

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
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<https://timnathlakesmetrodistricts1-6.com/>

NOTICE OF SPECIAL MEETING AND AGENDA

Board of Directors:

Jennifer Martin
Matthew Wasserman
Justin Guy Wright
Yuri Zubovski
Ahmed Hashem
David Solin

Office:

President
Treasurer
Assistant Secretary
Assistant Secretary
Assistant Secretary
Non-Elected Secretary

Term/Expiration:

2025/May 2025
2025/May 2025
2027/May 2027
2025/May 2025
2027/May 2025

DATE: Wednesday, November 6, 2024

TIME: 5:00 p.m.

PLACE: Zoom Meeting: The meeting can be joined through the directions below:
**Individuals requiring special accommodation to attend and/or participate in the meeting please advise the District Manager (dsolin@sdmsi.com or 303-987-0835) of their specific need(s) before the meeting.*

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZU3Fqdz09>

Meeting ID: 546 911 9353

Passcode: 912873

Dial In: 1-719-359-4580

I. DEVELOPER UPDATE

A. Status of project and amenities development.

II. PUBLIC COMMENTS

A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes per person.

III. ADMINISTRATIVE MATTERS

A. Present disclosures of potential conflicts of interest.

B. Approve agenda, location of the meeting and posting of meeting notices.

- C. Review and approve the Minutes of the April 17, 2024 Regular Meeting (enclosures).
-

IV. FINANCIAL MATTERS

- A. Review and accept unaudited financial statements, and Cash Position Statement (enclosure).
-

- B. Ratify approval of the request for extension of time to file the Audit for 2023.
-

- C. Review and approve the 2023 Audit (enclosure), and authorization of execution of Representations Letter.
-

- D. Consider engagement of outside accountant for preparation of 2024 Audit (to be distributed).
-

- E. Conduct Public Hearing to consider Amendment to 2024 Budget (if necessary, consider adoption of Resolution No. 2024-11-__, Resolution to Amend the 2024 Budget and Appropriate Expenditures).
-

- F. Conduct Public Hearing on the proposed 2025 Budget and consider adoption of Resolution No. 2024-11-__ , Resolution to Adopt the 2025 Budget, Appropriate Sums of Money, and Set Mill Levies, for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2025 Budget, and Resolution).
-

- G. Review and consider approval of Statement of Work (SOW) between the District and CliftonLarsonAllen LLP for 2025 Accounting Services (enclosures).
-

- H. Consider appointment of the District Accountant to prepare the 2026 Budget and set the date for a Public Hearing to adopt the 2026 Budget for October 15th, 2025, at 5:30 p.m., to be held via videoconference.
-

V. LEGAL MATTERS

A. Consider adoption of 2025 Annual Administrative Resolution (enclosure).

B. Discuss May 6, 2025 Regular Directors' Election and consider adoption of Resolution No. 2024-10-__; Resolution Calling a Regular Election for Directors on May 6, 2025, appointing the Designated Election Official ("DEO"), and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election (enclosure). Self-Nomination forms are due by February 28, 2025.

C. Discuss status of the Property Inclusion.

D. Discuss status of the relocation of the Akin Lateral Irrigation Ditch.

E. Discuss status of Timnath Parkway.

F. Discuss Water Meter Resolution for Filing 6.

VI. OTHER BUSINESS

A. _____

VII. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2024.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 (THE “DISTRICT”) HELD APRIL 17, 2024

A regular meeting of the Board of Directors of the Timnath Lakes Metropolitan District No.1 (referred to hereafter as the “Board”) was convened on Wednesday, April 17, 2024, at 5:30 p.m., via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jennifer Martin, President
Matthew Wasserman, Treasurer
Justin Wright, Secretary
Yuri Zubovski, Assistant Secretary

Also, In Attendance Were:

David Solin; Special District Management Services, Inc.

Jeff Erb Esq.; Erb Law, LLC

Curtis Bourgoon; CliftonLarsonAllen LLP (for a portion of the meeting)

Nick Montalbano; Catellus Development Corporation (for a portion of the meeting)

Lis Callahan; District Resident

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Attorney Erb that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Confirmation of Meeting Location/Posting of Notice: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director Martin, seconded by Director Wasserman, and upon vote unanimously carried, the Board determined to conduct the meeting at the above-stated date, time and location, which is within 20 miles of the District. It was further noted that notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.

Agenda: The Board reviewed the Agenda for the meeting.

Following discussion, upon motion duly made by Director Martin, seconded by Director Wasserman, and upon vote unanimously carried, the Board approved the Agenda, as amended, and excused the absence of Director Hashem.

Developer Update:

Lake Project: Mr. Montalbano provided an update to the Board on the status of the lake project.

Pocket Parks: Mr. Montalbano provided an update to the Board on the status of the pocket parks.

Community Garden: Mr. Montalbano provided an update to the Board on the status of the community garden.

Railroad Crossing: Mr. Montalbano provided an update to the Board on the status of the railroad crossing.

Minutes of November 8, 2023 and January 17, 2024 Special Meetings: The Board reviewed the Minutes of the November 8, 2023 and January 17, 2024 Special Meetings.

Following review and discussion, upon motion duly made by Director Martin, seconded by Director Wasserman, and upon vote unanimously carried, the Board approved the Minutes.

There were no public comments.

PUBLIC COMMENTS

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Unaudited Financial Statements and Cash Position: Mr. Bourgouin reviewed the unaudited Financial Statement for the period ending December 31, 2023 and Schedule of Cash Position for the period ending December 31, 2023 and updated as of March 31, 2024, with the Board.

Following discussion, upon motion duly made by Director Martin, seconded by Director Zubovski, and upon vote unanimously carried, the Board accepted the unaudited Financial Statement and Statement of Cash Position.

Service Agreement with Xpress Solutions, Inc.: The Board reviewed a Service Agreement for ACH services by and between the District and Xpress Solutions, Inc.

Following review and discussion, upon motion duly made by Director Martin, seconded by Director Wasserman, and upon vote unanimously carried, the Board ratified approval of the Service Agreement for ACH services by and between the District and Xpress Solutions, Inc.

LEGAL MATTERS

2024 Annual Administrative Resolution: The Board discussed the 2024 Annual Administrative Resolution.

Following discussion, upon motion duly made by Director Wasserman, seconded by Director Martin, and upon vote unanimously carried, the Board adopted the 2024 Annual Administrative Resolution subject to final legal review.

2024 Operations & Maintenance Fees: Attorney Erb discussed the status of the 2024 Operations & Maintenance Fees with the Board.

Rules and Regulation re: Basketball Backboard and Other Potential Changes: Attorney Erb discussed with the Board the changes to the District's Rules and Regulation re: Basketball Backboard and Other Potential Changes. No action was taken.

Property Inclusion: The Board deferred this matter.

Relocation of the Akin Lateral Irrigation Ditch: The Board deferred this matter..

Timnath Parkway: The Board discussed the status of Timnath Parkway.

Water Meter Resolution Options for Filing 6: The Board deferred this matter.

RECORD OF PROCEEDINGS

OTHER BUSINESS

Landscape Cleanup, Residents' Mill Levy Questions, and Commercial Disclosures for new Purchasers: The Board discussed the landscape cleanup, residents' mill levy questions, and commercial disclosures for new purchasers.

ADJOURNMENT

There being no further business to come before the Board at this time, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

TIMNATH LAKES METRO DISTRICT NO. 1

FINANCIAL STATEMENTS

AUGUST 31, 2024

**Timnath Lakes Metro District No. 1
Balance Sheet - Governmental Funds
August 31, 2024**

	Debt Service	Total
Assets		
CSAFE	\$ 312,981.36	\$ 312,981.36
UMB Bond Fund	1,371.72	1,371.72
Due from Other Districts	6,571.00	6,571.00
Receivable from County Treasurer	1,480.16	1,480.16
Total Assets	\$ 322,404.24	\$ 322,404.24
 Fund Balances	 322,404.24	 322,404.24
Liabilities and Fund Balances	\$ 322,404.24	\$ 322,404.24

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Timnath Lakes Metro District No. 1
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending August 31, 2024

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Other Revenue	\$ 4,985.00	\$ -	\$ 4,985.00
Total Revenue	<u>4,985.00</u>	<u>-</u>	<u>4,985.00</u>
Expenditures			
Contingency	4,985.00	-	4,985.00
Intergovernmental Expenditures	51,515.00	51,515.00	-
Total Expenditures	<u>56,500.00</u>	<u>51,515.00</u>	<u>4,985.00</u>
Other Financing Sources (Uses)			
Transfers from other funds	51,515.00	51,515.00	-
Total Other Financing Sources (Uses)	<u>51,515.00</u>	<u>51,515.00</u>	<u>-</u>
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

Timnath Lakes Metro District No. 1
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending August 31, 2024

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 8,071.00	\$ 8,070.15	\$ 0.85
URA District property taxes	253,543.00	243,781.89	9,761.11
Specific ownership taxes	18,313.00	10,885.45	7,427.55
Interest Income	8,700.00	5,468.62	3,231.38
Other Revenue	4,824.00	-	4,824.00
Total Revenue	<u>293,451.00</u>	<u>268,206.11</u>	<u>25,244.89</u>
Expenditures			
County Treasurer's Fee	161.00	161.41	(0.41)
Paying agent fees	9,000.00	7,000.00	2,000.00
Contingency	4,824.00	-	4,824.00
Total Expenditures	<u>13,985.00</u>	<u>7,161.41</u>	<u>6,823.59</u>
Other Financing Sources (Uses)			
Transfers to other fund	(51,515.00)	(51,515.00)	-
Total Other Financing Sources (Uses)	<u>(51,515.00)</u>	<u>(51,515.00)</u>	<u>-</u>
Net Change in Fund Balances	227,951.00	209,529.70	18,421.30
Fund Balance - Beginning	113,845.00	112,874.54	139,146.46
Fund Balance - Ending	<u>\$ 341,796.00</u>	<u>\$ 322,404.24</u>	<u>\$ 157,567.76</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

TIMNATH LAKES METRO DISTRICT NO. 1

Schedule of Cash Position

August 31, 2024

Updated as of October 2, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>CSAFE</u>			
Balance as of 8/31/24	\$ -	\$ 312,981.36	\$ 312,981.36
Subsequent activities:			
<i>Anticipated Transfer to Bond Fund</i>	-	<i>(319,552.36)</i>	<i>(319,552.36)</i>
<i>Anticipated Transfer from District 6</i>	-	<i>6,571.00</i>	<i>6,571.00</i>
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>
<u>UMB Bond Fund - 159619.1</u>			
Balance as of 8/31/24		\$ 1,371.72	\$ 1,371.72
Subsequent activities:			
<i>Anticipated Transfer from CSAFE</i>	-	<i>319,552.36</i>	<i>319,552.36</i>
<i>Anticipated Balance</i>	<u>-</u>	<u>320,924.08</u>	<u>320,924.08</u>
Total Funds Available	<u>\$ -</u>	<u>\$ 320,924.08</u>	<u>\$ 320,924.08</u>

Yield information 8/31/24:

CSAFE - 5.31%

UMB - 4.55%

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
Property Taxes Reconciliation
2024

	Current Year							Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County Treasurer	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 1,397.78	\$ -	\$ -	\$ -	\$ 1,397.78	0.00%	0.00%	\$ 804.71	0.31%	0.31%
February	1,131.01	-	1,292.61	-	(22.62)	-	2,401.00	14.01%	14.01%	1,324.64	13.55%	13.85%
March	367.65	-	1,414.33	-	(7.35)	-	1,774.63	4.56%	18.57%	1,160.21	6.34%	20.19%
April	5,497.26	-	1,307.28	-	(109.95)	-	6,694.59	68.11%	86.68%	812.02	0.37%	20.57%
May	43.45	-	1,320.40	-	(0.87)	-	1,362.98	0.54%	87.22%	3,484.63	67.79%	88.36%
June	1,030.78	-	1,235.62	-	(20.62)	-	2,245.78	12.77%	99.99%	1,332.71	11.19%	99.55%
July	-	-	1,437.27	-	-	-	1,437.27	0.00%	99.99%	893.57	0.00%	99.55%
August	-	-	1,480.16	-	-	-	1,480.16	0.00%	99.99%	1,032.39	0.47%	100.02%
September	-	-	-	-	-	-	-	0.00%	99.99%	840.99	0.00%	100.02%
October	-	-	-	-	-	-	-	0.00%	99.99%	921.86	0.00%	100.02%
November	-	-	-	-	-	-	-	0.00%	99.99%	793.26	0.00%	100.02%
December	-	-	-	-	-	-	-	0.00%	99.99%	658.07	0.00%	100.02%
\$	8,070.15	\$ -	\$ 10,885.45	\$ -	\$ (161.41)	\$ -	\$ 18,794.19	99.99%	99.99%	\$ 14,059.06	100.02%	100.02%

Mill Levy	Larimer County Assess Value	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

Debt Service Fund	66.127	\$ 122,047	\$ 8,071.00	100.00%	\$ 8,070.15	99.99%
			\$ 8,071.00	100.00%	\$ 8,070.15	99.99%

Specific Ownership Tax

Debt Service Fund	\$ 18,313.00	100.00%	\$ 10,885.45	59.44%
	\$ 18,313.00	100.00%	\$ 10,885.45	59.44%

Treasurer's Fees

Debt Service Fund	\$ 161.00	100.00%	\$ 161.41	100.25%
	\$ 161.00	100.00%	\$ 161.41	100.25%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was formed on June 23, 2006, 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. 2 and 3. On September 10, 2019, the District amended and restated its service plan to include Timnath Lakes Metropolitan District Nos. 4 through 6.

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 requirement 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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (Continued)

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. The revenue received by the URA, net of all costs, will be remitted to the District’s Bond Trustee and pledged to the payment of the Bonds.

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.

Interest Income

Interest earned on the District’s available funds has been estimated based on historical interest earnings.

Expenditures

Intergovernmental Expenditures

The District collected property and specific ownership taxes. The District will transfer \$51,515 of funds collected to District No. 6 in 2024 to help fund administrative and operating expenditures. The amount transferred will increase 1% each year thereafter.

County Treasurer’s Fees

County Treasurer’s fees have been computed at 2.0% of property tax collections.

Debt and Leases

On December 29, 2022 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A, in the initial principal amount of \$5,313,965.20 (\$5,860,000 in Accreted Value upon conversion to current interest bonds) (“Senior Bonds”) and Subordinate Limited Tax General Obligation Bonds, Series 2022B in the principal amount of \$2,586,000 (“ Subordinate Bonds”). Proceeds from the sale of the Bonds were used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) pay the costs of issuance of the Bonds and (iii) refund the Series 2020A bonds.

The District has no operating or capital leases.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since all funds received by the District are in the Debt Service fund, an Emergency Reserve is not reflected in the District's Budget.

\$5,313,965 Limited Tax General
Obligation Bonds
Series 2022A
Interest 3.375%
Dated December 29, 2022
Interest Payable June 1 and December 1
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Account Bond Balance	Accreted	Principal	Interest	Total
2022	\$ 5,313,965	\$ -	\$ -	\$ -	\$ -
2023	5,480,565	166,600	-	-	-
2024	5,667,089	186,524	-	-	-
2025	5,860,000	192,911	-	-	-
2026	-	-	100,000	197,775	297,775
2027	-	-	105,000	194,400	299,400
2028	-	-	115,000	190,856	305,856
2029	-	-	120,000	186,975	306,975
2030	-	-	130,000	182,925	312,925
2031	-	-	135,000	178,538	313,538
2032	-	-	145,000	173,981	318,981
2033	-	-	150,000	169,088	319,088
2034	-	-	160,000	164,025	324,025
2035	-	-	165,000	158,625	323,625
2036	-	-	180,000	153,056	333,056
2037	-	-	185,000	146,981	331,981
2038	-	-	195,000	140,738	335,738
2039	-	-	205,000	134,156	339,156
2040	-	-	220,000	127,238	347,238
2041	-	-	225,000	119,813	344,813
2042	-	-	240,000	12,219	252,219
2043	-	-	245,000	104,119	349,119
2044	-	-	265,000	95,850	360,850
2045	-	-	270,000	86,906	356,906
2046	-	-	290,000	77,794	367,794
2047	-	-	300,000	68,006	368,006
2048	-	-	315,000	57,881	372,881
2049	-	-	325,000	47,250	372,250
2050	-	-	345,000	36,281	381,281
2051	-	-	355,000	24,638	379,638
2052	-	-	375,000	12,656	387,656
Total	<u>\$ 5,860,000</u>	<u>\$ 546,035</u>	<u>\$ 5,860,000</u>	<u>\$ 3,242,770</u>	<u>\$ 9,102,770</u>

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.



APPROVED
By Justin L. Smith at 11:28 am, Jul 23, 2024

OFFICE OF THE STATE AUDITOR • LOCAL GOVERNMENT AUDIT DIVISION
KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

Request for Extension of Time to File Audit for Year End December 31, 2023 ONLY

Requests may be submitted via internet portal: <https://apps.leg.co.gov/osa/lg>.

Government Name:	Timnath Lakes Metropolitan District No. 1
Name of Contact:	Curtis Bourgouin
Address:	8390 E Crescent Pkwy Suite 300
City/Zip Code	Greenwood Village, CO 80111
Phone Number:	(303)-779-5710
E-mail	Curtis.Bourgouin@claconnect.com
Fiscal Year Ending (mm/dd/yyyy):	12/31/2023
Amount of Time Requested (in days): (Not to exceed 60 calendar days)	60 days Audit Due: September 30, 2024
Comments (optional):	

I understand that if the audit is not submitted within the approved extension of time, the government named in the extension request will be considered in default without further notice, and the State Auditor shall take further action as prescribed by Section 29-1-606(5)(b), C.R.S.

Must be signed by a member of the governing board.

Signature	
Printed Name:	Janis Emanuel
Title:	Board Member
Date:	7/22/2024

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
Larimer County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
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Board of Directors
Timnath Lakes Metropolitan District No. 1
Larimer County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Timnath Lakes Metropolitan District No. 1 (the "District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Timnath Lakes Metropolitan District No. 1 as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

Other Matters

Required Supplemental Information

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

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

Wipfli LLP
Denver, Colorado

September 30, 2024

BASIC FINANCIAL STATEMENTS

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments - Restricted	\$ 110,874
Due from Other Districts	1,343
Receivable from County Treasurer	658
Property Tax Receivable	<u>8,071</u>
Total Assets	<u>120,946</u>
LIABILITIES	
Noncurrent Liabilities:	
Due in More Than One Year	<u>8,232,884</u>
Total Liabilities	<u>8,232,884</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>8,071</u>
Total Deferred Inflows of Resources	<u>8,071</u>
NET POSITION	
Restricted for:	
Debt Service	112,875
Unrestricted	<u>(8,232,884)</u>
Total Net Position	<u><u>\$ (8,120,009)</u></u>

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$ 50,000	\$ -	\$ -	\$ -	\$ (50,000)
362,675	-	-	-	(362,675)
\$ 412,675	\$ -	\$ -	\$ -	(412,675)
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government				
Interest on Long-Term Debt and Related Costs				
Total Governmental Activities				
GENERAL REVENUES				
Property Taxes				3,992
URA District property taxes				134,151
Specific Ownership Taxes				10,146
Interest Income				1,896
Total General Revenues and Transfers				150,185
CHANGES IN NET POSITION				
Net Position - Beginning of Year				(262,490)
				(7,857,519)
NET POSITION - END OF YEAR				\$ (8,120,009)

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments - Restricted	\$ -	\$ 110,874	\$ 110,874
Receivable from County Treasurer	-	658	658
Due from Other Districts	-	1,343	1,343
Property Tax Receivable	-	8,071	8,071
	-	8,071	8,071
Total Assets	\$ -	\$ 120,946	\$ 120,946
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Total Liabilities	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	-	8,071	8,071
Total Deferred Inflows of Resources	-	8,071	8,071
FUND BALANCES			
Restricted for:			
Debt Service	-	112,875	112,875
Total Fund Balances	-	112,875	112,875
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 120,946	
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds Payable Series A and B			(8,066,565)
Unpaid Interest on Bonds Series B			(166,319)
			(8,232,884)
Net Position of Governmental Activities			\$ (8,120,009)

See accompanying Notes to Basic Financial Statements.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ -	\$ 3,992	\$ 3,992
URA District property taxes	-	134,151	134,151
Specific Ownership Taxes	-	10,146	10,146
Interest Income	-	1,896	1,896
Total Revenues	-	150,185	150,185
EXPENDITURES			
Current:			
County Treasurer's Fee	-	80	80
Intergovernmental Expenditures	-	50,000	50,000
Bond Issue Costs	-	22,050	22,050
Paying Agent Fees	-	9,000	9,000
Total Expenditures	-	81,130	81,130
NET CHANGE IN FUND BALANCES	-	69,055	69,055
Fund Balances - Beginning of Year	-	43,820	43,820
FUND BALANCES - END OF YEAR	\$ -	\$ 112,875	\$ 112,875

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	69,055
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <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>		
Accrued Interest Payable - Change in Liability		(164,945)
Bond Accretion		(166,600)
		(331,545)
Changes in Net Position of Governmental Activities	\$	(262,490)

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Total Expenditures	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

Timnath Lakes Metro District No. 1 (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 June 23, 2006 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. 1” 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 District No. 2 (“District No. 2”) and District No. 3 (“District No. 3”) pursuant to the Service Plans (“Original Service Plans”) approved by the Town Council of the Town of Timnath (“Town”). Subsequently Timnath Lakes Metropolitan District No. 4 (“District No. 4”), District No. 5 (“District No. 5”), and District No. 6 (“District No. 6”) were organized on August 5, 2020. The Original Service Plans were superseded by the Consolidated Amended and Restated Service Plan for Timnath Lakes Metropolitan District Nos. 1-6 (the “Districts”), 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.

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.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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.

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

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.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

Pooled Cash and Investments

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

Property Taxes

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

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

Deferred Inflows of Resources

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

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	\$ 110,874
Total Cash and Investments	\$ 110,874

Cash and investments as of December 31, 2023 consist of the following:

Investments	\$ 110,874
Total Cash and Investments	\$ 110,874

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.

As of December 31, 2023, the District had no deposits.

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 noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or investment custodial credit risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 102,617
Morgan Stanley Institutional Liquidity Fund Treasury	Weighted-Average Under 60 Days	8,257
		<u>\$ 110,874</u>

CSAFE

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

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

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	New Issues/ Accretion	Refundings/ Retirements	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds - Series 2022A	\$ 5,313,965	\$ 166,600	\$ -	\$ 5,480,565	\$ -
Subordinate Bond - Series 2022B	2,586,000	-	-	2,586,000	-
Accrued Interest					
Subordinate Bond - Series 2022B	1,374	164,945	-	166,319	-
Subtotal Bonds Payable	<u>7,901,339</u>	<u>331,545</u>	<u>-</u>	<u>8,232,884</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 7,901,339</u>	<u>\$ 331,545</u>	<u>\$ -</u>	<u>\$ 8,232,884</u>	<u>\$ -</u>

The details of the District's general obligation bonds outstanding during 2023 are as follows:

General Obligation Limited Tax Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2022A (the Senior Bonds) and **Subordinate General Obligation Limited Tax Bonds**, Series 2022B₍₃₎ (the Subordinate Bonds and together with the Senior Bonds, the Bonds).

The District issued the Senior Bonds on December 29, 2022, in the original principal amount of \$5,313,965 and appreciating to a principal amount of \$5,860,000. The District also issued the Subordinate Bonds on December 29, 2022, in the amount of \$2,586,000.

Bond Proceeds

Proceeds from the sale of the Bonds were be used to fund: (a) the costs of designing, acquiring, constructing and/or installing certain public improvements to serve the Development, and (b) the costs of issuing the Bonds. Proceeds from the Senior Bonds were also used to pay the costs of refunding the District’s General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2020A and Subordinate General Obligation Limited Tax Bonds, Series 2020B (collectively, the Refunded Bonds).

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bond Details

The Senior Bonds were issued as capital appreciation bonds, convertible to current interest bonds on the Conversion Date (defined below). The Senior Bonds accrete in value at an annual yield equal to 3.375% from their date of issuance to December 1, 2025 (“the Accretion Period”). The accreted amount compounds semiannually on June 1 and December 1, beginning on June 1, 2023, to and including December 1, 2025. Such accreted amount, together with the original principal amount of the Senior Bonds, at conversion on December 1, 2025, will be \$5,860,000, assuming no redemptions prior to that date.

Upon conversion to current interest bonds, the Senior Bonds will bear interest at 3.375% per annum, payable semi-annually to the extent of Senior Pledged Revenue (defined below) on June 1 and December 1 (“Interest Payment Dates”), commencing on June 1, 2026. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, beginning on December 1, 2026. The Senior Bonds mature on December 1, 2052 (the “Senior Maturity Date”). To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 2, 2060 (the “Senior Termination Date”) and shall continue to bear interest at the rate then borne by the Senior Bonds. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date, at the rate then borne by the Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Senior Bonds.

Senior Bonds Optional Redemption

The Senior Bonds are subject to redemption prior to the Senior Maturity Date, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal redeemed as follows:

<u>Optional Redemption Date</u>	<u>Redemption Premium</u>
December 1, 2025 to November 30, 2026	3.00 %
December 1, 2026 to November 30, 2027	2.00
December 1, 2027 to November 30, 2028	1.00
December 1, 2028 to Thereafter	-

Senior Bonds Mandatory Sinking Fund Redemption

Annual mandatory sinking fund redemption payments on the Senior Bonds are due prior to the Senior Maturity Date, in part, by lot, upon payment of par and accrued interest, without redemption premium on December 1, beginning on December 1, 2026, in the years and amounts set forth on page 26.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue. The Senior Indenture defines Senior Pledged Revenue as the moneys derived by the District from the following sources: 1) the Senior Required Mill Levy (defined below); 2) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; 3) the TDA Agreement Revenues (defined below), as and to the extent received by and on behalf of the District; and 4) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue (“Senior Pledged Revenue”).

Senior Bonds Required Mill Levy

The Senior Indenture defines the Senior Required Mill Levy, net of collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County, prior to the Conversion Date (defined below), as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to fund the Senior Bond Fund for the relevant Bond Year and pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (As adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2019). For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation, less the amount of the Operations Mill Levy (defined below), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills less the amount of the Operations Mill Levy, or such lesser mill levy which will fund the Senior Bond Fund for the relevant Bond Year and pay the Senior Bonds as they come due and will fund the Surplus Fund up to the Maximum Surplus Amount (“Senior Required Mill Levy”).

On or after the Conversion Date, the Senior Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due, but not in excess of 60 mills, as adjusted, less the Operations Mill levy, as adjusted. The adjusted maximum and minimum mill levy for collection in 2023 is 50.980 mills. The Conversion Date is the first date on which the Debt to Assessed Ratio is 50% or less and no amounts of principal or interest on the Senior Bonds are due but unpaid (“Conversion Date”). The Operations Mill Levy is the number of mills necessary to produce the dollar amount of the Operations Deduction for the collection year (“Operations Mill Levy”). The Operations Deduction is the amount necessary to pay or reimburse the District's operations and maintenance expenses, but not in excess of the following: (i) for levy year 2023 (for collection in 2024), the amount of \$51,515, and (ii) for each year thereafter, an additional 1% (“Operations Deduction”).

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Surplus Fund

The Senior Bonds are additionally secured by amounts in the Senior Surplus Fund. Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$531,397 (the “Maximum Surplus Amount”) for so long as any Senior Bond is outstanding. The District has acknowledged that State Law places certain restrictions on the use of Bond proceeds and debt service mill levies which may be credited to the Senior Surplus Fund. In the event the amounts credited to the Senior Bond Fund are insufficient to pay the principal of, premium if any, or interest on the Senior Bonds when due, the Trustee shall transfer from the Senior Surplus Fund to the Senior Bond Fund an amount which, when combined with moneys in the Senior Bond Fund, will be sufficient to make such payments when due.

Subordinate Bonds Details

The Subordinate Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the maturity date. Instead, principal is payable on each December 15, beginning on December 15, 2023, from and to the extent of available Subordinate Pledged Revenue (defined below), if any, pursuant to a mandatory redemption. The Subordinate Bonds mature on December 15, 2052 (the “Subordinate Maturity Date”). The Subordinate Bonds bear interest at 6.375% per annum, payable annually to the extent of Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2023. To the extent principal of any Subordinate Bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or the Subordinate Bond Termination Date of December 16, 2060 (the “Subordinate Termination Date”). To the extent interest on any Subordinate Bond is not paid when due, such unpaid interest shall compound annually on each December 15, at the interest rate then borne by the Subordinate Bond; provided, however, that notwithstanding anything in the Subordinate Indenture to the contrary, the District is not obligated to pay more than the amount permitted by law and the electoral authorization in repayment of the Subordinate Bonds.

Subordinate Bonds Prior Redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal redeemed as follows:

<u>Optional Redemption Date</u>	<u>Redemption Premium</u>
December 1, 2025 to November 30, 2026	3.00 %
December 1, 2026 to November 30, 2027	2.00
December 1, 2027 to November 30, 2028	1.00
December 1, 2028 to Thereafter	-

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, generally defined in the Subordinate Indenture as: 1) the Subordinate Required Mill Levy (defined below); and 2) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; 3) the Subordinate TDA Agreement Revenues, as and to the extent received by the District, if any; 4) the amounts, if any, in the Senior Surplus Fund after the payment or defeasance of the Senior Bonds; and 5) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue (“Subordinate Pledged Revenue”). The Subordinate TDA Agreement Revenues are any revenue from the TDA Agreement Revenue remaining after deduction of any amount applied to the payment of any Senior Bonds.

Subordinate Bonds Required Mill Levy

The Subordinate Indenture defines the Subordinate Required Mill Levy, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County, as an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 50 mills (As adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2019. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.) less the amount of the Senior Bond Mill Levy and the Operations Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full. If the amount of the Senior Required Mill Levy and the Operations Mill Levy equals or exceeds 50 mills in any year, adjusted for changes as aforesaid, the Subordinate Required Mill Levy for that year shall be zero.

Unused Lines of Credit

The Series 2022 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2022 Bonds.

Events of Default

Events of default occur if the District fails to impose the Senior Required Mill Levy, or Subordinate Required Mill Levy, or to apply the Senior Pledged Revenues or Subordinate Pledged Revenues as required by the Senior and Subordinate Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Termination Events

Notwithstanding anything herein to the contrary, all of the Senior Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Senior Termination Date and all of the Subordinate Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Subordinate Termination Date regardless of the amount of principal and interest paid prior to the Senior Termination Date and the Subordinate Termination Date.

Acceleration

The Series 2022 Bonds are not subject to acceleration.

Bonds Debt Service

The annual debt service requirements on the Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	Governmental Activities		
	Bonded Debt		
	Principal	Interest	Total
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	100,000	197,775	297,775
2027	105,000	194,400	299,400
2028	115,000	190,856	305,856
2028-2032	680,000	891,507	1,571,507
2033-2037	885,000	763,425	1,648,425
2038-2042	1,135,000	597,545	1,732,545
2043-2047	1,440,000	386,437	1,826,437
2048-2052	1,400,000	120,825	1,520,825
Total	<u>\$ 5,860,000</u>	<u>\$ 3,342,770</u>	<u>\$ 9,202,770</u>

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

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, 2023, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 5, 2019 Election	Authorization Used for Series 2020A Bonds	Authorization Used for Series 2020B Bonds	Authorization Used for Series 2022A Bonds	Authorization Used for Series 2022B Bonds	Authorized But Unused
Streets	\$ 99,260,000	\$ 1,477,000	\$ 212,450	\$ 132,123	\$ 938,718	\$ 96,499,709
Water	99,260,000	919,960	132,326	74,615	530,130	97,602,969
Sanitation	99,260,000	1,612,040	231,874	128,847	915,444	96,371,795
Parks and Recreation	99,260,000	113,940	16,389	17,835	126,714	98,985,122
Traffic and Safety	99,260,000	97,060	13,961	10,555	74,994	99,063,430
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	-	-	940,963	-	98,319,037
Intergovernmental Contracts	99,260,000	-	-	-	-	99,260,000
Total	<u>\$ 1,290,380,000</u>	<u>\$ 4,220,000</u>	<u>\$ 607,000</u>	<u>\$ 1,304,938</u>	<u>\$ 2,586,000</u>	<u>\$ 1,281,662,062</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 the District and District No. 3 in 2022, \$71,455,075 of the Service Plan authorization remains as of December 31, 2023.

NOTE 5 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, 2023 as follows:

Restricted Net Position:	Governmental Activities
Debt Service Reserve	\$ 112,875
Total Restricted Net Position	\$ 112,875

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 DISTRICT AGREEMENTS

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. 2, District No. 3, District No. 4, District No. 5 and District No. 6 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, the District, District No. 2, District No. 3, District No. 4, and District No. 5 are "Consumer Districts," and District No. 6 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.

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 District is 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 District's mill levy upon the incremental value of property within the District 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 District's mill levy upon the tax increment portion of the District's assessed valuation back to the District (the "TDA Agreement Revenues"). The TDA further agrees to transfer such incremental revenue to the District on or before June 20th of each year, commencing in 2021, all revenues attributable to the District received during the previous calendar year for a period of 25 years from the effective date of the Plan.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 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 8 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, . 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 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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 NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 3,991	\$ 3,992	\$ 1
URA District property taxes	136,855	134,151	(2,704)
Specific Ownership Taxes	9,859	10,146	287
Interest Income	1,640	1,896	256
Total Revenues	<u>152,345</u>	<u>150,185</u>	<u>(2,160)</u>
EXPENDITURES			
County Treasurer's Fee	80	80	-
Paying Agent Fees	7,000	9,000	(2,000)
Bond Interest	147,700	-	147,700
Bond Issue Costs	-	22,050	(22,050)
Intergovernmental Expenditures	50,000	50,000	-
Contingency	5,220	-	5,220
Total Expenditures	<u>210,000</u>	<u>81,130</u>	<u>128,870</u>
NET CHANGE IN FUND BALANCE	(57,655)	69,055	126,710
Fund Balance - Beginning of Year	<u>138,176</u>	<u>43,820</u>	<u>(94,356)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 80,521</u></u>	<u><u>\$ 112,875</u></u>	<u><u>\$ 32,354</u></u>

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

\$5,313,965 Limited Tax General
Obligation Convertible Capital Appreciation Bonds
Series 2022A
Interest 3.375%
Dated December 29, 2022
Interest Payable June 1 and December 1
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Account Bond				
	Balance	Accreted	Principal	Interest	Total
2022	\$ 5,313,965	\$ -	\$ -	\$ -	\$ -
2023	5,480,565	166,600	-	-	-
2024	5,667,089	186,524	-	-	-
2025	5,860,000	192,911	-	-	-
2026	-	-	100,000	197,775	297,775
2027	-	-	105,000	194,400	299,400
2028	-	-	115,000	190,856	305,856
2029	-	-	120,000	186,975	306,975
2030	-	-	130,000	182,925	312,925
2031	-	-	135,000	178,538	313,538
2032	-	-	145,000	173,981	318,981
2033	-	-	150,000	169,088	319,088
2034	-	-	160,000	164,025	324,025
2035	-	-	165,000	158,625	323,625
2036	-	-	180,000	153,056	333,056
2037	-	-	185,000	146,981	331,981
2038	-	-	195,000	140,738	335,738
2039	-	-	205,000	134,156	339,156
2040	-	-	220,000	127,238	347,238
2041	-	-	225,000	119,813	344,813
2042	-	-	240,000	112,219	352,219
2043	-	-	245,000	104,119	349,119
2044	-	-	265,000	95,850	360,850
2045	-	-	270,000	86,906	356,906
2046	-	-	290,000	77,794	367,794
2047	-	-	300,000	68,006	368,006
2048	-	-	315,000	57,881	372,881
2049	-	-	325,000	47,250	372,250
2050	-	-	345,000	36,281	381,281
2051	-	-	355,000	24,638	379,638
2052	-	-	375,000	12,656	387,656
Total	\$ 5,860,000	\$ 546,035	\$ 5,860,000	\$ 3,342,770	\$ 9,202,770

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2019	\$ 552	35.000	\$ 19	\$ 19	100.00 %
2020	375	50.350	19	19	100.00 %
2021	6,774	50.000	339	339	100.00 %
2022	44,618	50.000	2,231	2,230	99.96 %
2023	78,294	50.980	3,991	3,992	100.03 %
Estimated for Year Ending December 31, 2024	\$ 122,047	66.127	\$ 8,071		

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

CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: **159 - TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**

IN LARIMER COUNTY ON 8/21/2024

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

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 2024 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$122,047
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$4,905,051
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$4,774,209
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$130,842
5. NEW CONSTRUCTION: **	\$798,013
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.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

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 2024 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2024

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$68,802,000
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$11,909,426
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
<small>(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.)</small>	
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, 2024

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
<small>** 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.</small>	

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

PRELIMINARY DRAFT – SUBJECT TO REVISION

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/11/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 8/31/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 43,820	\$ 113,845	\$ 112,875	\$ 112,875	\$ 343,626
REVENUES					
Property taxes	3,992	8,071	8,070	8,071	8,112
Specific ownership taxes	10,146	18,313	10,885	18,313	21,287
URA District property taxes	134,151	253,543	243,782	253,543	295,987
Interest Income	1,896	8,700	5,469	9,500	19,700
Other Revenue	-	9,809	-	-	9,840
Total revenues	<u>150,185</u>	<u>298,436</u>	<u>268,206</u>	<u>289,427</u>	<u>354,926</u>
TRANSFERS IN	<u>-</u>	<u>51,515</u>	<u>51,515</u>	<u>51,515</u>	<u>52,030</u>
Total funds available	<u>194,005</u>	<u>463,796</u>	<u>432,596</u>	<u>453,817</u>	<u>750,582</u>
EXPENDITURES					
General Fund	-	56,500	51,515	51,515	57,000
Debt Service Fund	81,130	13,985	7,161	7,161	13,995
Total expenditures	<u>81,130</u>	<u>70,485</u>	<u>58,676</u>	<u>58,676</u>	<u>70,995</u>
TRANSFERS OUT	<u>-</u>	<u>51,515</u>	<u>51,515</u>	<u>51,515</u>	<u>52,030</u>
Total expenditures and transfers out requiring appropriation	<u>81,130</u>	<u>122,000</u>	<u>110,191</u>	<u>110,191</u>	<u>123,025</u>
ENDING FUND BALANCES	<u>\$ 112,875</u>	<u>\$ 341,796</u>	<u>\$ 322,405</u>	<u>\$ 343,626</u>	<u>\$ 627,557</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/11/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 8/31/2024	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION					
Residential	\$ 1,505,556	\$ 3,245,451	\$ 3,245,451	\$ 3,245,451	\$ 4,541,459
Commercial	45,101	47,202	47,202	47,202	-
State assessed	48,100	77,100	77,100	77,100	79,952
Vacant land	1,164,027	586,472	586,472	586,472	283,640
	<u>2,762,784</u>	<u>3,956,225</u>	<u>3,956,225</u>	<u>3,956,225</u>	<u>4,905,051</u>
Adjustments	(2,684,490)	(3,834,178)	(3,834,178)	(3,834,178)	(4,774,209)
Certified Assessed Value	<u>\$ 78,294</u>	<u>\$ 122,047</u>	<u>\$ 122,047</u>	<u>\$ 122,047</u>	<u>\$ 130,842</u>
MILL LEVY					
Debt Service	50.980	66.127	66.127	66.127	61.997
Total mill levy	<u>50.980</u>	<u>66.127</u>	<u>66.127</u>	<u>66.127</u>	<u>61.997</u>
PROPERTY TAXES					
Debt Service	\$ 3,991	\$ 8,071	\$ 8,071	\$ 8,071	\$ 8,112
Levied property taxes	3,991	8,071	8,071	8,071	8,112
Refunds and abatements	1	-	(1)	-	-
Budgeted property taxes	<u>\$ 3,992</u>	<u>\$ 8,071</u>	<u>\$ 8,070</u>	<u>\$ 8,071</u>	<u>\$ 8,112</u>
BUDGETED PROPERTY TAXES					
Debt Service	<u>\$ 3,992</u>	<u>\$ 8,071</u>	<u>\$ 8,070</u>	<u>\$ 8,071</u>	<u>\$ 8,112</u>
	<u>\$ 3,992</u>	<u>\$ 8,071</u>	<u>\$ 8,070</u>	<u>\$ 8,071</u>	<u>\$ 8,112</u>

No assurance provided. See summary of significant assumptions.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/11/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 8/31/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Other Revenue	-	4,985	-	-	4,970
Total revenues	-	4,985	-	-	4,970
TRANSFERS IN					
Transfers from other funds	-	51,515	51,515	51,515	52,030
Total funds available	-	56,500	51,515	51,515	57,000
EXPENDITURES					
General and administrative					
Contingency	-	4,985	-	-	4,970
Intergovernmental Expenditures	-	51,515	51,515	51,515	52,030
Total expenditures	-	56,500	51,515	51,515	57,000
TRANSFERS OUT					
Total expenditures and transfers out requiring appropriation	-	56,500	51,515	51,515	57,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/11/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 8/31/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 43,820	\$ 113,845	\$ 112,875	\$ 112,875	\$ 343,626
REVENUES					
Property taxes	3,992	8,071	8,070	8,071	8,112
Specific ownership taxes	10,146	18,313	10,885	18,313	21,287
URA District property taxes	134,151	253,543	243,782	253,543	295,987
Interest Income	1,896	8,700	5,469	9,500	19,700
Other Revenue	-	4,824	-	-	4,870
Total revenues	<u>150,185</u>	<u>293,451</u>	<u>268,206</u>	<u>289,427</u>	<u>349,956</u>
Total funds available	<u>194,005</u>	<u>407,296</u>	<u>381,081</u>	<u>402,302</u>	<u>693,582</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	80	161	161	161	162
Intergovernmental expenditures	50,000	-	-	-	-
Paying agent fees	9,000	9,000	7,000	7,000	9,000
Contingency	-	4,824	-	-	4,833
Debt Service					
Bond issue costs	22,050	-	-	-	-
Total expenditures	<u>81,130</u>	<u>13,985</u>	<u>7,161</u>	<u>7,161</u>	<u>13,995</u>
TRANSFERS OUT					
Transfers to other fund	<u>-</u>	<u>51,515</u>	<u>51,515</u>	<u>51,515</u>	<u>52,030</u>
Total expenditures and transfers out requiring appropriation	<u>81,130</u>	<u>65,500</u>	<u>58,676</u>	<u>58,676</u>	<u>66,025</u>
ENDING FUND BALANCES	<u>\$ 112,875</u>	<u>\$ 341,796</u>	<u>\$ 322,405</u>	<u>\$ 343,626</u>	<u>\$ 627,557</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Timnath Lakes Metropolitan District No. 1, (the District) was formed on June 23, 2006, 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. 2 and 3. On September 10, 2019, the District amended and restated its service plan to include Timnath Lakes Metropolitan District Nos. 4 through 6.

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 requirement 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.

For property tax collection year 2025, SB22-238, SB 22-238, SB 23B-001, SB24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

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. The revenue received by the URA, net of all costs, will be remitted to the District’s Bond Trustee and pledged to the payment of the Bonds.

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.

Interest Income

Interest earned on the District’s available funds has been estimated based on historical interest earnings.

Expenditures

Intergovernmental Expenditures

The District collected property and specific ownership taxes. The District will transfer \$52,030 of funds collected to District No. 6 in 2025 to help fund administrative and operating expenditures. The amount transferred will increase 1% each year thereafter.

County Treasurer’s Fees

County Treasurer’s fees have been computed at 2.0% of property tax collections.

Debt and Leases

On December 29, 2022 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A, in the initial principal amount of \$5,313,965.20 (\$5,860,000 in Accreted Value upon conversion to current interest bonds) (“Senior Bonds”) and Subordinate Limited Tax General Obligation Bonds, Series 2022B in the principal amount of \$2,586,000 (“ Subordinate Bonds”). Proceeds from the sale of the Bonds were used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) pay the costs of issuance of the Bonds and (iii) refund the Series 2020A bonds.

The District has no operating or capital leases.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since all funds received by the District are in the Debt Service fund, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

\$5,313,965 Limited Tax General
Obligation Bonds
Series 2022A
Interest 3.375%
Dated December 29, 2022
Interest Payable June 1 and December 1
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Account Bond Balance	Accreted	Principal	Interest	Total
2022	\$ 5,313,965	\$ -	\$ -	\$ -	\$ -
2023	5,480,565	166,600	-	-	-
2024	5,667,089	186,524	-	-	-
2025	5,860,000	192,911	-	-	-
2026	-	-	100,000	197,775	297,775
2027	-	-	105,000	194,400	299,400
2028	-	-	115,000	190,856	305,856
2029	-	-	120,000	186,975	306,975
2030	-	-	130,000	182,925	312,925
2031	-	-	135,000	178,538	313,538
2032	-	-	145,000	173,981	318,981
2033	-	-	150,000	169,088	319,088
2034	-	-	160,000	164,025	324,025
2035	-	-	165,000	158,625	323,625
2036	-	-	180,000	153,056	333,056
2037	-	-	185,000	146,981	331,981
2038	-	-	195,000	140,738	335,738
2039	-	-	205,000	134,156	339,156
2040	-	-	220,000	127,238	347,238
2041	-	-	225,000	119,813	344,813
2042	-	-	240,000	12,219	252,219
2043	-	-	245,000	104,119	349,119
2044	-	-	265,000	95,850	360,850
2045	-	-	270,000	86,906	356,906
2046	-	-	290,000	77,794	367,794
2047	-	-	300,000	68,006	368,006
2048	-	-	315,000	57,881	372,881
2049	-	-	325,000	47,250	372,250
2050	-	-	345,000	36,281	381,281
2051	-	-	355,000	24,638	379,638
2052	-	-	375,000	12,656	387,656
Total	<u>\$ 5,860,000</u>	<u>\$ 546,035</u>	<u>\$ 5,860,000</u>	<u>\$ 3,242,770</u>	<u>\$ 9,102,770</u>

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**

For the Calendar Year 2025: (1) Summarizing Expenditures and Revenues for Each Fund and Adopting a Budget; (2) Levying Property Taxes for Collection to Help Defray the Costs of Government; and (3) Appropriating Sums of Money to Each Fund in the Amounts and for the Purposes Set Forth Herein

Recitals

A. The Timnath Lakes Metropolitan District No. 1 is a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to the Colorado Special District Act, article 1, Title 32, C.R.S.; and

B. The Board of Directors of the Timnath Lakes Metropolitan District No. 1 (the “**District**”) has authorized its budget officer to prepare and submit a proposed budget to said governing body at the proper time; and

C. The proposed budget has been submitted to the Board of Directors of the District for its consideration; and

D. Upon due and proper notice, published in accordance with law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 6, 2024, and interested electors were given the opportunity to file or register any objections to said proposed budget prior to the budget’s final adoption. A copy of the Meeting Notice and Affidavit of Publication is attached as **Exhibit A**; and

E. The budget adopted by the District has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

F. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

G. The District, to meet its budgetary obligations, desires to levy property taxes as set forth in this Resolution, including any temporary tax credits or temporary mill levy rate reductions; and

H. The District’s budget has made provisions for revenues in an amount equal to or greater than the total proposed expenditures and desires to appropriate the revenues, reserves and expenditures provided in the budget.

NOW THEREFORE, BE IT RESOLVED BY THE BOAD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 AS FOLLOWS:

1. Adoption of Budget. That the budget as submitted, amended and summarized by fund attached to this Resolution as **Exhibit B** is approved and adopted as the budget of the District for fiscal year 2025 (the “**Budget**”).

2. Levy of Property Taxes.

a. General Operating Expenses. The Budget indicated that the amount of money necessary to balance the budget for the general operating expenses from property tax revenue is \$_____. The 2024 valuation for assessment for general operating expenses, as certified by the County Assessor, is \$_____. That for the purposes of meeting all general operating expenses of the District during the 2025 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

b. Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction. That for the purpose of rendering a refund to its constituents during the budget year, there is hereby levied a temporary property tax credit/mill levy rate reduction of _____ mills from the General Operating Expenses mill levy.

c. Debt Service – General Obligation Bonds and Interest. The Budget indicated that the amount of money necessary to balance the budget for making all bond principal and interest payments from property tax revenue is \$_____. The 2024 valuation for assessment for making all bond principal and interest payments, as certified by the County Assessor, is \$_____. That for the purposes of making all bond principal and interest payments of the District during the 2025 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

d. Contractual Obligations. The Budget indicated that the amount of money necessary to balance the budget for making all payments owed under contractual obligations which are to be repaid from property tax revenue is \$_____. The 2024 valuation for assessment for making all payments owed under contractual obligations which are to be repaid from property tax revenue, as certified by the County Assessor, is \$_____. That for the purposes of making all payments owed under contractual obligations which are to be repaid from property tax revenue of the District during the 2025 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

3. Certification to County Commissioners. That the District’s budget officer, manager, legal counsel, or other designee is hereby authorized and directed to immediately cause to have certified to the County Commissioners of Larimer County, the mill levies for the District as set forth in this Resolution, or be authorized and directed to certify to the County Commissioners of Larimer County, the mill levies as set forth in this Resolution, but as recalculated as needed upon receipt of the final certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits. The Certification of Tax Levies as filed is incorporated into this Resolution as **Exhibit C**.

4. Appropriations. That the amounts set forth as expenditures, transfers and balances remaining, as specified in the Budget, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated.

5. Budget Certification. That this Resolution and Budget be certified by the Secretary or Assistant Secretary of the District.

DRAFT

APPROVED AND ADOPTED this ____ day of _____, 2024.

TIMNATH LAKES METROPOLITAN DISTRICT
NO. 1

By: _____

Jennifer Martin, President, Board of Directors

ATTEST:

By: _____

Name: _____

Secretary or Assistant Secretary

DRAFT

CERTIFICATION

I, _____, hereby certify that I am the duly elected and qualified Secretary or Assistant Secretary of the Timnath Lakes Metropolitan District No. 1, and certify that the Resolution, Budget and all attached exhibits constitutes a true and correct copy of the Resolution, Budget and all exhibits adopted and approved at a meeting of the Board of Directors of the District held on November 6, 2024.

Dated this 6th day of November, 2024.

By: _____

Name: _____

Title: _____

DRAFT

EXHIBIT A

Meeting Notice and Affidavit of Publication

DRAFT

EXHIBIT B

Budget and Budget Message

DRAFT

EXHIBIT C

DLG-70 – Certification of Tax Levies

DRAFT



Date: September 28, 2024

Special Districts Preparation Statement of Work

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Timnath Lakes Metro District No. 1 ("you," "your," "board of directors" or "the district") dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2025 in connection with that agreement.

Scope of professional services

Paul Wilson is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
 - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
 - Cash receipts journal
 - Cash disbursements journal
 - General ledger
 - Accounts receivable journals and ledgers
 - Deposits with banks and financial institutions
 - Schedule of disbursements
 - Bank account reconciliations
 - Investment records
 - Detailed records and a tracking system of fee impositions, due dates and payments; and at

direction of the board of directors, provide reporting of fee imposition and payments to the board of the district

- Process accounts payable including: confirmation that for payment of any vendors that there are sufficient funds budgeted and available, prior to the preparation and issuance of checks for approval by the board of directors
- Coordinate with the district manager and/or district general counsel (in the event of legal issues) regarding financial matters and determine prior to the district entering any contract for capital or operations services that there are sufficient appropriations for same
- To the extent applicable, read and understand Developer Funding Agreements and coordinate funding from Developer necessary for the district to pay its obligations
- Prepare billings, record billings, enter cash receipts, and track revenues
- Reconcile certain accounts regularly and prepare journal entries
- Prepare depreciation schedules
- Prepare quarterly financial statements and supplementary information, but not perform a compilation with respect to those financial statements; additional information is provided below
- Prepare a schedule of cash position to monitor the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of directors and in accordance with state law
- At the direction of the board of directors, assist with the coordination and execution of banking and investment transactions and documentation
- In collaboration with district consultants and the board of directors, assist with the preparation and filing of the annual budget as required by statute
- In collaboration with district consultants and the board of directors, assist with the preparation and filing of the Certification of Tax Levies with the respective county or counties
- Assist the district's board of directors in monitoring actual expenditures against appropriation/budget: at the direction of the board of directors, evaluate budget to actual expenses and provide a report to the district board; advise the district board prior to paying any vendor amounts in excess of budgeted amounts
- If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district's auditors

- If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required
- Read cost verifications and obtain acceptance and approval by the board of directors for the district prior to the requisition or disbursement of funds
- Read and understand intergovernmental agreements that create financial or cost sharing obligations of the district
- Review claims for reimbursement from related parties prior to the board of directors' review and approval
- Read supporting documentation related to the district's acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness
 - Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW
 - These procedures may not satisfy district policies, procedures, and agreements' requirements
 - Note: our procedures should not be relied upon as the final authorization for this transaction
- Attend board meetings as requested
- Be available during the year to consult with you on any accounting matters related to the district
- Review and approve monthly reconciliations and journal entries prepared by staff
- Reconcile complex accounts monthly and prepare journal entries
- Analyze financial statements and present to management and the board of directors
- Develop and track key business metrics as requested and review periodically with the board of directors
- Document accounting processes and procedures
- Continue process and procedure improvement implementation

- Report on cash flows
- Assist with bank communications
- Perform other non-attest services

Compilation services

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

Preparation services - financial statements

We will prepare the quarterly financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund and the related statement(s) or schedule(s) of revenues, expenditures, and changes in fund balance(s) for other applicable funds. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services - annual

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district's auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management's knowledge and belief, the entity's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for

purposes of additional analysis and is not a required part of the basic financial forecast. References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- a) Prepare quarterly financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services. (GAAP stands for Generally Accepted Accounting Principles and refers to a common set of account rules, standards, and procedures.)
- b) As requested, apply accounting and financial reporting expertise to assist you in the presentation of your quarterly financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c) Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d) Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e) If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f) If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARSS) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion.

Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements, in the quarterly financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. However, if any of the foregoing are identified as a result of our engagement, we will promptly report this information to the board of directors of the district. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement, but will promptly report them to the board of directors of the district if they are identified. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

Our report

If an exemption from audit applies: the compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation on the Application for Exemption from Audit (if an audit is not required), we will not issue report on the Application for Exemption from Audit as a result of this engagement. No compilation is performed in situations where an audit is required.

No assurance statements

The quarterly financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: "No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For business type activities, the Statement of Cash Flows has been omitted".

If an audit is required, the year-end financial statements prepared for use by the district's auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial

statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management's responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district's operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a)** The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b)** The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c)** The presentation of the supplementary information.
- d)** The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e)** The prevention and detection of fraud.

- f) To ensure that the entity complies with the laws and regulations applicable to its activities.
- g) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h) To provide us with the following:
 - i) Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
 - ii) Additional information that may be requested for the purpose of the engagement.
 - iii) Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the board treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees and terms

Billing rates guaranteed through December 31, 2025:

Services performed by	Rate per hour
Principal	\$300-\$650
Consulting CFO	\$290-\$400
Consulting Controller	\$240-\$380
Assistant Controller	\$210-\$300
Senior	\$150-\$230

Staff	\$130-\$190
Administrative Staff	\$120-\$170

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

Use of financial statements, the annual budget, the Application for Exemption from Audit

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management’s use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the “Act”). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms

and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Paul Wilson

Signing Director

303-793-1492

paul.wilson@claconnect.com

Response

This SOW correctly sets forth the understanding of Timnath Lakes Metro District No. 1 and is accepted by:

CLA
CLA

Paul Wilson

Paul Wilson, Signing Director

SIGNED 10/3/2024, 8:57:17 AM MDT

Client

Timmath Lakes Metro District No. 1

SIGN:

Jennifer Martin

DATE:



Date: September 28, 2024

Special Districts Payroll Services Statement of Work

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Timnath Lakes Metro District No. 1 ("you," "your," "board of directors" or "the district") dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2025 in connection with that agreement.

Scope of payroll services

We will provide the following payroll preparation services each pay period based on information you provide:

- Perform payroll calculations within ADP
- Facilitate ADP's preparation of payroll checks and/or pay stubs
- Use ADP to initiate the electronic transfer of funds for employee net pay and payroll tax deposit

We will assist with the preparation of the following government forms, when applicable, for each calendar quarter-end and year-end with the understanding that ADP directly handles filing the payroll tax returns and payments:

- Form 941 – Employers Quarterly Tax Return
- State Employers Quarterly Withholding Return
- State Employers Quarterly Unemployment Return (SUTA)
- Form 940 – Employers Annual Federal Unemployment Tax Return
- All copies of required forms W-2 and W-3 – Transmittal of Tax and Wage Statements (annual)
- All necessary state forms (annual)

Our responsibility to you and limitations of the payroll services

We will prepare your federal and state (when applicable) payroll forms and tax returns.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the payroll and related returns, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our payroll preparation services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our payroll preparation services regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's payroll that we may not identify as a result of misrepresentations made to us by you.

If applicable, our payroll preparation services will include electronically transmitting management-approved information to taxing authorities and your financial institution to facilitate the electronic transfer of funds.

If applicable, our payroll preparation services will include transmitting management-approved federal Form W-2, federal Form 1099, and payroll data forms to federal and state taxing authorities on your behalf.

CLA's relationship with you shall be solely that of an independent contractor and nothing in the MSA or a SOW shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

Your responsibilities

It is your responsibility to provide us with all of the information needed to prepare complete and accurate payrolls and to facilitate ADP's preparation of payroll tax returns. We will have no obligations with regards to a particular payroll or withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us.

Additionally, it is your responsibility to provide us with all of the information needed to facilitate ADP's preparation of payroll tax returns. We will have no obligations with regards to particular withholding taxes and filing returns in a particular state or local tax jurisdiction until you have provided such information to us.

Specifically, your responsibilities include:

- Accuracy of information used in the preparation of the payrolls and payroll tax returns.
- Review and approval of paychecks or paystubs prior to issuance, and payroll registers for each pay period prior to submission of payroll information to ADP.
- Evaluation of information used in the preparation and filing of all government forms for accuracy.
- Before submission of payroll information to ADP, review and approval of each electronic funds transfer to be initiated on your behalf for employee net pay amounts, payroll tax, withholding

liabilities, and related benefit amounts.

- One-time authorization to your financial institution for it to make transfers and direct deposits in accordance with future instructions from ADP.
- One-time authorization for ADP to submit tax filings and complete electronic fund transfers on your behalf.
- Sign or approve ADP issuance of all physical and/or electronic payroll checks.

If applicable, we will advise you with regard to tax positions taken in the preparation of the payroll forms and tax returns, but the responsibility for the payroll forms and tax returns remains with you.

Even if you have authorized CLA to file your employment tax returns and make your business and/or employment tax payments for you, please be aware that you are responsible for the timely filing of employment tax returns and the timely payment of business and/or employment taxes. Therefore, the Internal Revenue Service recommends that you enroll in the U.S. Department of the Treasury Electronic Federal Tax Payment System (EFTPS) to monitor your account and ensure that timely tax payments are being made for you. You may enroll in the EFTPS online at www.eftps.gov, or call 800-555-4477 for an enrollment form. Individual states have similar programs that allow you to monitor your account. A list of links by state is provided online at <http://www.americanpayroll.org/weblink/statelocal-wider/>.

Fees and terms

The billing rates (guaranteed through one year from 1st payroll live date) for these services are as follows:

Services performed by	Rate per hour
Payroll Analyst I	\$90-\$95
Payroll Analyst II	\$100-\$110
Senior Payroll Analyst	\$125-\$130

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

This agreement will automatically renew for one year from the rate guarantee expiration date unless it is cancelled in writing at least 30 days prior to the expiration date or is changed by the mutual signing of a new SOW. The terms of the applicable MSA shall continue to govern this SOW if the SOW is automatically renewed.

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are examples of services considered to be outside the scope of our engagement. We will bill you for additional services you would like us to provide at an hourly fee at periodic dates after the additional service has been performed.

- Reprocessing for corrected information provided to us subsequent to original payroll
- Preparation of non-standard reports
- Calculation of fringe benefit additions
- Processing retirement plan contribution payments
- Preparation of retirement plan and other census information
- Responding to workers compensation insurance audits
- Responding to employment verification requests
- Preparation of additional state tax registrations
- Preparation of amended payroll tax returns
- Responding to tax notices

Tax examinations

All government forms and returns are subject to potential examination by the IRS and state taxing authorities. In the event of an examination, we will be available, at your request, to assist or represent you subject to a separate SOW. Services in connection with tax examinations are not included in our fee for preparation of your payroll returns. Our fee for such services will be billed to you separately, along with any direct costs pursuant to a separate SOW.

Record retention

You are responsible for retaining all documents, records, payroll journals, canceled checks, receipts, or other evidence in support of information and amounts reported in your payroll records and on your quarterly and calendar year-end payroll forms and tax returns. These items may be necessary in the event the taxing authority examines or challenges your returns. These records should be kept for at least seven years. Your copy of the payroll forms and tax returns should be retained indefinitely.

In preparing the payrolls, payroll forms, and tax returns, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper

recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

All of the records that you provide to us to prepare your payrolls and related forms and tax returns will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of you.

Tax consulting services

This SOW also covers tax consulting services that may arise for which the entity seeks our consultation and advice, both written and oral, that are not the subject of a separate SOW. These additional services are not included in our fees for the preparation of the payroll and related federal and state forms and tax returns.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax authority rules, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for the entity's information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax regulations, or to the related judicial and administrative interpretations.

Legal compliance

The entity agrees to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to the entity or the entity's business, including the accuracy and lawfulness of any reports the entity submits to any government regulator, authority, or agency. The entity also agrees to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by the entity to any governmental or regulatory body, or for any insurance reimbursement in the event that the entity is requested to do so by any lawful authority. CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Paul Wilson
Signing Director

303-793-1492
paul.wilson@claconnect.com

Response

This SOW correctly sets forth the understanding of Timnath Lakes Metro District No. 1 and is accepted by:

CLA
CLA

Paul Wilson

Paul Wilson, Signing Director

SIGNED 10/3/2024, 8:54:48 AM MDT

Client

Timmath Lakes Metro District No. 1

SIGN:

Jennifer Martin

DATE:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**

2025 Annual Administrative Resolution

Recitals

- A. The Timnath Lakes Metropolitan District No. 1 is a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to the Colorado Special District Act, article 1, Title 32, C.R.S.; and
- B. The Board of Directors of the District has a duty to perform certain obligations in order to ensure the efficient operation of the District; and
- C. The directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a)(I) and (II), C.R.S.; and
- D. Section 32-1-103(15), C.R.S., requires the Board of Directors to publish certain legal notices in a newspaper of general circulation in the District; and
- E. Section 24-6-402, C.R.S., specifies the duty of the Board of Directors at its first regular meeting of the calendar year to designate a public posting place within the boundaries of the District for notices of meetings, in addition to any other means of notice; and
- F. Section 32-1-903, C.R.S., states that the Board shall meet regularly at a time and in a location to be designated by the Board; and special meetings shall be held as often as the needs of the special district require, and such meetings may be held (A) (1) telephonically; (2) electronically; or (3) by other means not including physical presence but must provide a method for members of the public to attend the meeting: or (B) at a physical location within the boundaries of the District or which are within the boundaries of any county in which the District is located, or, in any county so long as the meeting location does not exceed twenty miles from the District boundaries, unless an appropriate resolution to hold the meeting in another location is adopted by the Board and notice appears on the meeting agenda; and
- G. Section 32-1-903(2), C.R.S., requires that notice of the time and place designated for all regular and special meetings shall be in accordance with § 24-6-402(2)(c), C.R.S., on a website or other online presence of the District which complies with the statutory criteria, or on a physical posting location as designated by the Board and within the limits of the Special District at least 24 hours prior to said meeting; and
- H. Section 32-1-1001(2)(a), C.R.S., requires that a district may fix or increase fees, rates, tolls, penalties, or charges for domestic water or sanitary sewer services only after consideration of the action at a public meeting held at least thirty days after providing notice stating that the action is being considered and stating the date, time, and place of the meeting at which the action is being considered; and

I. In accordance with the Colorado Governmental Immunity Act, the Board is given authority to obtain insurance against liability for injuries for which the District may be liable under the Governmental Immunity Act, and to provide for defense and payment of judgements or settlements against public employees, pursuant to §§ 24-10-110 and 24-10-115, C.R.S.; and

J. Sections 32-1-901(2) and 32-1-902(2), C.R.S., requires the District to obtain an individual, schedule or blanket surety bond in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file such bond with the District Court and the Division of Local Government; and

K. Section 32-1-104.8, C.R.S., requires the District to record a special district public disclosure document and a map of the boundaries of the District with the County Clerk and Recorder of each county in which the District is located by December 31, 2014, and at any time thereafter that an order confirming the inclusion of property into the District is recorded; and

L. Section 32-1-306, C.R.S. requires the District to file a current, accurate map of its boundaries with the Division of Local Government and the County Clerk and Recorder and the County Assessor on or before January 1 of each year; and

M. Section 32-1-104(2), C.R.S., requires the District, on or before January 15, to file a copy of the notice required by § 32-1-809, C.R.S. with the Board of County Commissioners, Assessor, Treasurer, Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of Local Government; and

N. Section 32-1-809, C.R.S., requires that on or before January 15 of each year the District will provide a notice to the eligible electors of the District containing the information required by § 32-1-809(1), C.R.S. in the manner set forth in § 32-1-809(2), C.R.S.; and

O. The Local Government Budget Law of Colorado, §§ 29-1-101, et seq., C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets, and to file copies of the budgets and amendments thereto; and

P. In accordance with the Public Securities Information Reporting Act, §§ 11-58-101, et seq., C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs; and

Q. In accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an exemption from audit with the State auditor; or, in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000 but not more than \$750,000 the District may, with the approval of the State Auditor, file an exemption from audit with the State Auditor, or in accordance with § 29-1-603, C.R.S., the governing body of the District shall cause to be made an annual audit of the financial statements for each fiscal year; and

R. The Unclaimed Property Act, §§ 38-13-101, et seq., C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

S. Elections may be held pursuant to the Special District Act, the Uniform Election Code of 1992, and the Colorado Local Government Election Code for the purpose of (1) electing members of the District's Board of Directors; (2) to present certain ballot issues to the eligible electors of the District as required by Article X, § 20 of the Colorado Constitution; and (3) to present certain ballot questions to the eligible electors of the District; and

T. Section 1-1-111, C.R.S., states that all powers and authority granted to the governing body of a political subdivision to call and conduct an election may be exercised by the appointed Designated Election Official; and

U. Sections 1-11-103 and 32-1-104(1), C.R.S., require the District to notify the Division of Local Government of the results of any elections held by the District, including the name and address of all members and officers of the board of directors, and a business address, telephone number and name of the contact person for the District; and

V. Section 32-1-1101.5, C.R.S., requires the District to certify results of any election to incur general obligation indebtedness to the board of county commissioners of each county in which the special district is located or to the governing body of the municipality that has adopted a resolution of approval of the District; and

W. Section 32-1-1604, C.R.S., requires within 30 days of incurring or authorizing general obligation debt that the District record a notice of such debt with the County Clerk and Recorder, on a form prescribed by the Division of Local Government; and

X. In accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., either the board of county commissioners of each county in which the special district is located, or the governing body of the municipality that has adopted a resolution of approval of the District, may require the District to file an application for quinquennial finding of reasonable diligence; and

Y. Section 32-1-207(3)(c), C.R.S., requires the District to file an annual report, on or before August 1st of each year for the preceding calendar year, to the governing body with jurisdiction over the District, the Division of Local Government, State Auditor, and County Clerk and Recorder for each county in which the District is located, unless otherwise required at an earlier date by the District's service plan.

Z. Special district directors are governed by §§ 32-1-902(3) and 32-1-902(4), C.R.S., which requires such director to disqualify himself or herself from voting on an issue in which he or she has a conflict of interest unless the director has properly disclosed such conflict in compliance with law, and by the provisions of the Colorado Code of Ethics, §§ 24-18-101, *et seq.*, C.R.S, which provide rules of conduct concerning public officials and their fiduciary duties; and

AA. Section 32-1-902, C.R.S., requires the Board to elect officers, including a Chair of the Board and President of the District, a Treasurer of the Board and District, and a Secretary, who may be a member of the Board; and

BB. The Board of Directors desires to appoint legal counsel for the District to provide legal services and to assist with the operation of the District; and

CC. The Board of Directors desires to appoint an accountant for the District to provide financial services and to assist with the financial operations of the District, and who shall also be designated as the budget officer required to prepare and submit to the Board a proposed District budget by October 15, pursuant to §§ 29-1-104 and 29-1-105 C.R.S.; and

DD. The Board of Directors desires to appoint a District Manager to provide management services in connection with the purposes for which the District was organized; and

EE. Pursuant to §§ 24-71.3-101, *et seq.*, C.R.S., The Uniform Electronic Transaction Act, parties may agree to conduct transactions by electronic means relating to business, commercial and governmental affairs, and that for all documents covered by the Act, if a law requires a record to be in writing, an electronic record satisfies the law.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1:

1. The Board of Directors of the District determines that each director shall/ receive, as compensation for services as director, the sum of \$100 per meeting attended in an amount not to exceed \$2,400 per annum, subject to availability of funds.

2. The Board designates *The Fort Collins Coloradoan* as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes.

3. The Board designates the District website; <https://timnathlakesmetrodistricts1-6.com/> as the official posting location for District documents, including meeting notices to be posted no less than 24 hours prior to the meeting. The Board designates a post located at North side of East Harmony Road on a light pole 300 feet west of railroad tracks, which is within the boundaries of the District, as the physical 24-hour posting location pursuant to § 32-1-903(2) and § 24-6-402(2)(c), C.R.S.

4. The Board determines to hold regular meetings on the third Wednesday of January, April, and October, 2025 at 5:30p.m., via electronic platform.

5. The Board directs legal counsel prior to any public meeting at which the District fixes or increases fees, rates, tolls, penalties, or charges for domestic water or sanitary sewer services to provide notice at least thirty days prior to such meeting pursuant to § 32-1-1001(2)(a), C.R.S. Notice shall be provided in one of the following three ways:

- a. Mailing the notice separately to each customer on the District's billing rolls that receives the service; or
- b. Including the notice as a prominent part of a newsletter, annual report, billing insert, billing statement, letter, or other informational mailing sent by the District to each customer of the District; or

- c. Posting the notice on a publicly accessible section of the website for the Special District Association of Colorado (“SDA”).

6. The Board directs legal counsel to obtain and maintain insurance for the District, to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. Additionally, the Board directs legal counsel, to obtain bonds or equivalent insurance coverage as required by §§ 32-1-901(2) and 32-1-902(2), C.R.S., in an amount of no less than \$1,000 per director and \$5,000 for the Board Treasurer, and to file the bond or certificate of insurance with the District Court and the Division of Local Government.

7. The Board designates Shawna Stevens as the District’s “Primary Representative” and designates David Solin as the District’s “Alternate Representative” to the SDA Insurance Pool so that District insurance coverage may be timely renewed annually and updated as necessary.

8. The Board directs legal counsel to update the Special District Public Disclosure Document and map with Larimer County Clerk and Recorder after the initial filing deadline of December 31, 2014, if the District includes additional property and records an Order of Inclusion with the County Clerk and Recorder.

9. The Board directs legal counsel to file an accurate boundary map with the Division of Local Government and the Larimer County Assessor, as may be required by statute.

10. The Board directs legal counsel to file a copy of the transparency notice as described in § 32-1-809, C.R.S. with the Larimer County Board of County Commissioners, Assessor, Treasurer, Clerk and Recorder, and the Division of Local Government.

11. The Board directs legal counsel to notify the registered electors in the District of certain specified District information by completing the Special District Transparency Notice as detailed in § 32-1-809, C.R.S. and causing it to be posted to the Special District Association website.

12. The Board designates the District’s accountant to serve as the budget officer, and to submit a proposed budget to the Board by October 15th for the following year, and, in cooperation with legal counsel, to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolutions and amendments to the budget, if necessary; to certify the mill levies on or before December 15; and to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.

13. The Board directs the accountant to prepare and file the annual public securities report for nonrated public securities issued by the District, with the Department of Local Affairs on or before March 1st.

14. The Board directs the accountant to prepare or cause to be prepared for filing with the State Auditor either an Audit Exemption and Resolution for approval of Audit Exemption for

the prior fiscal year by March 31; or an audit of the financial statements by June 30; further, the Board directs that the Audit be filed with the State Auditor by July 31.

15. The Board directs legal counsel to prepare, if necessary, the Unclaimed Property Act report and forward the report to the State Treasurer by November 1.

16. The Board hereby appoints Natalie M. Fleming, Erb Law, LLC, as the “Designated Election Official” of the District for any elections to be held during 2025 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including but not limited to appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.

17. The District directs the Designated Election Official to notify the Division of Local Government of the results of any elections held by the District, including the name and address of all members and officers of the board of directors.

18. The District directs the Designated Election Official to certify results of any election to incur general obligation indebtedness to the Larimer County Commissioners.

19. Whenever the District authorizes or incurs general obligation debt, the Board directs the Designated Election Official or legal counsel to record a notice of such debt with the Larimer County Clerk and Recorder, within 30 days of authorizing or incurring the debt, on a form prescribed by the Division of Local Government.

20. The Board directs legal counsel to prepare and file with the Board of County Commissioners of each County in which the special district is located, or to the governing body of the municipality that has adopted a resolution of approval of the District, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.

21. The Board directs legal counsel to prepare and file the special district annual report on or before August 1st of each year with the County of Larimer, the Division of Local Government, the State Auditor and shall further deposit a copy of such report with the County Clerk and Recorder per §32-1-207(3)(c), C.R.S.

22. The District hereby directs each present and future member of the Board to execute an Affidavit of Qualification of Director, to be retained in the District’s files.

23. The District hereby elects the following officers for the District:

President/Chair of the Board – Jennifer Martin

Treasurer – Matthew Wasserman

Assistant Secretary – Justin Guy Wright

Assistant Secretary – Yuri Zubovski

Assistant Secretary – Ahmed Hashem

24. The Board directs legal counsel to file conflict of interest disclosures provided by Board members with the Secretary of State. In addition, written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S. shall be deemed filed with the Board of Directors of the District when filed with the Secretary of State.

25. The Board extends the current resolution providing for the defense of directors and employees of the District to allow the resolution to continue in effect as written.

26. The Board extends the current disposal of personal identifying information resolution to allow the resolution to continue in effect as written.

27. The Board of Directors appoints the law firm of Erb Law, LLC as legal counsel for the District.

28. The Board of Directors appoints CliftonLarsonAllen to serve as the District's accountant and to provide accounting services for the District.

29. The Board of Directors appoints Special District Management Services, Inc. to serve as the District's Manager.

30. The Board authorizes its consultants to conduct transactions by electronic means to the extent allowed by the Uniform Electronic Transactions Act.

APPROVED AND ADOPTED this 6th day of November, 2024.

TIMNATH LAKES METROPOLITAN DISTRICT
NO. 1

By: _____

Jennifer Martin, President, Board of Directors

ATTEST

Name: _____

Secretary or Assistant Secretary

DRAFT

CERTIFICATION

I, _____, hereby certify that I am the duly elected and qualified Secretary or Assistant Secretary of the Timnath Lakes Metropolitan District No. 1, and certify that the attached Resolution constitutes a true and correct copy of the Resolution adopted and approved at a meeting of the Board of Directors of the District held on November 6, 2024.

Dated this 6th day of November, 2024.

By: _____

Name: _____

Title: _____

DRAFT

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**

Calling an Election – May 6, 2025

- A. The Board of Director seats occupied by four directors are subject to election at the May 6, 2025 regular special district election (the “**Election**”); and
- B. Three seats subject to election are for four-year terms, and one seat subject to election is for a two-year term; and
- C. These seats are to be voted upon at the Election as required by the Special District Act, Title 32, Article 1, C.R.S. (“**Act**”); and the Uniform Election Code of 1992, Title 1, Articles 1-13, C.R.S., and the Colorado Local Government Election Code, Title 1, Article 13.5, C.R.S. (the “**Code**”); and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 1 as follows:

1. Date and Time of Election. The regular election shall be held on May 6, 2025, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, the Code and other legal requirements.
2. Conduct of Election. The Election shall be conducted as an independent mail-ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.
3. Designated Election Official. Natalie M. Fleming, Erb Law, LLC, shall be the Designated Election Official (“**DEO**”). The DEO is authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code, or other applicable laws. Among other matters, the DEO shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.
4. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms for the director positions are available at the DEO’s offices: 8480 E. Orchard Road, Suite 3650, Greenwood Village, CO 80111, or by requesting a form via telephone or e-mail: (303) 626-7125 or nfleming@erblawllc.com. All candidates must file self-nomination and acceptance forms with the DEO no later than 5:00 P.M. on February 28, 2025.
5. Cancellation of Election. Pursuant to § 1-13.5-513, C.R.S., if there are not more candidates running than seats to be filled at 5:00 P.M. on February 28, 2025, the DEO

shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

6. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

7. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

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DRAFT

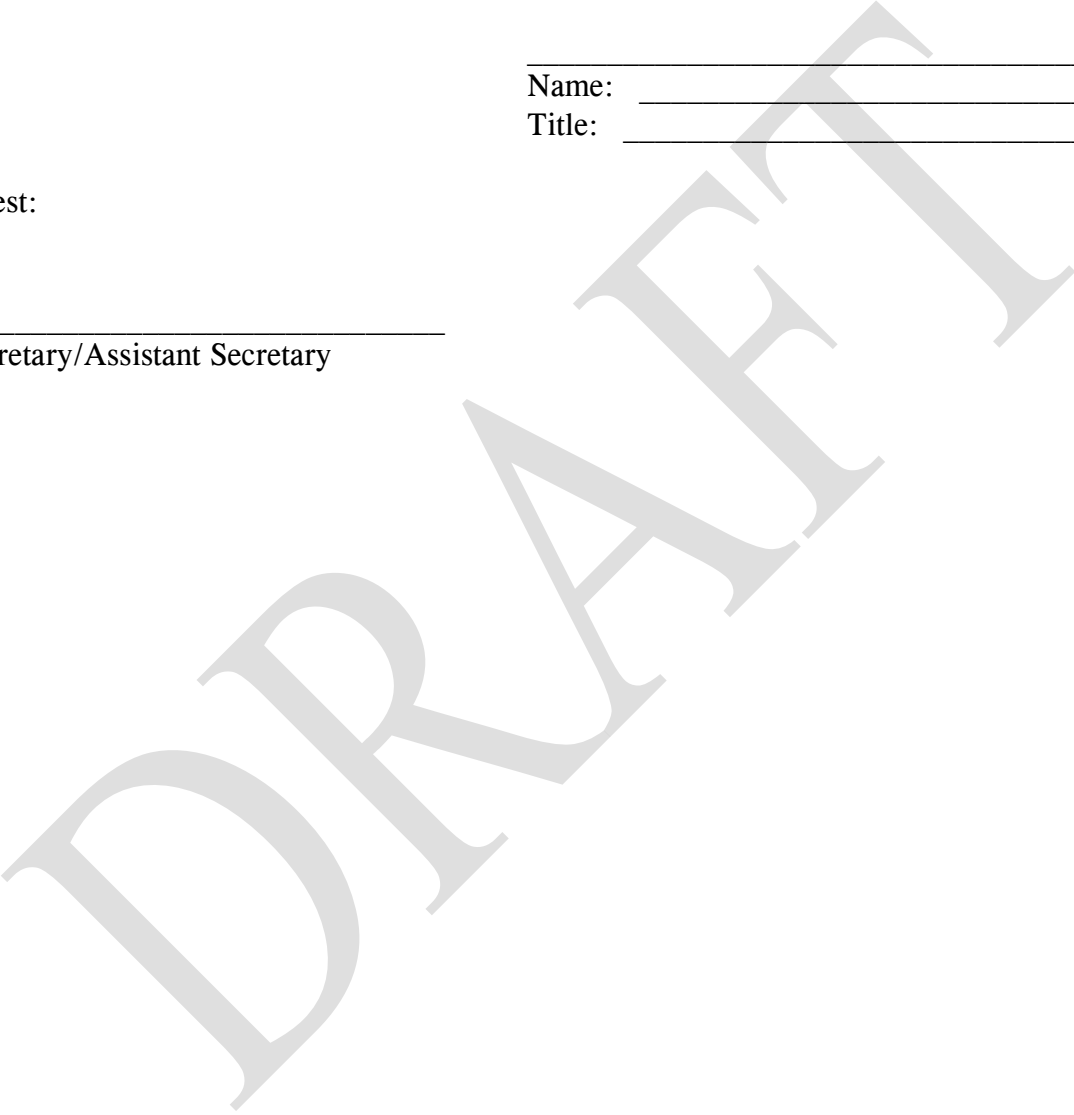
ADOPTED AND APPROVED this 6th day of November, 2024.

**TIMNATH LAKES METROPOLITAN
DISTRICT NO. 1**

Name: _____
Title: _____

Attest:

Secretary/Assistant Secretary





141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 23, 2024

RE: Notice of 2025 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by (2.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.