

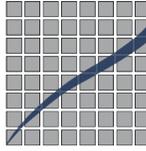
**RUDOLPH FARMS METROPOLITAN
DISTRICT NO. 6
Larimer County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

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YEAR ENDED DECEMBER 31, 2021**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Rudolph Farms Metropolitan District No. 6

Larimer County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Rudolph Farms Metropolitan District No. 6 ("District") as of and for the year ended December 31, 2021, 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, 2021, the respective changes in financial position, and the budgetary comparison schedule for the general fund, and the budgetary comparison for the general fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

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

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

BiggsKofford, P.C.

Colorado Springs, Colorado
September 29, 2022

BASIC FINANCIAL STATEMENTS

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Cash and Investments	\$ 15,114
Prepaid Expenses	2,552
Capital Assets, Not Being Depreciated	676,004
Total Assets	693,670
 LIABILITIES	
Accounts Payable	50,317
Noncurrent Liabilities:	
Due in More Than One Year	685,216
Total Liabilities	735,533
 NET POSITION	
Unrestricted	(41,863)
Total Net Position	\$ (41,863)

See accompanying Notes to Basic Financial Statements.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 137,254	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	34,261	-	-	-	
	<u>\$ 171,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Governmental Activities	<u>\$ 171,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
				GENERAL REVENUES	
				Other Income	
				368,198	
				Total General Revenues	
				398,202	
				CHANGE IN NET POSITION	
				226,687	
				Net Position - Beginning of Year	
				(268,550)	
				NET POSITION - END OF YEAR	
				\$ (41,863)	

See accompanying Notes to Basic Financial Statements.

**RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 15,114	\$ -	\$ 15,114
Prepaid Expenses	2,552	-	2,552
Total Assets	\$ 17,666	\$ -	\$ 17,666
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts Payable	\$ 41,537	\$ 8,780	\$ 50,317
Total Liabilities	41,537	8,780	50,317
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid Expenses	2,552	-	2,552
Unassigned	(26,423)	(8,780)	(35,203)
Total Fund Balances (Deficits)	(23,871)	(8,780)	(32,651)
Total Liabilities and Fund Balances (Deficits)	\$ 17,666	\$ -	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital Assets, Net			676,004
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not in the funds.			
Developer Advance Payable			(684,966)
Developer Advance Payable - Accrued Interest			(250)
Net Position of Governmental Activities			\$ (41,863)

See accompanying Notes to Basic Financial Statements.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Capital Projects	Total Governmental Funds
REVENUES			
In-Kind Contributions	\$ -	\$ 30,004	\$ 30,004
Total Revenues	-	30,004	30,004
EXPENDITURES			
Current:			
Accounting	31,760	-	31,760
Dues and Licenses	419	-	419
Engineering	-	8,780	8,780
Insurance and Bonds	18,206	-	18,206
Legal	60,621	-	60,621
Management	17,468	-	17,468
Capital Outlay	-	676,004	676,004
Total Expenditures	128,474	684,784	813,258
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(128,474)	(654,780)	(783,254)
OTHER FINANCING SOURCES (USES)			
Developer Advance	101,466	646,000	747,466
Total Other Financing Sources (Uses)	101,466	646,000	747,466
NET CHANGE IN FUND BALANCES	(27,008)	(8,780)	(35,788)
Fund Balances - Beginning of Year	3,137	-	3,137
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (23,871)	\$ (8,780)	\$ (32,651)

See accompanying Notes to Basic Financial Statements.

**RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds	\$	(35,788)
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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		676,004
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Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer Advances		(747,466)
Forgiveness of Developer Advance - Principal		304,598
Forgiveness of Developer Advance - Interest		63,600

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 Advance - Change in Liability		<u>(34,261)</u>
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Changes in Net Position of Governmental Activities	\$	<u><u>226,687</u></u>
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**RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Accounting	20,000	31,760	31,760	-
Dues and Licenses	400	419	419	-
Insurance and Bonds	2,600	18,206	18,206	-
Legal	25,000	60,621	60,621	-
Management	7,000	17,468	17,468	-
Miscellaneous	-	1,526	-	1,526
Total Expenditures	<u>55,000</u>	<u>130,000</u>	<u>128,474</u>	<u>1,526</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(55,000)	(130,000)	(128,474)	1,526
OTHER FINANCING SOURCES (USES)				
Developer Advance	55,000	130,000	101,466	(28,534)
Total Other Financing Sources (Uses)	<u>55,000</u>	<u>130,000</u>	<u>101,466</u>	<u>(28,534)</u>
NET CHANGE IN FUND BALANCE	-	-	(27,008)	(27,008)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,137</u>	<u>3,137</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,871)</u>	<u>\$ (23,871)</u>

See accompanying Notes to Basic Financial Statements.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Rudolph Farms Metropolitan District No. 6 (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 Larimer County, Colorado on May 30, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

Pursuant to the Consolidated Service Plan approved by the City of Fort Collins, the District was organized in conjunction with Rudolph Farms Metropolitan District Nos. 1-5 (collectively, together with the District, the Districts) to provide financing for design, acquisition, construction, and installation of public improvements within the Districts. The District will serve as the Service District and is responsible for coordinating the financing, construction, and maintenance of all public improvements and other services needed for the Districts. Rudolph Farms Metropolitan District Nos. 1-5 (the Financing Districts) will serve as the Financing Districts and are responsible for providing the funding and tax base needed to support capital improvements.

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.

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

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.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 and specific ownership taxes. 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 Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

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

Capital Assets

Capital assets, which include property and infrastructure improvements, are reported in the government-wide financial statements. 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. Any construction in process that will be dedicated to another entity is not depreciated. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives.

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.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

Deficits

The following individual funds had deficits reported in the fund financial statements as of December 31, 2021:

General Fund	\$ (23,871)
Capital Projects Fund	(8,780)

These deficits are anticipated to be eliminated in 2022 with the receipt of developer advances.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 15,114
Total Cash and Investments	<u>\$ 15,114</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 15,114
Total Cash and Investments	<u>\$ 15,114</u>

Deposits with Financial Institutions

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

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

At December 31, 2021, the District's cash deposits had a bank balance and carrying balance of \$15,114.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. The District had no investments as of December 31, 2021.

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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Capital Assets, Not Being Depreciated:				
Construction In Progress	\$ -	\$ 676,004	\$ -	\$ 676,004
Total Capital Assets, Not Being Depreciated	<u>\$ -</u>	<u>\$ 676,004</u>	<u>\$ -</u>	<u>\$ 676,004</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021.

	Balance - December 31, 2020	Additions	Retirements	Balance - December 31, 2021	Due Within One Year
Other Debt:					
Developer Advances - Operations	\$ 242,098	\$ 101,466	\$ 304,598	\$ 38,966	\$ -
Developer Advances - Capital	-	646,000	-	646,000	-
Accrued Interest:					
Developer Advances - Operations	29,589	8,598	37,937	250	-
Developer Advances - Capital	-	25,663	25,663	-	-
Total Long-Term Obligations	<u>\$ 271,687</u>	<u>\$ 781,727</u>	<u>\$ 368,198</u>	<u>\$ 685,216</u>	<u>\$ -</u>

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District has entered into Funding and Reimbursement Agreement(s) with PNE Prospect Road Holdings LLC (the Developer) and Land Acquisition and Management, LLC (the Former Developer):

Funding and Reimbursement Agreement

On July 25, 2018, the District entered into a Funding and Reimbursement Agreement (the FRA) with the Former Developer to repay advances made by the Former Developer for operations and maintenance (O&M) costs. The Former Developer agreed to loan the District a sum not to exceed \$50,000 per annum for two years, up to \$100,000 through December 31, 2019, in addition to advances made by the Former Developer prior to the date of the FRA. The District agreed to repay the Former Developer for such O&M advances plus accrued interest at the rate of 6.5% from the date the advance was paid by the Former Developer. The repayment of such advances by the District is subject to annual appropriation. The FRA was amended on November 14, 2019, to extend the date through which the Former Developer would advance funds for O&M costs to December 31, 2021, as well as to increase the amount of the total advances to a maximum of \$200,000. The FRA was terminated on June 30, 2021, at which point \$304,598 had been advanced under the FRA. Upon termination of the FRA, all outstanding advances and accrued interest under the FRA were deemed fully satisfied and the District was released from any further obligation.

Advance and Reimbursement Agreement

On April 6, 2022, the District entered into an Advance and Reimbursement Agreement (the ARA) with the Developer to repay advances made by the Developer for operations and maintenance (O&M) costs. The Developer agreed to loan the District a sum not to exceed \$125,000, for past and future amounts. The ARA recognized and incorporated all advances made by the Developer prior to the date of the ARA, which includes all amounts advanced by the Developer in 2021. The District agreed to repay the Developer for such O&M advances plus accrued interest at the rate of 8.0% from the date the advance was paid by the Developer. The repayment of such advances by the District is subject to annual appropriation. As of December 31, 2021, outstanding advances under the ARA totaled \$38,966, and accrued interest totaled \$250.

Infrastructure Acquisition and Reimbursement Agreement

On November 15, 2019, the District entered into an Infrastructure Acquisition and Reimbursement Agreement (the IARA) with the Former Developer. As provided under the IARA, the District will repay advances made by the Former Developer for organizational and construction related expenses plus accrued interest at a rate of 5.0% from the date that the District accepts certifications provided by the District engineer and District accountant via Acceptance Resolution of the Board of Directors. On March 16, 2021, the Board of Directors adopted an Acceptance Resolution for expenses in the amount of \$676,004. Under the Termination of Developer Reimbursement Agreements, and as of December 31, 2021, the Former Developer remains eligible for reimbursement of eligible costs related to organization of up to \$124,000 and up to \$522,000 for other certified and accepted costs. No accrued interest was due as of December 31, 2021 pursuant to the IARA as accrued interest was terminated under the Termination of Developer Reimbursement Agreements.

RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 NET POSITION

The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Since the District has no net investment in capital assets or restricted net position, the District has net position consisting of one component - unrestricted.

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of Former Developer advances for public improvements.

NOTE 7 RELATED PARTIES

Certain members of the Board of Directors are employees of, owners of, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 ECONOMIC DEPENDENCY

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

NOTE 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; injuries to employees; or acts of God.

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

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

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NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On May 8, 2018, 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.

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 11 SUBSEQUENT EVENT

On September 2, 2022, the District issued Revenue Supported Limited Tax General Obligation Bonds, Series 2022 (the Bonds) with a par amount of \$40,575,000. Proceeds from the sale of the Bonds were used to: (i) finance or reimburse a portion of the costs of acquiring, constructing, and installing public infrastructure improvements related to the development; (ii) fund capitalized interest on the Bonds; (iii) fund a Reserve Fund; and (iv) pay the costs of issuing the Bonds. The Bonds bear interest at the rate of 6.50%, payable semiannually on June 1 and December 1, beginning on December 1, 2022. The Bonds mature on June 1, 2052.

SUPPLEMENTARY INFORMATION

**RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
In-Kind Contribution	\$ -	\$ -	\$ 30,004	\$ 30,004
Total Revenues	<u>-</u>	<u>-</u>	<u>30,004</u>	<u>30,004</u>
EXPENDITURES				
Capital Outlay	500,000	691,004	676,004	15,000
Accounting	5,000	5,000	-	5,000
Engineering	5,000	5,000	8,780	(3,780)
Total Expenditures	<u>510,000</u>	<u>701,004</u>	<u>684,784</u>	<u>16,220</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(510,000)	(701,004)	(654,780)	46,224
OTHER FINANCING SOURCES (USES)				
Developer Advance	510,000	701,004	646,000	(55,004)
Total Other Financing Sources (Uses)	<u>510,000</u>	<u>701,004</u>	<u>646,000</u>	<u>(55,004)</u>
CHANGE IN NET POSITION	-	-	(8,780)	(8,780)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,780)</u>	<u>\$ (8,780)</u>

OTHER INFORMATION

**RUDOLPH FARMS METROPOLITAN DISTRICT NO. 6
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy Note	Mills Levied		Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2019	\$ 209	0.000	0.000	\$ -	\$ -	- %
2020	171	0.000	0.000	-	-	-
2021	187	0.000	0.000	-	-	-
Estimated for Year Ending December 31, 2022	\$ 196	0.000	0.000	\$ -		