that they benefit, pay the capital costs and the service costs of operation and maintenance of such facilities (authorized service costs).

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 AGREEMENTS (CONTINUED)

District Facilities Construction and Service Agreement (Continued)

On April 23, 2020, the Districts terminated the intergovernmental agreement and entered into separate agreements to address the Districts' financing of facilities and their ongoing administrative, operational, and maintenance needs. The Districts entered into the District Coordinating Services Agreement on April 23, 2020, effective for District No. 1, the District, District No. 2, and District No. 3. District No. 1, the coordinating District, will own, operate and maintain all public improvements within the boundaries of the Districts that are not otherwise dedicated or conveyed to the Town, the County or other public entity or owners' association. The financing Districts, including the District, District No. 2, and District No. 3, are responsible for all costs incurred by the District No. 1 in providing administrative and operation and maintenance services.

NOTE 9 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; 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 official's liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded insurance coverage in the past three years.

The District pays annual premiums to the Pool for liability and public official's liability. 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

WYNDHAM HILL METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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

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

In November 2020, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all annual District revenue without regard to any limitations under TABOR.