

# TIMNATH LAKES METROPOLITAN DISTRICT (“TLMD”) NO. 1

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
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<https://timnathlakesmetrodistricts1-6.com/>

## **NOTICE OF SPECIAL MEETING AND AGENDA**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Jennifer Martin	President	2025/May 2025
Matthew Wasserman	Treasurer	2025/May 2025
Justin Guy Wright	Assistant Secretary	2027/May 2027
Yuri Zubovski	Assistant Secretary	2025/May 2025
Ahmed Hashem	Assistant Secretary	2027/May 2025

DATE: November 8, 2023

TIME: 5:30 p.m.

PLACE: **VIA ZOOM MEETING**

***IF YOU WOULD LIKE TO ATTEND THIS MEETING, THE LINK IS BELOW.***

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

**Meeting ID:** 546 911 9353

**Passcode:** 912873

**Dial In:** 1-719-359-4580

### I. ADMINISTRATIVE MATTERS

- A. Present disclosures of potential conflicts of interest.
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- B. Approve Agenda, confirm location of the meeting and posting of meeting notices.
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- C. Review and consider approval of the Minutes of the October 18, 2023 Special Meeting (enclosure).
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- D. Discuss business to be conducted in 2024 and location (**virtual and/or physical**) of meetings (suggested dates are January 17, 2024, April 18, 2024 and October 16, 2024). Review and consider adoption of Resolution No. 2023-11-01, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosures).
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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.
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III. FINANCIAL MATTERS

- A. Review and accept Unaudited Financial Statements through the period ending September 30, 2023 and Schedule of Cash Position as of September 30, 2023 (enclosure).
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- B. Conduct Public Hearing to consider Amendment to 2023 Budget and (if necessary) consider adoption of Resolution to Amend the 2023 Budget and Appropriate Expenditures.
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- C. Conduct Public Hearing on the proposed 2024 Budget and consider adoption of Resolution to Adopt the 2024 Budget and 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 – final AV, draft 2024 Budget, and Resolutions).
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1. Review and consider adoption of Resolution No. 2023-11-\_\_\_\_, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan (to be distributed).
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- F. Authorize District Accountant to prepare, and appoint Board Member to sign, the DLG-70 Certification of Tax Levies form (“Certification”). Direct District Accountant to file the Certification with the Board of County Commissioners and other interested parties.
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- G. Consider appointment of District Accountant to prepare the 2024 Budget and set the date for public hearing to adopt the 2024 Budget (October 16, 2024).
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- H. Review and approve CliftonLarsonAllen LLP 2024 Scope of Work (enclosures).
-

IV. LEGAL MATTERS

A. \_\_\_\_\_

V. CAPITAL MATTERS

A. \_\_\_\_\_

VI. OTHER BUSINESS

A. Discuss method and format of meeting with representatives of Catellus / CAC  
Timnath LLC.

VII. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED  
FOR 2023.**

Additional Enclosure:

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

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 18, 2023

A Special Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Wednesday, the 18th day of October, 2023 at 5:30 p.m. via Zoom. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Jennifer Martin  
Matthew Wasserman  
Robert Bol  
Justin Guy Wright  
Yuri Zubovski  
Ahmed Hashem (for a portion of the meeting)

#### Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Casey, Patrica, Sharon Sparrow, and Emma Willis; Members of the Public/District Residents

### ADMINISTRATIVE MATTERS

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Solin noted that a quorum was present and requested members of the Board 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 the statute. Mr. Solin noted that no new conflicts were disclosed at the meeting.

**Agenda:** Mr. Solin distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Wasserman, seconded by Director Martin and, upon vote, unanimously carried, the Agenda was approved, as amended.

## RECORD OF PROCEEDINGS

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**Location of Meeting and Posting of Notices:** 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. The Board determined that the meeting would be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

**Minutes:** The Board reviewed the Minutes of the August 23, 2023 Special Meeting and the October 10, 2023 Special Meeting.

Following discussion, upon motion duly made by Director Martin and seconded by Director Wasserman and, upon vote, unanimously carried, the Minutes of the August 23, 2023 Special Meeting and the October 10, 2023 Special Meeting were approved as presented.

**PUBLIC  
COMMENTS**

There were no public comments.

**FINANCIAL  
MATTERS**

**Preparation of 2023 Audit:** The Board discussed the engagement of Wipfli LLP to prepare the 2023 Audit.

Following discussion, upon motion duly made by Director Martin, seconded by Director Wasserman and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to prepare the 2023 Audit, for an amount not to exceed \$6,500.00.

**Payment of Statutory Directors' Fees:** The Board discussed the payment of statutory directors' fees.

Following discussion, upon motion duly made by Director Martin, seconded by Director Wasserman and, upon vote, unanimously carried, the Board approved the payment of statutory directors' fees.

**LEGAL MATTERS**

**Legal Services:** Mr. Solin presented to the Board the proposals for legal services.

Following discussion, upon motion duly made by Director Wright, seconded by Director Zubovski and, upon vote, unanimously carried, the Board approved the engagement of Erb Law, LLC as new legal counsel.

## RECORD OF PROCEEDINGS

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**CAPITAL MATTERS**    There were no capital matters.  
\_\_\_\_\_

**OTHER BUSINESS**    **Water meter direction:** The Board discussed the water meter direction. No action was taken.  
\_\_\_\_\_

**ADJOURNMENT**    There being no further business to come before the Board at this time, upon motion duly made by Director Martin, seconded by Director Zubovski and, upon vote, unanimously carried, the meeting was adjourned at 7:53 p.m.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

**RESOLUTION NO. 2023-11-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE TIMNATH LAKES MEROPOLITAN DISTRICT NO. 1  
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND  
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (the “**District**”), Larimer County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2024 shall be held on January 17, 2024, April 17, 2024 and October 16, 2024 at 1:00 p.m. via Zoom Meeting.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://timnathlakesmetrodistricts1-6.com/>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) North side of East Harmony Road on a light pole 300 feet west of railroad tracks.

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING  
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR  
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 8, 2023.

**TIMNATH LAKES MEROPOLITAN  
DISTRICT NO. 1**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**TIMNATH LAKES METRO DISTRICT NO. 1**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**Timnath Lakes Metro District No. 1  
Balance Sheet - Governmental Funds  
September 30, 2023**

	<b>Debt Service</b>	<b>Total</b>
Assets		
CSAFE	\$ 15,972.70	\$ 15,972.70
UMB Bond Fund	8,160.41	8,160.41
Due from Other Districts	82,808.55	82,808.55
Receivable from County Treasurer	840.99	840.99
Total Assets	\$ 107,782.65	\$ 107,782.65
 Fund Balances	107,782.65	107,782.65
 Liabilities and Fund Balances	\$ 107,782.65	\$ 107,782.65

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements 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 September 30, 2023**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 3,991.00	\$ 3,991.93	\$ (0.93)
URA District property taxes	136,855.00	132,808.55	4,046.45
Specific ownership taxes	9,859.00	7,773.05	2,085.95
Interest income	1,640.00	519.46	1,120.54
Total Revenue	<u>152,345.00</u>	<u>145,092.99</u>	<u>7,252.01</u>
Expenditures			
County Treasurer's fee	80.00	79.86	0.14
Intergovernmental expenditures	50,000.00	50,000.00	-
Paying agent fees	7,000.00	9,000.00	(2,000.00)
Bond interest	147,700.00	-	147,700.00
Bond issue costs	-	22,050.00	(22,050.00)
Contingency	5,220.00	-	5,220.00
Total Expenditures	<u>210,000.00</u>	<u>81,129.86</u>	<u>128,870.14</u>
Net Change in Fund Balances	(57,655.00)	63,963.13	(121,618.13)
Fund Balance - Beginning	138,176.00	43,819.52	94,356.48
Fund Balance - Ending	<u>\$ 80,521.00</u>	<u>\$ 107,782.65</u>	<u>\$ (27,261.65)</u>

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

**TIMNATH LAKES METRO DISTRICT NO. 1**

**Schedule of Cash Position**

**September 30, 2023**

**Updated as of October 31, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b><u>CSAFE</u></b>			
Balance as of 9/30/23	\$ -	\$ 15,972.70	\$ 15,972.70
Subsequent activities:			
10/10/23 Ptax Receipt	-	840.99	840.99
10/10/23 Transfer from District 6	-	82,808.14	82,808.14
<i>Anticipated Transfer from District 6</i>	-	<i>0.41</i>	<i>0.41</i>
<i>Anticipated Balance</i>	-	99,622.24	99,622.24
<b><u>UMB Bond Fund</u></b>			
Balance as of 9/30/23		\$ 8,160.41	\$ 8,160.41
Subsequent activities:			
<i>Anticipated Balance</i>	-	8,160.41	8,160.41
<b>Total Funds Available</b>	<b>\$ -</b>	<b>\$ 107,782.65</b>	<b>\$ 107,782.65</b>

**Yield information 9/30/2023:**

CSAFE - 5.44%

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**Property Taxes Reconciliation**  
**2023**

	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	\$ 12.25	\$ -	\$ 792.71	\$ -	\$ (0.25)	\$ -	\$ 804.71	0.31%	0.31%	\$ 980.52	8.67%	8.67%
February	540.69	-	794.76	-	(10.81)	-	1,324.64	13.55%	13.85%	956.80	10.98%	19.65%
March	253.02	-	912.25	-	(5.06)	-	1,160.21	6.34%	20.19%	1,079.70	11.24%	30.90%
April	14.94	-	797.38	-	(0.30)	-	812.02	0.37%	20.57%	745.74	3.13%	34.03%
May	2,705.60	-	833.14	-	(54.11)	-	3,484.63	67.79%	88.36%	2,039.46	57.32%	91.35%
June	446.67	-	894.97	-	(8.93)	-	1,332.71	11.19%	99.55%	814.89	8.41%	99.75%
July	-	-	893.57	-	-	-	893.57	0.00%	99.55%	758.82	0.00%	99.75%
August	18.76	-	1,013.28	0.75	(0.40)	-	1,032.39	0.47%	100.02%	994.01	0.22%	99.97%
September	-	-	840.99	-	-	-	840.99	0.00%	100.02%	846.20	0.00%	99.97%
October	-	-	-	-	-	-	-	0.00%	100.02%	805.25	0.00%	99.97%
November	-	-	-	-	-	-	-	0.00%	100.02%	681.54	0.00%	99.97%
December	-	-	-	-	-	-	-	0.00%	100.02%	661.14	0.00%	99.97%
	<b>\$ 3,991.93</b>	<b>\$ -</b>	<b>\$ 7,773.05</b>	<b>\$ 0.75</b>	<b>\$ (79.86)</b>	<b>\$ -</b>	<b>\$ 11,685.87</b>	<b>100.02%</b>	<b>100.02%</b>	<b>\$ 11,364.07</b>	<b>99.97%</b>	<b>99.97%</b>

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	50.980	\$ 78,294	\$ 3,991.00	100.00%	\$ 3,991.93	100.02%
			<u>\$ 3,991.00</u>	<u>100.00%</u>	<u>\$ 3,991.93</u>	<u>100.02%</u>

**Specific Ownership Tax**

Debt Service Fund			\$ 9,859.00	100.00%	\$ 7,773.05	78.84%
			<u>\$ 9,859.00</u>	<u>100.00%</u>	<u>\$ 7,773.05</u>	<u>78.84%</u>

**Treasurer's Fees**

Debt Service Fund			\$ 80.00	100.00%	\$ 79.86	99.83%
			<u>\$ 80.00</u>	<u>100.00%</u>	<u>\$ 79.86</u>	<u>99.83%</u>

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

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
2023 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.

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

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.

**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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Specific Ownership Taxes**

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

**Interest Income**

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

**Expenditures**

**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.

**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.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

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

IN LARIMER COUNTY ON 8/23/2023

New Entity: No

<b>USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY</b>
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$78,294
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$4,625,129
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$4,492,437
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$132,692
5. NEW CONSTRUCTION: **	\$1,799,427
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND ( 29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

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

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

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

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

<b>USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY</b>
---

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 2023 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$59,966,300
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$26,593,900
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

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

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

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

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

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

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

PRELIMINARY DRAFT – SUBJECT TO REVISION

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/15/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ 7,826	\$ 138,176	\$ 43,820	\$ 43,820	\$ 113,845	\$ 113,845
REVENUES						
Property taxes	2,230	3,991	3,973	3,991	7,036	5,084
Specific ownership taxes	9,178	9,859	5,025	9,859	17,167	17,172
URA District property taxes	128,062	136,855	130,795	136,855	238,202	240,224
Interest income	1,915	1,640	229	450	8,700	8,700
Other revenue	-	-	-	-	9,829	9,868
Bond issuance proceeds	7,899,965	-	-	-	-	-
Total revenues	<u>8,041,350</u>	<u>152,345</u>	<u>140,022</u>	<u>151,155</u>	<u>280,934</u>	<u>281,048</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,515</u>	<u>51,515</u>
Total funds available	<u>8,049,176</u>	<u>290,521</u>	<u>183,842</u>	<u>194,975</u>	<u>446,294</u>	<u>446,408</u>
EXPENDITURES						
General Fund	-	-	-	-	56,500	56,500
Debt Service Fund	8,005,356	210,000	81,129	81,130	13,985	13,985
Total expenditures	<u>8,005,356</u>	<u>210,000</u>	<u>81,129</u>	<u>81,130</u>	<u>70,485</u>	<u>70,485</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,515</u>	<u>51,515</u>
Total expenditures and transfers out requiring appropriation	<u>8,005,356</u>	<u>210,000</u>	<u>81,129</u>	<u>81,130</u>	<u>122,000</u>	<u>122,000</u>
ENDING FUND BALANCES	<u>\$ 43,820</u>	<u>\$ 80,521</u>	<u>\$ 102,713</u>	<u>\$ 113,845</u>	<u>\$ 324,294</u>	<u>\$ 324,408</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/15/23

ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
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**ASSESSED VALUATION**

Residential	\$ 288,556	\$ 1,505,556	\$ 1,505,556	\$ 1,505,556	\$ 3,914,355	\$ 3,876,745
Commercial	20,973	45,101	45,101	45,101	47,202	47,202
State assessed	6,938	48,100	48,100	48,100	77,100	77,100
Vacant land	2,249,559	1,164,027	1,164,027	1,164,027	586,472	586,472
	2,566,026	2,762,784	2,762,784	2,762,784	4,625,129	4,587,519
Adjustments	(2,521,408)	(2,684,490)	(2,684,490)	(2,684,490)	(4,492,437)	(4,492,437)
Certified Assessed Value	\$ 44,618	\$ 78,294	\$ 78,294	\$ 78,294	\$ 132,692	\$ 95,082

**MILL LEVY**

Debt Service	50.000	50.980	50.980	50.980	53.023	53.473
Total mill levy	50.000	50.980	50.980	50.980	53.023	53.473

**PROPERTY TAXES**

Debt Service	2,231	3,991	3,991	3,991	7,036	5,084
Levied property taxes	2,231	3,991	3,991	3,991	7,036	5,084
Adjustments to actual/rounding	(1)	-	(18)	-	-	-
Budgeted property taxes	\$ 2,230	\$ 3,991	\$ 3,973	\$ 3,991	\$ 7,036	\$ 5,084

**BUDGETED PROPERTY TAXES**

<b>Debt Service</b>	<b>\$ 2,230</b>	<b>\$ 3,991</b>	<b>\$ 3,973</b>	<b>\$ 3,991</b>	<b>\$ 7,036</b>	<b>\$ 5,084</b>
	<b>\$ 2,230</b>	<b>\$ 3,991</b>	<b>\$ 3,973</b>	<b>\$ 3,991</b>	<b>\$ 7,036</b>	<b>\$ 5,084</b>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/15/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES						
Other revenue	-	-	-	-	4,985	4,985
Total revenues	-	-	-	-	4,985	4,985
TRANSFERS IN						
Transfers from other funds	-	-	-	-	51,515	51,515
Total funds available	-	-	-	-	56,500	56,500
EXPENDITURES						
General and administrative						
Contingency	-	-	-	-	4,985	4,985
Intergovernmental expenditures	-	-	-	-	51,515	51,515
Total expenditures	-	-	-	-	56,500	56,500
Total expenditures and transfers out requiring appropriation	-	-	-	-	56,500	56,500
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/15/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ 7,826	\$ 138,176	\$ 43,820	\$ 43,820	\$ 113,845	\$ 113,845
<b>REVENUES</b>						
Property taxes	2,230	3,991	3,973	3,991	7,036	5,084
Specific ownership taxes	9,178	9,859	5,025	9,859	17,167	17,172
URA District property taxes	128,062	136,855	130,795	136,855	238,202	240,224
Interest income	1,915	1,640	229	450	8,700	8,700
Other revenue	-	-	-	-	4,844	4,883
Bond issuance proceeds	7,899,965	-	-	-	-	-
Total revenues	8,041,350	152,345	140,022	151,155	275,949	276,063
Total funds available	8,049,176	290,521	183,842	194,975	389,794	389,908
<b>EXPENDITURES</b>						
General and administrative						
County Treasurer's fee	45	80	79	80	141	102
Intergovernmental expenditures	2,876,864	50,000	50,000	50,000	-	-
Paying agent fees	7,000	7,000	9,000	9,000	9,000	9,000
Contingency	-	5,220	-	-	4,844	4,883
Debt Service						
Bond interest	-	147,700	-	-	-	-
Repay to escrow account	4,919,947	-	-	-	-	-
Bond issue costs	201,500	-	22,050	22,050	-	-
Total expenditures	8,005,356	210,000	81,129	81,130	13,985	13,985
<b>TRANSFERS OUT</b>						
Transfers to other fund	-	-	-	-	51,515	51,515
Total expenditures and transfers out requiring appropriation	8,005,356	210,000	81,129	81,130	65,500	65,500
ENDING FUND BALANCES	\$ 43,820	\$ 80,521	\$ 102,713	\$ 113,845	\$ 324,294	\$ 324,408

No assurance provided. See summary of significant assumptions.

**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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2024, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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.

**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.

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

**Revenues (Continued)**

**Specific Ownership Taxes**

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

**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.

**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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

PRELIMINARY DRAFT – SUBJECT TO REVISION

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

11/6/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ (55,122)	\$ 1,340	\$ (28,840)	\$ (28,840)	\$ 4,879	\$ 4,879
REVENUES						
Interest income	-	5	-	-	2,000	2,000
Developer advance	26,347,632	85,000	38,129	135,000	-	-
Operations and maintenance fee	45,405	67,200	44,816	90,000	364,693	364,693
Operations and maintenance fee (Filing 5)	-	-	-	-	15,943	15,943
Operations and maintenance fee (Filing 6)	-	-	-	-	57,924	57,924
Operations and maintenance fee (Filing 8)	-	-	-	-	3,240	3,240
Working capital fees	18,000	9,000	12,600	14,400	54,000	54,000
Design review fees	1,550	500	900	1,500	1,500	1,500
Intergovernmental revenues	20,977,619	53,025	52,864	53,071	151,138	151,227
Other revenue	-	100	14	100	100	100
Total revenues	<u>47,390,206</u>	<u>214,830</u>	<u>149,323</u>	<u>294,071</u>	<u>650,538</u>	<u>650,627</u>
Total funds available	<u>47,335,084</u>	<u>216,170</u>	<u>120,483</u>	<u>265,231</u>	<u>655,417</u>	<u>655,506</u>
EXPENDITURES						
General Fund	216,993	212,000	114,027	260,352	443,000	443,000
Capital Projects Fund	47,146,931	-	-	-	-	-
Special Revenue Fund	-	-	-	-	77,107	77,107
Total expenditures	<u>47,363,924</u>	<u>212,000</u>	<u>114,027</u>	<u>260,352</u>	<u>520,107</u>	<u>520,107</u>
Total expenditures and transfers out requiring appropriation	<u>47,363,924</u>	<u>212,000</u>	<u>114,027</u>	<u>260,352</u>	<u>520,107</u>	<u>520,107</u>
ENDING FUND BALANCES	<u>\$ (28,840)</u>	<u>\$ 4,170</u>	<u>\$ 6,456</u>	<u>\$ 4,879</u>	<u>\$ 135,310</u>	<u>\$ 135,399</u>
EMERGENCY RESERVE	\$ 2,100	\$ 3,900	\$ 3,400	\$ 4,800	\$ 17,300	\$ 17,300
TOTAL RESERVE	<u>\$ (28,840)</u>	<u>\$ 4,170</u>	<u>\$ 6,456</u>	<u>\$ 4,879</u>	<u>\$ 135,310</u>	<u>\$ 135,399</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/6/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
<b>ASSESSED VALUATION</b>						
Agricultural	\$ 238	\$ 216	\$ 216	\$ 216	\$ -	\$ -
Vacant land	-	-	-	-	140	140
	238	216	216	216	140	140
Adjustments	(234)	(214)	(214)	(214)	(138)	(138)
Certified Assessed Value	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>
<b>MILL LEVY</b>						
General	0.000	0.000	0.000	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
<b>PROPERTY TAXES</b>						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Levied property taxes	-	-	-	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED PROPERTY TAXES</b>						
General	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/6/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ (55,122)	\$ 1,340	\$ (28,840)	\$ (28,840)	\$ 4,879	\$ 4,879
<b>REVENUES</b>						
Interest income	-	5	-	-	2,000	2,000
Developer advance	176,500	85,000	38,129	135,000	-	-
Operations and maintenance fee	45,405	67,200	44,816	90,000	364,693	364,693
Working capital fees	18,000	9,000	12,600	14,400	54,000	54,000
Design review fees	1,550	500	900	1,500	1,500	1,500
Intergovernmental revenues	1,820	53,025	52,864	53,071	151,138	151,227
Other revenue	-	100	14	100	100	100
Total revenues	<u>243,275</u>	<u>214,830</u>	<u>149,323</u>	<u>294,071</u>	<u>573,431</u>	<u>573,520</u>
Total funds available	<u>188,153</u>	<u>216,170</u>	<u>120,483</u>	<u>265,231</u>	<u>578,310</u>	<u>578,399</u>
<b>EXPENDITURES</b>						
General and administrative						
Accounting	33,248	30,475	32,002	56,000	60,000	60,000
Auditing	10,400	11,000	-	17,200	19,500	19,500
Directors' fees	2,100	1,800	600	1,800	5,400	5,400
Dues and membership	1,535	2,000	1,577	1,577	2,000	2,000
Insurance	18,539	20,500	18,126	18,126	20,000	20,000
District management	61,701	40,000	34,521	65,000	75,000	75,000
Legal	63,033	40,000	17,847	40,000	50,000	50,000
Miscellaneous	2,839	1,000	498	1,000	1,000	1,000
Payroll taxes	354	138	46	138	413	413
Election	13,253	10,000	8,511	8,511	-	-
Contingency	-	5,087	-	-	8,987	8,987
Operations and maintenance						
Repairs and maintenance	-	-	-	-	9,000	9,000
Engineering	9,991	-	-	-	-	-
Landscaping	-	30,000	-	30,000	105,000	105,000
Snow removal	-	20,000	-	20,000	47,000	47,000
Utilities	-	-	-	-	1,200	1,200
Water	-	-	299	1,000	38,500	38,500
Total expenditures	<u>216,993</u>	<u>212,000</u>	<u>114,027</u>	<u>260,352</u>	<u>443,000</u>	<u>443,000</u>
Total expenditures and transfers out requiring appropriation	<u>216,993</u>	<u>212,000</u>	<u>114,027</u>	<u>260,352</u>	<u>443,000</u>	<u>443,000</u>
ENDING FUND BALANCES	<u>\$ (28,840)</u>	<u>\$ 4,170</u>	<u>\$ 6,456</u>	<u>\$ 4,879</u>	<u>\$ 135,310</u>	<u>\$ 135,399</u>
EMERGENCY RESERVE	<u>\$ 2,100</u>	<u>\$ 3,900</u>	<u>\$ 3,400</u>	<u>\$ 4,800</u>	<u>\$ 17,300</u>	<u>\$ 17,300</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**SPECIAL REVENUE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/6/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES						
Operations and maintenance fee (Filing 5)	-	-	-	-	15,943	15,943
Operations and maintenance fee (Filing 6)	-	-	-	-	57,924	57,924
Operations and maintenance fee (Filing 8)	-	-	-	-	3,240	3,240
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,107</u>	<u>77,107</u>
Total funds available	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,107</u>	<u>77,107</u>
EXPENDITURES						
Filing 5						
Landscaping	-	-	-	-	2,138	2,138
Repairs and maintenance	-	-	-	-	1,308	1,308
Streets repairs and maintenance	-	-	-	-	4,963	4,963
Water	-	-	-	-	558	558
Snow removal	-	-	-	-	5,268	5,268
Contingency	-	-	-	-	1,708	1,708
Filing 6						
Landscaping	-	-	-	-	25,243	25,243
Streets repairs and maintenance	-	-	-	-	15,614	15,614
Water	-	-	-	-	5,619	5,619
Snow removal	-	-	-	-	5,242	5,242
Contingency	-	-	-	-	6,206	6,206
Filing 8						
Snow removal	-	-	-	-	3,240	3,240
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,107</u>	<u>77,107</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,107</u>	<u>77,107</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**  
**CAPITAL PROJECTS FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/6/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 1 2024	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES						
Developer advance	26,171,132	-	-	-	-	-
Intergovernmental revenues	20,975,799	-	-	-	-	-
Total revenues	<u>47,146,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>47,146,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Projects						
Repay developer advance	20,975,799	-	-	-	-	-
Capital outlay	26,171,132	-	-	-	-	-
Total expenditures	<u>47,146,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>47,146,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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

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

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

**Revenues**

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

**Intergovernmental Revenues**

Intergovernmental revenues consists of property and specific ownership taxes collected by Districts 1-5 that are remitted to District 6 to help fund operating and administrative expenditures.

**Maintenance and Working Capital Fee**

The District imposed an operations fee for all filings and a special operations fee for filings 5, 6 and 8. The District also imposed a one-time working capital fee of \$300 per lot in order to help offset administrative costs associated with the District.

**Expenditures**

**Administrative and Operating Expenditures**

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

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 6  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

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

**Reserves**

**Emergency Reserve**

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

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

**RESOLUTION NO. 2023-11-\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 8, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, 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.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

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

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Timnath Lakes Metropolitan District No. 1 for the 2024 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 8th day of November, 2023.

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Secretary

EXHIBIT A  
(Budget)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Timnath Lakes Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 1 held on November 8, 2023.

By: \_\_\_\_\_  
Secretary



# Special Districts Preparation Statement of Work

Date: October 19, 2023

This agreement constitutes a Statement of Work (“SOW”) to 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, 2024 in connection with that agreement.

## **Scope of professional services**

Jason Carroll 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 development fee records

- Process accounts payable including the preparation and issuance of checks for approval by the board of directors
- 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
- Prepare the annual budget and assist with the filing of the annual budget
- Assist the district's board of directors in monitoring actual expenditures against appropriation/budget
- 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
- 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. 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.
- 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**

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 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, 2024**:

<b>Services performed by</b>	<b>Rate per hour</b>
Principal	\$300-\$600
Consulting CFO	\$290-\$400
Consulting Controller	\$240-\$380
Assistant Controller	\$210-\$290
Senior	\$150-\$220
Staff	\$130-\$190
Administrative Support	\$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**

Jason Carroll  
Managing Principal of Office  
303-265-7835  
jason.carroll@CLAconnect.com

### **Response**

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

**CLA**  
CliftonLarsonAllen LLP

*Jason Carroll*

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Jason Carroll, Managing Principal of Office

**SIGNED** 10/19/2023, 9:22:08 AM CDT

**Client**  
Timnath Lakes Metro District No. 1

SIGN:

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Jennifer Martin, President

DATE:

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# Special Districts Payroll Services Statement of Work

Date: October 19, 2023

This agreement constitutes a Statement of Work (“SOW”) to 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, 2024 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](http://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:***

<b>Services performed by</b>	<b>Rate per hour</b>
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**

Jason Carroll  
Managing Principal of Office  
303-265-7835  
jason.carroll@CLAconnect.com

**Response**

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

**CLA**  
CliftonLarsonAllen LLP

*Jason Carroll*

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Jason Carroll, Managing Principal of Office

**SIGNED** 10/19/2023, 11:27:21 AM CDT

**Client**  
Timmath Lakes Metro District No. 1

SIGN:

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Jennifer Martin, President

DATE:

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# Special Districts Master Services Agreement

Timnath Lakes Metro District No. 1  
66 Franklin St Ste 200, Oakland, CA, 94607-3726  
MSA Date: October 15, 2023

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Timnath Lakes Metro District No. 1 (“you,” “your,” “board of directors” or “the district”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

## **Scope of professional services**

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

## **Board of director responsibilities**

The board of directors of the district acknowledge and understand that our role is to provide the services identified in one or more SOWs issued per this MSA and that the board of directors of the district has certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its role in management of the district.

## **Responsibilities and limitations related to nonattest services**

For all nonattest services we may provide to you, you agree to oversee all management services; evaluate

the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services. CLA and the district agree that the foregoing sentence is not intended and shall not be construed to be a limitation of liability for the benefit of CLA nor an exculpatory clause for the benefit of CLA. CLA is and will remain liable to the district for CLA's negligence and gross negligence in the work that it performs under this MSA or under any SOW.

### **Fees and terms**

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures permitted by this MSA through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform [claconnect.com/billpay](http://claconnect.com/billpay) accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

### **Other Fees**

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

### **Finance charges and collection expenses**

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one percent (1.00%), which is an annual percentage rate of 12%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable if and as provided by Colorado law.

### **Limitation of remedies**

Each party agrees that in no event shall the other party be liable for any indirect, special, incidental, consequential, punitive or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages related to CLA's acts or omissions in performance of our duties under the terms of this MSA or any SOW issued under this MSA.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. Any legal or equitable action brought by the district to recover on a dispute shall be commenced within the applicable statute of limitations under Colorado state statutes and case law.

**CLA shall be authorized to the following cash access services:**

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
  - Paper checks – we will prepare the checks for your approval and wet ink signature
  - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments
  - ACH/Wire – we will use this method as needed/as requested, with your approval

We understand that you will designate one or more members of the board of directors to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above
- Take deposits to the bank that include cash
- If applicable, have access to cash-in-kind assets, such as coupons
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function

**Board of Directors' responsibilities relevant to CLA's access to your cash**

All members of your board of directors are responsible for the processes below; however, we understand that you will designate one or more board of directors to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments
- Approve all new vendors and customers added to the accounting system
- Approve non-recurring wires to external parties
- Pre-approve for recurring wires, then board of directors will ratify approval
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid

- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations

### **Other provisions**

Except as expressly permitted by the “Consent” section of this agreement, CLA shall not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by the Colorado Open Records Act, Section 24-72-200.1 et seq., C.R.S. (“CORA”).

### **Insurance:**

CLA shall acquire and maintain in full force and effect, during the entire term of the MSA, the insurance coverages set forth in below in order to protect the district including its board of directors, and CLA from claims that arise out of or result from the operations under this MSA by the CLA or its affiliates or by anyone acting on their behalf or for which they may be liable. Failure to maintain the insurance policies shall be a material breach of this MSA and the district may request certificates of insurance reflecting the coverages outlined below.

- A.** Workers’ Compensation Insurance
- B.** Commercial General Liability Insurance
- C.** Commercial Automobile Liability Insurance
- D.** General Professional Liability
- E.** Network Security (Cyber) Liability Insurance

## **F. Excess/Umbrella Liability Coverage**

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will assume fiduciary responsibility on the district's behalf during the course of this agreement only if provided in SOWs issued under this MSA; and the parties, in entering into this MSA, do not intend to create an overarching fiduciary relationship.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

### **Annual Appropriation and Budget**

The district does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. CLA expressly understands and agrees that the district's obligations under this MSA shall extend only to monies appropriated for the purposes of this MSA by the board of directors and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this MSA shall be construed or interpreted as a delegation of governmental powers by the district, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the district or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this MSA shall be construed to pledge or to create a lien on any class or source of district funds. The district's obligations under this MSA exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this MSA.

### **Governmental Immunity**

Nothing in this MSA shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the district, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the district and, in particular, governmental immunity afforded or available to the district pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, et seq., C.R.S.

### **No Third-Party Beneficiaries**

It is expressly understood and agreed that enforcement of the terms and conditions of this MSA, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained

in this MSA shall give or allow any such claim or right of action by any third party. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this MSA shall be deemed to be an incidental beneficiary only.

### **Personal Identifying Information**

During the performance of this MSA, the district may disclose Personal Identifying Information to CLA. “Personal Identifying Information” means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver’s license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., CLA agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to CLA; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

**CLA agrees to report within twenty-four (24) hours to the district’s board of directors any Data Security Incidents that may result in the unauthorized disclosure of Personal Identifying Information. For the purposes of this MSA “Data Security Incident” is defined to mean any actual or reasonably suspected: (a) unauthorized use of, or unauthorized access to, CLA systems; (b) inability to access business and other proprietary information, data, or the CLA systems due to a malicious use, attack, or exploit of such business and other proprietary information or systems; (c) unauthorized access to, theft of, or loss of business and other proprietary information, or of storage devices that could reasonably contain such information; (d) unauthorized use of business and other proprietary information or data for purposes of actual or reasonably suspected theft, fraud, or identity theft; (e) unauthorized disclosure of business and other proprietary information or data.**

### **Consent to use financial information**

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Timnath Lakes Metro District No. 1 information, excluding Personal Identifying Information, in these cost comparison, performance indicator, and/or benchmarking reports.

### **Technology**

CLA may, at times, use third-party software applications to perform services under this agreement. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Colorado law requires special districts to maintain websites and further requires that certain documents which may be prepared by CLA to be uploaded to those websites. CLA specifically acknowledges and agrees that the district may upload to its website any documents prepared by CLA for the district and further, that those documents may be used in public meetings hosted by or to which the district is a party.

### **Counterpart Execution**

This MSA may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

### **Electronic Signatures**

The parties consent to the use of electronic signatures pursuant to the Uniform Electronic Transactions Act, Sections 24-71.3-101, et seq., Colorado Revised Statutes, as may be amended from time to time. The MSA, and any other documents requiring a signature hereunder, may be signed electronically by the parties in a manner acceptable to the district. The parties agree not to deny the legal effect or enforceability of the MSA solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the MSA in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

### **MSA Modification**

The MSA may not be amended, altered, or otherwise changed except by a written agreement signed by authorized representatives of the parties.

### **Termination of MSA**

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

### **Agreement**

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

### **CliftonLarsonAllen LLP**

Jason Carroll  
Managing Principal of Office  
303-265-7835  
jason.carroll@CLAconnect.com

### **Response**

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

**CLA**  
CliftonLarsonAllen LLP

*Jason Carroll*

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Jason Carroll, Managing Principal of Office

**SIGNED** 10/17/2023, 5:04:55 PM CDT

**Client**  
Timmath Lakes Metro District No. 1

SIGN:

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Jennifer Martin, President

DATE:

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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: October 12, 2023

RE: Notice of 2024 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 (6.0%) 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.