

# TIMNATH LAKES METROPOLITAN DISTRICT NO. 6

## 2022 ANNUAL REPORT

Pursuant to Section 32-1-207(3)(c), C.R.S., and Section VII of the Consolidated Amended and Restated Service Plan approved by the Town of Timnath, Colorado (“Town”), on September 10, 2019, the following information is being provided:

**1. Boundary changes made to the District’s boundaries as of December 31 of the prior year:**

There were no boundary changes made during 2022.

**2. Intergovernmental Agreements with other governmental entities entered into, proposed, or terminated as of December 31 of the prior year:**

The District did not enter into, propose or terminate any Intergovernmental Agreements in 2022.

**3. Copies of the District’s Rules and Regulations, if any as of December 31, of the Prior year:**

The District did not adopt any rules and regulations during 2022. Should any rules and regulations be adopted, they may be obtained from the office of the District Manager, Special District Management Services, Inc., 141 Union Blvd., Suite 150, Lakewood, CO 80228; Phone: 303-987-9835.

**4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.**

There was no litigation involving the District’s public improvements in 2022.

**5. Status of the District’s construction of Public Improvements as of December 31 of the prior year:**

There were no facilities and/or improvements constructed by the District during 2022.

**6. List of Facilities and improvements constructed by the District that have been dedicated to and accepted by the Town as of December 31 of the prior year.**

There were no facilities and/or improvements constructed by the District during 2022. No facilities or improvements constructed by the District were conveyed or dedicated to the Town of Timnath or any other entity in 2022.

**7. The final assessed valuation of the District for the current year.**

A copy of the final assessed valuation is attached hereto as *Exhibit A*.

- 8. Current year budget including a description of the Public Improvements to be constructed in such year.**

The 2023 Budget is attached hereto as *Exhibit B.*

- 9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable:**

A copy of the 2022 audited financial statements is attached hereto as *Exhibit C.*

- 10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument:**

To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.

- 11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

To our knowledge, the District has been able to pay its obligations as they become due.

**EXHIBIT A**  
Assessed Valuation

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 384 - TIMNATH LAKES METROPOLITAN DISTRICT NO. 6

IN LARIMER COUNTY ON 11/17/2022

New Entity: No

<b>USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY</b>
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$216
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$214
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$2
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND ( 29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

<b>USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY</b>
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IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$820
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

**EXHIBIT B**  
2023 Budget

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/24/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ (55,122)	\$ 1,340
<b>REVENUES</b>			
Developer advance	34,811	203,100	85,000
Other revenue	3	-	100
Interest income	-	-	5
Intergovernmental revenues	19,643	1,796	53,025
Design review fees	-	500	500
Operation fees	6,515	31,500	67,200
Working capital fees	5,699	9,000	9,000
Total revenues	66,671	245,896	214,830
Total funds available	66,671	190,774	216,170
<b>EXPENDITURES</b>			
General and administrative			
Accounting	29,251	26,500	30,475
Auditing	5,000	10,400	11,000
Directors' fees	600	1,800	1,800
Dues and licenses	1,197	1,535	2,000
Insurance and bonds	14,821	18,539	20,500
District management	33,552	53,000	40,000
Landscaping	-	-	30,000
Legal services	37,326	65,000	40,000
Miscellaneous	46	500	1,000
Payroll taxes	-	138	138
Election expense	-	12,022	10,000
Snow removal	-	-	20,000
Contingency	-	-	5,087
Total expenditures	121,793	189,434	212,000
Total expenditures and transfers out requiring appropriation	121,793	189,434	212,000
ENDING FUND BALANCES	\$ (55,122)	\$ 1,340	\$ 4,170
EMERGENCY RESERVE	\$ 1,000	\$ 1,300	\$ 3,900

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/24/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
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**ASSESSED VALUATION**

Agricultural	\$ 232	\$ 238	\$ 216
	232	238	216
Adjustments	(225)	(234)	(214)
Certified Assessed Value	\$ 7	\$ 4	\$ 2

**MILL LEVY**

General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

**PROPERTY TAXES**

General	\$ -	\$ -	\$ -
Levied property taxes	-	-	-
Budgeted property taxes	\$ -	\$ -	\$ -

**BUDGETED PROPERTY TAXES**

General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was formed on August 5, 2020, to provide for the design, acquisition, construction, installation and financing of certain street, park and recreation, water, sanitation, mosquito control and safety protection improvements and services. The District was organized in conjunction with Timnath Lakes Metropolitan District Nos. 4 and 5.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**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. The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**URA Property Taxes**

The URA will receive property tax revenue ("Pledged Property Tax Increment Revenue") from the Larimer County Treasurer in excess of the amount produced by the levy of those bodies that levy property taxes against the Property Tax Base Amount in the TIF District.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Developer Advances**

The District is in the development stage. As such, operating and administrative expenditures for 2023 are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds or other available revenue.

**Maintenance and Working Capital Fee**

The District imposed an operations fee of \$210 per quarter per lot and a one-time working capital fee of \$300 per lot in order to help offset administrative costs associated with the District.

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenditures.

**Debt and Leases**

The District has no outstanding indebtedness, nor any operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

**This information is an integral part of the accompanying budget.**

**EXHIBIT C**  
2022 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.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP  
Lakewood, Colorado

July 27, 2023



## **BASIC FINANCIAL STATEMENTS**

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 6,671
Cash and Investments - Restricted	2,100
Prepays	2,700
Due from Other Districts	124
Capital Assets:	
Capital Assets, Not Being Depreciated	32,043,940
Total Assets	32,055,535
<b>LIABILITIES</b>	
Accounts Payable	37,429
Due to Other Districts	3,006
Noncurrent Liabilities:	
Due in More than One Year	7,856,679
Total Liabilities	7,897,114
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	2,100
Unrestricted	24,156,321
Total Net Position	\$ 24,158,421

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT #6**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Primary Government:					
Government Activities:					
General Government	\$ 216,993	\$ 64,955	\$ -	\$ -	\$ (152,038)
Interest and Related Costs on Long-Term Debt	170,562	-	-	-	(170,562)
Total Governmental Activities	\$ 387,555	\$ 64,955	\$ -	\$ -	(322,600)
<b>GENERAL REVENUES</b>					
					20,977,619
					20,977,619
<b>CHANGES IN NET POSITION</b>					
					20,655,019
					3,503,402
					\$ 24,158,421

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 6,671	\$ -	\$ 6,671
Cash and Investments - Restricted	2,100	-	2,100
Due from Other Districts	124	-	124
Prepaid Insurance	2,700	-	2,700
Total Assets	\$ 11,595	\$ -	\$ 11,595
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 37,429	\$ -	\$ 37,429
Due to Other Districts	3,006	-	3,006
Total Liabilities	40,435	-	40,435
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expense	2,700	-	2,700
Restricted for:			
Emergency Reserves	2,100	-	2,100
Unassigned	(33,640)	-	(33,640)
Total Fund Balances	(28,840)	-	(28,840)
Total Liabilities and Fund Balances	\$ 11,595	\$ -	
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.			32,043,940
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Developer Advances			(7,765,093)
Accrued Interest on Developer Advances			(91,586)
Net Position of Governmental Activities			\$ 24,158,421

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Operation Fees	\$ 45,405	\$ -	\$ 45,405
Working Capital Fees	18,000	-	18,000
Design Review Fees	1,550	-	1,550
Intergovernmental Revenue	1,820	20,975,799	20,977,619
Total Revenues	66,775	20,975,799	21,042,574
<b>EXPENDITURES</b>			
Accounting	33,248	-	33,248
Auditing	10,400	-	10,400
County Treasurer's Fee	-	-	-
Dues and Licenses	1,535	-	1,535
Directors' Fees	2,100	-	2,100
Insurance and Bonds	18,539	-	18,539
District Management	61,701	-	61,701
Election Expense	13,253	-	13,253
Engineering	9,991	-	9,991
Legal Services	63,033	-	63,033
Miscellaneous	2,839	-	2,839
Payroll Taxes	354	-	354
Capital Outlay:			
Capital Outlay	-	26,231,132	26,231,132
Total Expenditures	216,993	26,231,132	26,448,125
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(150,218)	(5,255,333)	(5,405,551)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advances	176,500	26,231,132	26,407,632
Repay Developer Advance	-	(20,975,799)	(20,975,799)
Total Other Financing Sources	176,500	5,255,333	5,431,833
<b>NET CHANGE IN FUND BALANCES</b>	26,282	-	26,282
Fund Balances - Beginning of Year	(55,122)	-	(55,122)
<b>FUND BALANCES - END OF YEAR</b>	\$ (28,840)	\$ -	\$ (28,840)

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$	26,282
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital Outlay		26,231,132
<p>Long-term debt (e.g., bonds) 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 amortized in the statement of activities.</p>		
Developer Advance		(26,407,632)
Developer Advance Principal Repayment		20,649,690
<p>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.</p>		
Interest on Developer Advance - Operating - Change in Liability		(37,369)
Interest on Developer Advance - Capital - Change in Liability		192,916
		192,916
Changes in Net Position of Governmental Activities	\$	20,655,019

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Investment Income	\$ 5	\$ 5	\$ -	\$ (5)
Other Revenue	10	10	-	(10)
Operation Fees	42,000	45,407	45,405	(2)
Working Capital Fees	9,000	18,000	18,000	-
Design Review Fees	-	1,550	1,550	-
Intergovernmental Revenue	1,651	1,820	1,820	-
Total Revenues	<u>52,666</u>	<u>66,792</u>	<u>66,775</u>	<u>(17)</u>
<b>EXPENDITURES</b>				
Accounting	26,500	33,250	33,248	2
Audit	-	10,400	10,400	-
Dues and Licenses	2,000	1,600	1,535	65
Directors' Fees	-	2,100	2,100	-
Insurance and Bonds	16,000	19,000	18,539	461
District Management	16,500	62,000	61,701	299
Election Expense	2,000	13,500	13,253	247
Engineering	-	10,000	9,991	9
Legal Services	23,000	63,500	63,033	467
Miscellaneous	1,000	3,000	2,839	161
Payroll Taxes	-	360	354	6
Landscaping	28,500	-	-	-
Snow Removal	15,000	-	-	-
Contingency	5,000	6,290	-	6,290
Total Expenditures	<u>135,500</u>	<u>225,000</u>	<u>216,993</u>	<u>8,007</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(82,834)	(158,208)	(150,218)	7,990
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	83,500	216,000	176,500	(39,500)
Total Other Financing Sources (Uses)	<u>83,500</u>	<u>216,000</u>	<u>176,500</u>	<u>(39,500)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	666	57,792	26,282	(31,510)
Fund Balance - Beginning of Year	<u>1,390</u>	<u>(55,123)</u>	<u>(55,122)</u>	<u>1</u>
<b>FUND BALANCE - END OF YEAR</b>				
	<u>\$ 2,056</u>	<u>\$ 2,669</u>	<u>\$ (28,840)</u>	<u>\$ (31,509)</u>

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Timnath Lakes Metropolitan District No. 6 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Larimer County recorded on August 5, 2020 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized as “Timnath Farms North Metropolitan District No. 6” and subsequently changed its name effective as of September 10, 2020. The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. The District was organized in conjunction with Timnath Lakes Metropolitan No. 4 (“District No. 4”) and District No. 5 (“District No. 5”) on August, 5, 2020, to join Timnath Lakes Metropolitan District No. 1 (“District No. 1”), District No. 2 (“District No. 2”) and District No. 3 (“District No. 3”), which were previously organized on June 23, 2006. The Consolidated Amended and Restated Service Plan for Timnath Lakes Metropolitan District Nos. 1-6 (the “Districts”), was approved by the Town on September 10, 2019 (“Service Plan”).

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.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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.

**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 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. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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.

**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 budget for the year ended December 31, 2022.

**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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

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

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

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

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

**Deficit**

The General Fund reported a deficit in the fund financial statements as of December 31, 2022. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2023.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 6,671
Cash and Investments - Restricted	2,100
Total Cash and Investments	\$ 8,771

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

Deposits with Financial Institutions	\$ 8,771
Total Cash and Investments	\$ 8,771

**Deposits with Financial Institutions**

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

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

At December 31, 2022, the District had a carrying and bank balance of \$8,771.

**Investments**

The District has adopted a formal investment policy that follows state statutes regarding investments.

The District generally limits its concentration of investments to those 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 investment custodial credit risk disclosure requirements for investments that are in the possession of another party.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

The District has no outstanding investments as of December 31, 2022.

**NOTE 4 CAPITAL ASSETS**

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

	Balance - December 31, 2021	Increases	Decreases	Balance at December 31, 2022
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 5,812,808	\$ 26,231,132	\$ -	\$ 32,043,940
Total Capital Assets, Not Being Depreciated	<u>\$ 5,812,808</u>	<u>\$ 26,231,132</u>	<u>\$ -</u>	<u>\$ 32,043,940</u>

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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, 2022:

	Balance at December 31, 2021	New Issues	Refundings/ Retirements	Balance at December 31, 2022	Due Within One Year
Other Debts					
Developer Advance - Operating	\$ 372,828	\$ 176,500	\$ -	\$ 549,328	\$ -
Developer Advance - Capital	1,634,323	26,231,132	20,649,690	7,215,765	-
Accrued Interest on:					
Developer Advance - Operating	51,053	37,369	-	88,422	-
Developer Advance - Capital	196,080	133,193	326,109	3,164	-
Subtotal of Other Debts	<u>2,254,284</u>	<u>26,578,194</u>	<u>20,975,799</u>	<u>7,856,679</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 2,254,284</u>	<u>\$ 26,578,194</u>	<u>\$ 20,975,799</u>	<u>\$ 7,856,679</u>	<u>\$ -</u>

The above obligations were transferred from Timnath Lakes Metro District No. 1 and 3.

**Authorized Debt**

On November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,290,380,000. At December 31, 2022, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 5, 2019 Election	Authorized But Unissued
Streets	\$ 99,260,000	\$ 99,260,000
Water	99,260,000	99,260,000
Sanitation	99,260,000	99,260,000
Parks and Recreation	99,260,000	99,260,000
Traffic and Safety	99,260,000	99,260,000
Mosquito Control	99,260,000	99,260,000
Public Transportation	99,260,000	99,260,000
Fire Protection	99,260,000	99,260,000
Television Relay and Translation	99,260,000	99,260,000
Security	99,260,000	99,260,000
Operations and Maintenance	99,260,000	99,260,000
Refunding	99,260,000	99,260,000
Intergovernmental Contracts	99,260,000	99,260,000
Total	<u>\$ 1,290,380,000</u>	<u>\$ 1,290,380,000</u>

Pursuant to the Service Plan, the Districts are permitted to issue bond indebtedness of up to \$99,260,000. After the issuance of debt by both District No. 1 and District No. 3 in 2022, \$71,455,075 of the Service Plan authorization remains as of December 31, 2022.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2022**

**NOTE 6 NET POSITION**

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

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 2,100
Total	\$ 2,100

**NOTE 7 DISTRICT AGREEMENTS**

**TDA Agreement**

The Timnath Development Authority (“TDA”) adopted the Revised Timnath Urban Renewal Plan (as amended, the “Plan”) which details the TDA inclusion of parcels in the Plan for the purposes authorized in the Colorado Urban Renewal Law, including utilizing tax increment financing (“TIF Financing”) and the establishment of a Plan area (the “Urban Renewal Area”) which includes property located within the District’s boundaries. TIF Financing provides that taxes, if any, levied after the effective date of the approval of the Plan upon taxable property in the Urban Renewal Area each year shall be divided for a period not to exceed 25 years from the effective date of the Plan, and that a portion of property tax revenues (the “TIF Revenue”) shall be allocated to and paid into a special fund of the urban renewal authority to pay the principal of, interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by the urban renewal authority for financing an urban renewal project, or to make payments pursuant to an agreement.

The Districts are cooperating with the TDA to facilitate carrying out the Plan and urban renewal projects within the Urban Renewal Area. Accordingly, property tax revenues collected as a result of the Districts’ mill levy upon the incremental value of property within the Districts are payable to the TDA. The Districts and the TDA entered into a Cooperation Agreement, effective December 8, 2020 and recorded in the real property records of the Town on December 28, 2020 (“TDA Agreement”), pursuant to which the TDA agrees to remit any revenues collected from the Districts’ mill levy upon the tax increment portion of the Districts’ assessed valuation back to the Districts. The TDA further agrees to transfer such incremental revenue to the Districts on or before June 20th of each year, commencing in 2021, all revenues attributable to the Districts received during the previous calendar year for a period of 25 years from the effective date of the Plan.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Facilities Funding and Acquisition Agreement**

District No. 1 entered into a Facilities Funding and Acquisition Agreement (“FFAA”) on October 27, 2015, with CAC Timnath LLC (the “Developer”) whereby the Developer will design, construct, complete, and convey to the District, and the District will accept, certain public infrastructure improvements benefiting the development within the District. The District agrees to make payment to the Developer for costs of the improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management, for fiscal years 2015 through 2020, up to a maximum amount of \$50,000,000, together with interest thereon, at an annual rate of 8%. The FFAA was assigned from District No. 1 to the District on November 9, 2020 by that Assignment of Facilities Funding and Acquisition Agreement by and between the District, District No. 1, and the Developer, which assigned all of District No. 1’s obligations under the FFAA to the District. As of December 31, 2022, there was an outstanding principal balance of \$7,215,765 and outstanding interest of \$3,164.

**Facilities Acquisition Agreement**

On November 9, 2020, with an effective date of January 1, 2021, the District and the Developer entered into a Facilities Acquisition Agreement (“FAA”). Pursuant to the FAA the District will reimburse the Developer for Certified Construction Costs (defined therein) up to a maximum amount of \$50,000,000, together with interest thereon. Certified Construction Costs shall accrue interest from the date such costs are incurred by the Developer. Simple interest shall accrue on amounts reimbursable to the Developer until paid at the rate of 8% per annum.

**Facilities Funding, Construction and Operations Agreement**

On November 9, 2020, the District entered into a Facilities Funding, Construction and Operations Agreement (“FFCOA”) with District No. 1, District No. 2, District No. 3, District No. 4 and District No. 5 establishing certain expectations as to the financing, construction, operation and maintenance of improvements contemplated in the Service Plan for the purpose of providing, in a timely and coordinate fashion, essential services within the Districts.

Pursuant to the FFCOA, District No. 1, District No. 2, District No. 3, District No. 4, and District No. 5 are “Consumer Districts,” and the District is the “Maintenance District.” Each Consumer District anticipates receiving revenues from the imposition of a mill levy against all property within its respective boundaries and specific ownership taxes, and, if imposed or assessed at the direction of the Maintenance District, the collection of fees, charges, rates, and tolls. All revenue received by the Consumer Districts will be transferred to the Maintenance District.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Operation Funding Agreements**

On October 22, 2019, with an effective date of January 1, 2014, District No. 1 and the Developer entered into the 2014-2020 Amended and Restated Operation Funding Agreement (“2014-2020 OFA”) in which the Developer agreed to advance amounts to fund operations and maintenance expenditures of District No. 1 in the event District No. 1’s revenues are not sufficient for fiscal years 2014 through 2020, up to a maximum amount of \$330,000, together with interest thereon, at an annual rate of 8%.

The 2014-2020 OFA was assigned from District No. 1 to the District on November 9, 2020, by that certain Assignment of 2014-2020 Amended and Restated Operation Funding Agreement by and between District No. 1 and the District, which assigned all of District No. 1’s obligations under the 2014-2020 OFA to the District. As of December 31, 2022, there was an outstanding principal balance of \$549,328 and outstanding interest of \$88,422.

On November 9, 2020, with an effective date of January 1, 2021, the District and the Developer entered into the 2021 Operation Funding Agreement (“2021 OFA”) in which the Developer agreed to advance amounts to fund operations and maintenance expenditures of the District in the event District revenues are not sufficient for fiscal year 2021, up to a maximum amount of \$86,000, together with interest thereon. Such advances will accrue simple interest from the date of deposit into the District’s account or from the date of direct payment by Developer, until paid, at the rate of 8% annum. The District agreed to reimburse the Developer amounts advanced subject to annual budget and appropriation. Payments to reimburse the Developer shall be made on December 2 of each year and shall be applied as follows: (a) first to the 2014-2020 OFA accrued and unpaid interest; and then (b) first to the accrued and unpaid interest and then to the principal amount due pursuant to the 2021 OFA. The obligation of the District to reimburse the Developer expires December 31, 2061.

On November 8, 2021, with an effective date of January 1, 2022, the District and the Developer entered into the 2022 Operation Funding Agreement, amended by that First Amendment to 2022 Operation Funding Agreement on December 5, 2022, effective January 1, 2022 (“2022 OFA”). The Developer agreed to advance amounts to fund operations and maintenance expenditures of the District in the event District revenues are not sufficient for fiscal year 2022, up to a maximum amount of \$90,500, together with interest thereon. Such advances will accrue simple interest from the date of deposit into the District’s account or from the date of direct payment by Developer, until paid, at the rate of 8% annum. The District agreed to reimburse the Developer amounts advanced subject to annual budget and appropriation. Payments to reimburse the Developer shall be made on December 2 of each year and shall be applied as follows: (a) first to the 2014-2020 OFA accrued and unpaid interest and then to the 2014-2020 OFA principal amount due; then (b) to the 2021 OFA accrued interest and then to the 2021 OFA principal amount due; and then (c) to the accrued and unpaid interest and then to the principal amount due pursuant the 2022 OFA. The obligation of the District to reimburse the Developer expires December 31, 2062.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Operation Funding Agreements (Continued)**

On December 5, 2022, with an effective date of January 1, 2023, the District and the Developer entered into the 2023 Operation Funding Agreement ("2023 OFA"). The Developer agreed to advance amounts to fund operations and maintenance expenditures of the District in the event District revenues are not sufficient for fiscal year 2023, up to a maximum amount of \$135,000, together with interest thereon. Such advances will accrue simple interest from the date of deposit into the District's account or from the date of direct payment by Developer, until paid, at the rate of 8% annum. The District agreed to reimburse the Developer amounts advanced subject to annual budget and appropriation. Payments to reimburse the Developer shall be made on December 2 of each year and shall be applied as follows: (a) first to the 2014-2020 OFA accrued and unpaid interest and then to the 2014-2020 OFA principal due; then (b) to the 2021 OFA accrued and unpaid interest and then to the 2021 OFA principal due; then (c) to the 2022 accrued and unpaid interest and then to the 2022 principal amount due; and then (d) to the accrued and unpaid interest and then to the principal amount due pursuant to the 2023 OFA. The obligation of the District to reimburse the Developer expires December 31, 2063. As of December 31, 2022, there was an outstanding principal balance for operating advances of \$549,328 and outstanding interest of \$88,422.

**NOTE 8 RELATED PARTY**

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

**NOTE 9 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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 10 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) as of December 31, 2022. 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, public officials' liability, and workers' compensation 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 11 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

On November 5, 2019, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, 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.

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

## **SUPPLEMENTARY INFORMATION**

**TIMNATH LAKES METROPOLITAN DISTRICT #6  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ -	\$ 20,975,799	\$ 20,975,799	\$ -
Total Revenues	-	20,975,799	20,975,799	-
<b>EXPENDITURES</b>				
Capital Outlay	-	26,231,132	26,231,132	-
Total Expenditures	-	26,231,132	26,231,132	-
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	-	(5,255,333)	(5,255,333)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Repay Developer Advance	-	(20,975,799)	(20,975,799)	-
Developer Advance	-	26,231,132	26,231,132	-
Total Other Financing Sources	-	5,255,333	5,255,333	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

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	\$ -	0.000	\$ -	\$ -	0.00%
2019	-	0.000	-	-	0.00
2020	-	0.000	-	-	0.00
2021	7	0.000	-	-	0.00
2022	4	0.000	-	-	0.00

Estimated for  
Year Ending  
December 31,  
2023

\$ 2	0.000	\$ -
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NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.