

WARD TOD METROPOLITAN DISTRICT NO. 1

SPECIAL MEETING (via teleconference)

Tuesday, July 25, 2023 at 1:00 p.m.

www.wardmetrodistrict.org

Ben Both, President	Term to May 2025
Timothy Westbrook, Director	Term to May 2027
Christopher Ferguson, Director	Term to May 2027
Matthew Foran, Assistant Director	Term to May 2027
Kyle Ninness, Assistant Secretary	Term to May 2025

This meeting will be held via Zoom and may be joined using the following link or call-in information:

<https://us06web.zoom.us/j/84651790336?pwd=TWRRKbTArNGNqZ2dPVlpQV2pyendsQT09>

Call-in Number: 720-707-2699

Meeting ID: 846 5179 0336

Passcode: 182409

NOTICE OF SPECIAL MEETING AND AGENDA

1. Call to Order
2. Declaration of Quorum/Director Qualifications
3. Approval of Agenda
4. Consider Election of Officers; Secretary and Treasurer
5. Public Comment - 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.
6. Consent Agenda –The items listed below are a group of items to be acted on with a single motion and vote by the Board. An item may be removed from the consent agenda to the regular agenda, if desired. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.
 - a. Approval of Minutes from the April 20, 2023 Regular Meeting
 - b. Approval of Claims Listing
 - c. Ratification of Extension for 2022 Audit
7. Legal Matters
 - a. Update on Warranty Period for Accepted Public Infrastructure
 - b. Consider Approval of Resolution Regarding Acceptance of Public Infrastructure (Tract N)
 - c. Discuss 2023 Legislative Memorandum
 - i. Discuss Scheduling Town Hall Meeting Required by SB23-110
 - b. Other Legal Matters
8. Financial Matters
 - a. Review Unaudited Financials, Scheduled of Cash Position and Property Tax Statement
 - b. Consider Acceptance of 2022 Audit
 - c. Other Financial Matters
9. District Management Matters
 - a. District Manager Report
 - b. Consider Approval of Resolution Establishing Operations and Maintenance Invoice Approval Process

- c. Consider Approval of Resolution Establishing the Guidelines, Policies and Procedures for the Processing and Collection of Delinquent Fees, Fines and Other Charges
- 10. Other Business
- 11. Adjourn

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WARD TOD METROPOLITAN DISTRICT NO. 1

Held: Thursday, April 20, 2023 at 2:00 p.m. via Zoom.

The regular meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Ben Both
Timothy Westbrook
Kyle Ninness

Director Ferguson and Director Foran were absent and excused.

Also present were Megan J. Murphy, Esq. White Bear Ankele Tanaka & Waldron, District General Counsel; Carrie Bartow, CliftonLarsonAllen, LLP, District Accountant; Denise Hogenes, Toll Brothers; Tim Bryan and Donya Felkey, The Management Trust, Co.

Call to Order/Declaration of Quorum

A quorum of the Board was present and the meeting was called to order.

Director Conflict of Interest Disclosures

Ms. Murphy reported that disclosures for those directors that were provided to White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Murphy inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda

The Board reviewed the proposed agenda. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.

Public Comment

None.

Consent Agenda

The Board reviewed the items on the consent agenda. Ms. Murphy advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. No items were requested to be removed from the consent agenda. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and/or adopted:

- Minutes from the January 19, 2023 Regular Meeting;
- Claims Listing in the amount of \$84,984.99; and
- Independent Contractor Agreement with Consolidated Division Inc. for Landscape Maintenance.

Legal Matters

Consider Adoption of Independent Contractor Agreement with The Management Trust for District Management

Ms. Murphy reviewed the Independent Contractor Agreement with The Management Trust for District Management with the Board. Ms. Hogenes noted this would remove Toll employees from directing contractors after May 1, 2023. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the Independent Contractor Agreement with The Management Trust for District Management.

Update on Warranty Period for Accepted Public Infrastructure

Director Ninness noted that he and Maddison Beck have completed a walk of the alleyways with Westwood.

Consider Approval of Agency Services Agreement with T-Charles Wilson for Broker services

Ms. Murphy reviewed the Agency Services Agreement with T-Charles Wilson for Broker services with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agreement.

Other Legal Matters

Ms. Hogenes noted that all management items will be transitioned to The Management Trust effective May 1, 2023. Mr. Bryan noted that there are a number of items related to the parking policy that will need to be reviewed by legal counsel.

Financial Matters

Review Unaudited Financials, Schedule of Cash Position and Property Tax Statement

Ms. Bartow reviewed the schedule of cash position with the Board.

Consider Approval of Resolution Accepting District Eligible Costs

Deferred.

Public Hearing on 2022
Budget Amendment

Director Both opened the public hearing on the 2022 Budget Amendment. Ms. Murphy noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting. There being no public comment, the hearing was closed.

Consider Adoption of
Resolution Amending
the 2022 Budget

Ms. Bartow reviewed the Resolution Amending the 2022 Budget with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution amending the General Fund to \$115,000.

Other Financial Matters

None.

Other Business

None.

Adjourn

There being no further business to come before the Board, and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Secretary for the Meeting

The foregoing minutes were approved on the 25th day of July, 2023.

Ward TOD Metro District No. 1
Check register
April 13, 2023 - July 19, 2023

Date	Vendor	Document no.	Amount
	Bank: 45626 Bill.com - Bill.com Clearing 45626	Account no:	
07/18/2023	45626-000001--CliftonLarsonAllen		4,767.00
06/01/2023	45626-000001--CliftonLarsonAllen		3,351.32
05/02/2023	45626-000001--CliftonLarsonAllen		7,231.61
07/18/2023	45626-000004--Consolidated Divisions Inc.		10,780.49
06/01/2023	45626-000004--Consolidated Divisions Inc.		2,780.42
05/02/2023	45626-000004--Consolidated Divisions Inc.		23,015.78
06/01/2023	45626-000006--Heatherly Creative LLC		300.00
05/02/2023	45626-000007--Independent District Engineering Services		3,682.92
07/18/2023	45626-000013--Valley Water District		211.16
06/01/2023	45626-000013--Valley Water District		211.16
05/02/2023	45626-000013--Valley Water District		211.16
06/01/2023	45626-000014--Ward TOD Metropolitan District 1		5,000.00
07/18/2023	45626-000015--White Bear Ankele		1,366.03
06/01/2023	45626-000015--White Bear Ankele		2,293.92
05/02/2023	45626-000015--White Bear Ankele		1,658.99
07/18/2023	45626-000016--Xcel Energy		93.93
06/01/2023	45626-000016--Xcel Energy		79.75
05/02/2023	45626-000016--Xcel Energy		86.20
	Total for 45626 Bill.com		67,121.84



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

Request for Extension of Time to File Audit for Year End *December 31, 2022* ONLY

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

Government Name:	Ward TOD Metropolitan District No. 1
Name of Contact:	Jodi Finkelstein
Address:	8390 E Crescent Parkway, Suite 300
City/Zip Code	Greenwood Village, CO 80111
Phone Number:	303-265-7885
E-mail	jodi.finkelstein@CLAconnect.com
Fiscal Year Ending (mm/dd/yyyy):	12/31/2022
Amount of Time Requested (in days): (Not to exceed 60 calendar days)	60 days Audit Due: September 30, 2023
Comments (optional):	

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

Must be signed by a member of the governing board.

Signature	<u><i>Ben Both</i></u> Ben Both (Jul 10, 2023 16:04 MDT)
Printed Name:	<u>Ben Both</u>
Title:	<u>President</u>
Date:	<u>Jul 10, 2023</u>

**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
WARD TOD METROPOLITAN DISTRICT NO. 1**

**REGARDING ACCEPTANCE OF PUBLIC INFRASTRUCTURE
(Tract N)**

WHEREAS, the Ward TOD Metropolitan District No. 1, in the City of Wheat Ridge, Jefferson County, Colorado (the “**District**”), is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the District has the power to provide certain public infrastructure, improvements, facilities and services (collectively, the “**Public Infrastructure**”), as described in Article 1, Title 32, Colorado Revised Statutes (the “**Special District Act**”), and as authorized in the Service Plan for the District, as amended (the “**Service Plan**”); and

WHEREAS, in accordance with the Special District Act and the Service Plan, the District has the power to acquire real and personal property, manage, control, and supervise the affairs of the District, including the acquisition, financing, construction, and installation of the Public Infrastructure, and to perform all other necessary and appropriate functions in furtherance of the Special District Act and the Service Plan; and

WHEREAS, the District and Toll Southwest LLC (“**Toll Southwest**”) entered into that certain Infrastructure Acquisition and Reimbursement Agreement dated August 27, 2019 (the “**Acquisition Agreement**”); and

WHEREAS, pursuant to the Acquisition Agreement, Toll Southwest now requests the District acquire Public Infrastructure and associated real property as more particularly set forth on **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Accepted Infrastructure**”); and

WHEREAS, pursuant to the Acquisition Agreement, Toll Southwest has provided the necessary documents for the Acceptance Infrastructure; and

WHEREAS, the Board has reviewed the information provided by Toll Southwest and other information as may be appropriate and has determined the best interests of the District, its residents, users, and property owners would be served by the District acquisition on the Accepted Infrastructure from Toll Southwest.

NOW, THEREFORE, be it resolved by the Board of the District as follows:

1. Incorporation of Recitals. The above recitals are hereby incorporated into and made a part of this resolution.

2. Acknowledgement of Documents Received. With respect to the Accepted Infrastructure, the Board makes the following findings.

- a. The Board has received a completed Application for Acceptance of District Eligible Costs and Public Infrastructure on the District's standard form.
- b. Toll Southwest has submitted the following information required under Schedule 2 of the Acquisition Agreement;
 - i. Certification from an engineer stating that (1) the Accepted Infrastructure has been inspected for compliance with approved designs, plans and construction standards, (2) that the Accepted Infrastructure (or its individual components and/or subsystems, if applicable) have been substantially constructed in accordance with the approved designs, plans and construction standards, and (3) the Accepted Infrastructure is fit for its intended purpose is attached hereto as **Exhibit B** and incorporated herein by this reference (the "**Engineer's Design Certification**"); and
 - ii. A Special Warranty Deed conveying the Accepted Infrastructure and real property free and clear of all liens, claims and other encumbrances in the form attached hereto as **Exhibit C** and incorporated herein by this reference (the "**Special Warranty Deed**"); and
 - iii. An Affidavit and Indemnification Agreement between Toll Southwest and the District in the form attached hereto as **Exhibit D** and incorporated herein by this reference, whereby Toll Southwest provides assurances to the District that no contractor, subcontractors, material providers or suppliers that performed work on or provided materials for the Accepted Infrastructure have any claim for any mechanic's or materialman's liens related to the Accepted Infrastructure (the "**Indemnification Agreement**").
 - iv. The Board has determined to waive the additional requirements under Schedule 2 of the Acquisition Agreement because the Accepted Infrastructure is substantially complete and/or the additional requirements are not applicable to the Accepted Infrastructure.

3. Warranty. Toll Southwest has agreed to guarantee the Accepted Infrastructure to be free from defects in workmanship and materials for a period of two (2) years from the date of this resolution (the "**Warranty Period**"). In the event that any substantial repair or replacement is required to any of the Accepted Infrastructure during the Warranty Period and such repair or replacement is not timely made upon notice of defect or in any event before the expiration of the Warranty Period, the District may elect to extend the Warranty Period for up to one (1) additional year following completion of the repair or replacement.

4. Acceptance of Public Infrastructure. Subject to terms of the Acquisition Agreement and this resolution, the District accepts the Accepted Infrastructure for ownership, operations, and maintenance effective the date of this resolution.

ADOPTED this 25th day of July, 2023.

DISTRICT:
WARD TOD METROPOLITAN DISTRICT NO.
1, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Officer of the District

Attest:

By: _____
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON

General Counsel to the District

Exhibit A
Accepted Infrastructure

**Ward TOD Metropolitan District
Tract N
Improvements List**

Category	Item Name	Qty	Unit
Hardscape	Secondary Monument	1	EA
Evergreen Trees	Wichita Blue Juniper	5	EA
Evergreen Shrubs	Euonymus Moonshadow	2	EA
Dedicuous Shrubs	Pink Snowberry	6	EA
Dedicuous Shrubs	Common Purple Lilac	1	EA
Grasses	Variegated Maiden Grass	1	EA
Perennials	Gold Columbine	2	EA
Perennials	Shasta Daisy	2	EA
Perennials	Shadow Mountain Penstemon	2	EA
Groundcovers	Wintercreeper Euonymous	13	EA
Groundcovers	Mulch Type 1	44	SF
Groundcovers	Mulch Type 2	467	SF
Irrigation	3/4" Drip Valve	1	EA
Irrigation	3/4" Drip Tubing	69	LF

Exhibit B
Engineer's Design Certification



DTJ DESIGN

Project: The Ridge at Ward Station

From: DTJ DESIGN, Inc.

Site / Landscape

Site Visit Date: October 10 / October 26, 2022

To: Toll Brothers- attn: Madison Back

A/E Project Number: 2018009.40

12303 Ridge Road, What Ridge, CO 80033

Contract For: _____

The following items require the attention of the Contractor for completion or correction. This list may not be all-inclusive, and the failure to include any items on this list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

Item Number	Room Number	Location (Area)	Description	Correction/Completion Date	Verification A/E Check
Site – Planting					
1	-	All Locations	Only plant <u>quantities</u> are approved. Viability cannot be approved due to time of year walk was preformed.		
2	-	All Locations	Plant material to be checked in the Spring for viability. Any dead material to be replaced at that time.		
3	-	All Locations	No perennials or ornamental grasses were checked for completion due to time of year walk was preformed.		
3	-	All Locations	All trees to be staked and wrapped per details.		

Attachments – Photos and exhibits provided as separate document

Signed by: *Brent Popadich*

Date: *Nov. 02, 2022*

W. 52ND AVE
(EX. 60' PUBLIC R.O.W.)

Exhibit A

 Substantial Completion: 10/26/2022

CONDO
GAS STATION
OWNER: PESTER
MARKETING COMPANY

PRIVATE ALLEY A

OWNER: S H O P
PROPERTIES LLC

PRIVATE ALLEY B

OWNER:
AA WHOLESALE
STORAGE LLC

WARD RD
(EX. 60' PUBLIC R.O.W.)

PRIVATE ALLEY D

PRIVATE ALLEY C

PRIVATE ALLEY G

OWNER:
BURNER SUTHERLAND
PROPERTY LLC

W. 51ST AVE

PRIVATE ALLEY H

PRIVATE ALLEY I

PRIVATE ALLEY J

PRIVATE ALLEY D

PRIVATE ALLEY E

PRIVATE ALLEY G

W. 51ST AVE.

PRIVATE ALLEY F

PRIVATE ALLEY K

MU BLDG
*Not part
of this
submittal

VIVIAN STREET

RIDGE RD
(EX. 50' PUBLIC R.O.W.)

UNION COURT

RTD
PROPEL

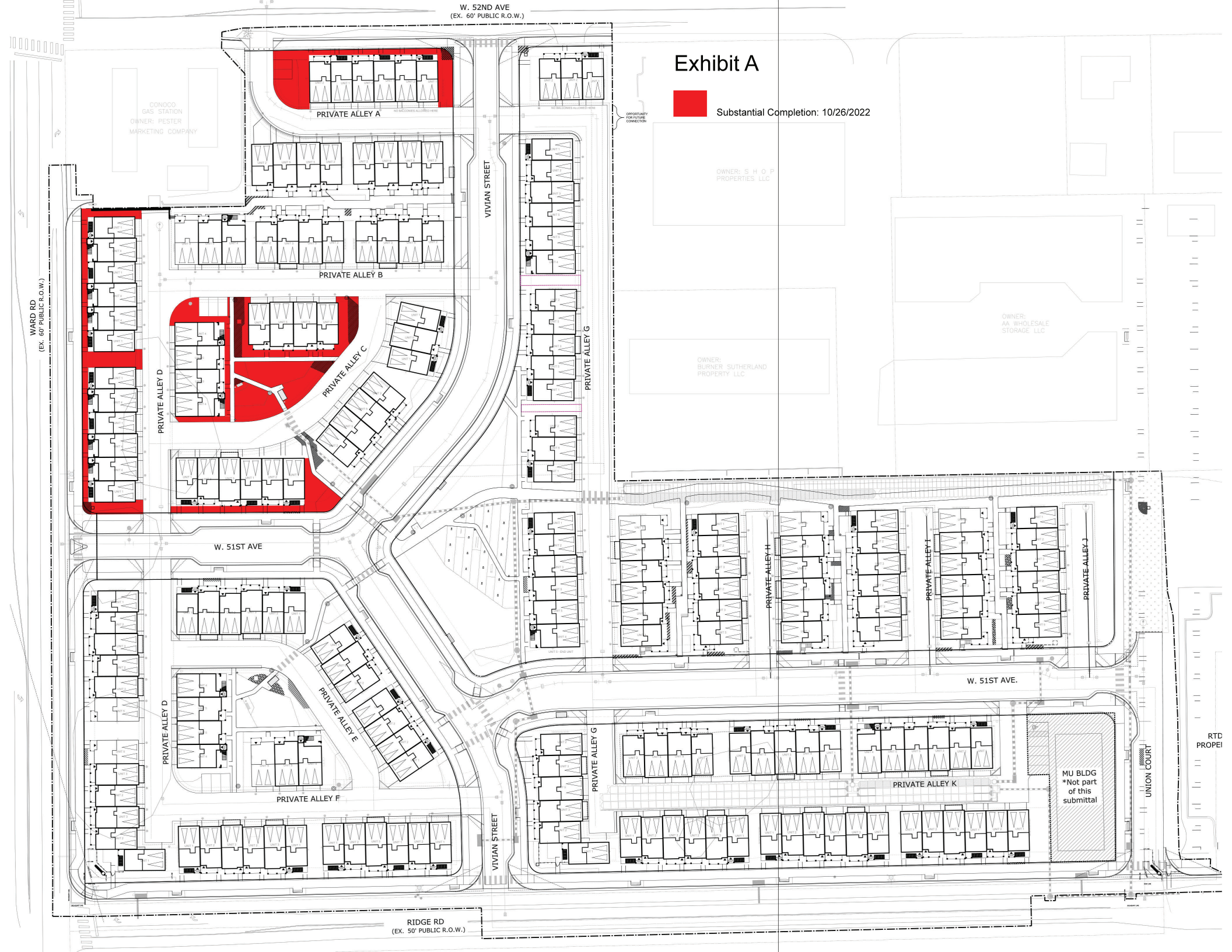


Exhibit C
Special Warranty Deed

**(No Documentary Fee Required – Exempt under § 32-13-102(2)(a), C.R.S.
CONSIDERATION LESS THAN \$500)**

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made effective as of July ___, 2023, between TOLL SOUTHWEST LLC, a Delaware limited liability company whose address is c/o Ken Greenspan, Esq., Toll Bros., Inc., 250 Gibraltar Road, 3rd Floor, Horsham, PA 19044 (the “**Grantor**”) hereby grants, sells, and conveys to WARD TOD METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and a political subdivision of the State of Colorado whose address is 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado 80122 (the “**Grantee**”).

WITNESSETH, that Grantor, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, and convey and confirm, unto Grantee, its heirs, successors and assigns forever, all the real property, together with all improvements, if any, situate, lying, and being located in the County of Jefferson, State of Colorado, described as follows:

Tracts N of The Ridge At Ward Station, Filing No. 2 recorded at Reception Number 2020098997 in Jefferson County, State of Colorado.

TOGETHER, with all the singular rights, tenements, easements, appendages, ways, hereditaments, privileges, and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of Grantor, either in law or in equity, of, in and to the above bargained premises, with the hereditaments, easements, rights of way and appurtenances (the “**Property**”).

TO HAVE AND TO HOLD the Property above bargained and described with the appurtenances, unto Grantee, its heirs, successors and assigns forever, Grantor, for itself, and its successors and assigns, does covenant, grant, bargain and agree to and with the Grantee, its successor and assign, that Grantor shall and will WARRANT AND FOREVER DEFEND the Property in quiet and peaceable possession of Grantee, its heirs, successors and assigns, against all and every person lawfully claiming the whole or any part thereof BY, THROUGH OR UNDER Grantor, subject, however, to taxes and assessments for the current year, and liens, easements, encumbrances and restrictions of record.

[Signature page follows.]

Exhibit D
Indemnification Agreement

AFFIDAVIT AND INDEMNIFICATION AGREEMENT

This **AFFIDAVIT AND INDEMNIFICATION AGREEMENT** (the “**Agreement**”) is entered into this _____ day of _____, 2023, by and between **WARD TOD METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **TOLL SOUTHWEST LLC**, a Delaware limited liability company (“**Toll Southwest**” and together with the District, the “**Parties**”).

RECITALS

WHEREAS, the District and Toll Southwest entered into that certain Infrastructure Acquisition and Reimbursement Agreement dated August 27, 2019 (the “**Acquisition Agreement**”);

WHEREAS, Toll Southwest has requested the District accept and acquire the Improvements constructed by Toll Southwest on Tracts N of The Ridge At Ward Station, Filing No. 2 recorded at Reception Number 2020098997 in Jefferson County, State of Colorado as more particularly described on the attached **Exhibit A** (the “**Accepted Infrastructure**”); and

WHEREAS, pursuant to Schedule 2 of the Acquisition Agreement, one condition precedent of the District’s acceptance of the Accepted Infrastructure is the receipt by the District of lien waivers, in a form acceptable to the District, from each contractor that performed work on or provided materials for the Accepted Infrastructure verifying that all amounts due to such contractors, and any subcontractors, material providers, or suppliers, have been paid in full (the “**Lien Waivers**”); and

WHEREAS, because Toll Southwest is not seeking reimbursement for District Eligible Costs related to the Accepted Infrastructure, this Agreement shall suffice for the requirement for lien waivers under the Acquisition Agreement; and

WHEREAS, the District and Toll Southwest desire for this Agreement to provide assurances to the District that no contractors, subcontractors, material providers or suppliers that performed work on or provided materials for the Accepted Infrastructure have any claim for any mechanic’s or materialman’s liens related to the Accepted Infrastructure.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the Parties contained herein, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. Toll Southwest Representations. Toll Southwest, to induce the District to acquire the Accepted Infrastructure, does hereby make the following representations to the District, with full knowledge and intent that the District will rely thereon:

a. All bills for services, labor and/or materials furnished, used or delivered in connection with the construction of the Accepted Infrastructure up to and through the date first set forth above have been paid.

b. There are no judgments against Toll Southwest in relation to the Accepted Improvements nor are there any encumbrances against the Accepted Infrastructure as of the date first set forth above.

c. All contractors, subcontractors, material providers and suppliers who furnished services, labor or materials in connection with the construction of the Accepted Infrastructure have been paid in full.

d. No claims have been made to Toll Southwest and no suits are now pending on behalf of any contractor, subcontractor, material provider or supplier in relation to the Accepted Infrastructure.

2. Indemnification. Toll Southwest shall at all times indemnify, defend and hold the District and its directors, officers, managers, agents and employees harmless against any liability for claims and/or liens for labor performed or materials used or furnished in the construction of the Accepted Infrastructure, including any costs and expenses incurred in the defense of such claims and liens, reasonable attorneys' fees and any damages to the District resulting from such claims or liens. After written demand by the District, Toll Southwest will immediately cause the effect of any suit or lien to be removed from the Accepted Infrastructure. In the event Toll Southwest fails to do so, the District is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed, and the costs thereof, together with reasonable attorneys' fees, will be immediately due and payable by Toll Southwest. In the event a suit on such claim or lien is brought, Toll Southwest will, at the option of the District, defend the District in said suit at its own cost and expense, with counsel satisfactory to the District, and will pay and satisfy any such claim, lien, or judgment as may be established by the decision of the Court in such suit. Toll Southwest may litigate any such lien or suit, provided Toll Southwest causes the effect thereof to be removed promptly in advance from the Accepted Improvements. This indemnity coverage shall also cover the District's defense costs in the event that the District, in its sole discretion, elects to provide its own defense. The District retains the right to disapprove counsel, if any, selected by Toll Southwest to fulfill the foregoing defense indemnity obligation, which right of disapproval shall not be unreasonably exercised. Insurance coverage carried by Toll Southwest shall in no way lessen or limit the liability of Toll Southwest under the terms of this indemnification obligation. Toll Southwest shall obtain, at its own expense, any additional insurance that it deems necessary for the District's protection pursuant to this Agreement.

3. District's Waiver. In consideration of Toll Southwest's representations and indemnification obligation contained herein, the District hereby waives the requirement contained in Schedule 2 of the Acquisition Agreement that Toll Southwest provide the District with the Lien Waivers prior to the District's acceptance of the Accepted Infrastructure, and instead relies on the Toll Southwest's representations and indemnification obligation contained herein as satisfaction of the requirement for the provision of the Lien Waivers as contained in Schedule 2 of the Acquisition Agreement.

4. Governing Law/Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, forum non-conveniens or otherwise. At the District's request, Toll Southwest shall carry on its duties and obligations under this Agreement during any legal proceedings until and unless this Agreement is otherwise terminated. In the event that it becomes necessary for either party to enforce the provisions of this Agreement or to obtain redress for the breach or violation of any of its provisions, whether by litigation, arbitration or other proceedings, the prevailing party shall recover from the other party all costs and expenses associated with such proceedings, including reasonable attorney's fees.

5. Governmental Immunity. Nothing in this Agreement 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.

6. Severability. If any covenant, term, condition or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other provision contained herein, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

7. Counterpart Execution. This Agreement may be executed in counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

**WARD TOD METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and political
subdivision of the State of Colorado

Officer of the District

ATTEST:

TOLL SOUTHWEST LLC, a Delaware limited
liability company

By: _____

Name: _____

Its: _____

Exhibit A
Accepted Infrastructure

**Ward TOD Metropolitan District
Tract N
Improvements List**

Category	Item Name	Qty	Unit
Hardscape	Secondary Monument	1	EA
Evergreen Trees	Wichita Blue Juniper	5	EA
Evergreen Shrubs	Euonymus Moonshadow	2	EA
Dedicuous Shrubs	Pink Snowberry	6	EA
Dedicuous Shrubs	Common Purple Lilac	1	EA
Grasses	Variegated Maiden Grass	1	EA
Perennials	Gold Columbine	2	EA
Perennials	Shasta Daisy	2	EA
Perennials	Shadow Mountain Penstemon	2	EA
Groundcovers	Wintercreeper Euonymous	13	EA
Groundcovers	Mulch Type 1	44	SF
Groundcovers	Mulch Type 2	467	SF
Irrigation	3/4" Drip Valve	1	EA
Irrigation	3/4" Drip Tubing	69	LF



MEMORANDUM

FROM: White Bear Ankele Tanaka & Waldron
DATE: May 10, 2023
RE: Overview of 2023 Legislation Affecting Special Districts and Community Associations

This year's Legislative Session officially wrapped up on May 8, 2023. As in past years we are providing a summary of the pertinent legislation impacting special districts and community associations. Each law listed below is linked to the Colorado General Assembly website and can be accessed by clicking the individual bill titles. Updated information related to laws that have not been signed as of the date of this memorandum or which do not officially become effective until after the referendum period runs will be provided on our website at www.whitebearankele.com. If you would like more detailed information on any of the information contained herein or on bills which were introduced but not passed, please let us know.

SPECIAL DISTRICT LEGISLATION

[HB23-1023: Special District Construction Contracts](#)

The law increases the requirement to publicly bid contracts for construction, materials, or both from \$60,000 to \$120,000 or more, and requires the amount to be adjusted for inflation every five years.

The law was signed by the Governor on March 17, 2023, and takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

[HB23-1062: Metropolitan District Tax For Parks And Recreation](#)

The law allows a metropolitan district that is not located in an incorporated municipality to levy a sales tax to provide parks or recreational facilities or programs within the district in which the tax is levied.

The law was signed by the Governor on April 17, 2023, and takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

HB23-1105: Homeowners' Association And Metropolitan District Homeowners' Rights Task Forces

The law creates the HOA homeowners' rights task force (HOA task force) and the metropolitan district homeowners' rights task force (metro district task force) in the division of housing (division) in the department of local affairs.

Members of the metro district task force must be designated or appointed on or before November 1, 2023. The metro district task force is required to:

- Study issues confronting metropolitan district homeowners' rights, including metropolitan district boards' tax levying authority and practices, foreclosure practices, communications with homeowners, and governance policies; and
- Prepare a report regarding its findings and conclusions, publish the report on the division's website, and submit copies of the report to the legislative committees and the governor on or before June 15, 2024.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

See below for description of HOA task force specific details.

HB23-1259: Open Meetings Law Executive Session Violations

The law creates a right for a local public body to cure a violation of the open meetings law with respect to an executive session if the local public body takes the corrective action at its next meeting after the meeting at which the violation occurred or at the local public body's next meeting that is held at least 14 days after receiving notice by a person who intends to challenge the violation. The law also addresses standing to challenge a violation of the open meetings law, and the payment of attorney fees. If a local public body in connection with an executive session commits a third violation of the same nature within a one-year period, the local public does not have a right to cure the violation.

The law was passed on May 4, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

SB23-108: Allowing Temporary Reductions in Property Tax Due

The law allows a local government to provide temporary property tax relief through temporary property tax credits or mill levy reductions and later eliminate the credits or restore the mill levy. A temporary reduction in property taxes must be annually renewed by the local government.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

SB23-110: Transparency for Metropolitan Districts

This law has four main sections to increase transparency for metropolitan districts.

- For a proposed metropolitan district that submits a service plan on or after January 1, 2024, the law requires the service plan to include a cap on the maximum mill levy and a cap on the maximum debt that may be issued by the metropolitan district.
- Beginning in the 2023 calendar year, the law requires the board of a metropolitan district to hold an annual “town hall” meeting if the metropolitan district was organized after January 1, 2000, has residential units within its boundaries, and is not on inactive status. This meeting is an opportunity for members of the public to ask questions about the metropolitan district. No formal action may be taken at the meeting and must ensure that the annual meeting includes a presentation from the metropolitan district regarding the status of public infrastructure projects within the metropolitan district and outstanding bonds, if any, a review of unaudited financial statements showing the year-to-date revenue and expenditures of the metropolitan district in relation to its adopted budget for that calendar year. Further, metropolitan districts will be required to include a public comment period at their budget hearing meeting to provide further opportunity for the public to provide formal, public comment.
- The law specifies that prior to issuing debt to a director of a metropolitan district or to an entity with respect to which a director of a metropolitan district must make a disclosure pursuant to current law, the board is required to receive a statement of a registered municipal advisor certifying specified criteria regarding the interest rate of the debt.
- The law requires the seller of residential real property that is located within a metropolitan district organized after January 1, 2000, to provide the purchaser of the property with the official website established by the metropolitan district. The seller is required to provide the information on the Colorado real estate commission approved seller's property disclosure.

The law was signed by the Governor on April 3, 2023, and takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

SB23-111: Public Employees' Workplace Protection

The law grants certain public employees, including individuals employed by various entities including special districts the right to:

- Discuss or express views regarding public employee representation or workplace issues;
- Engage in protected, concerted activity for the purpose of mutual aid or protection;
- Fully participate in the political process while off duty and not in uniform, including speaking with members of the public employer's governing body on terms and conditions of employment and any matter of public concern and engaging in other

political activities in the same manner as other citizens of Colorado without discrimination, intimidation, or retaliation; and

- Organize, form, join, or assist an employee organization or refrain from organizing, forming, joining, or assisting an employee organization.

The law also prohibits certain public employers from discriminating against, coercing, intimidating, interfering with, or imposing reprisals against a public employee for engaging in any of the rights granted.

The Colorado department of labor and employment (Department) is charged with enforcing any alleged violation of these rights and is granted rule-making authority. A party may appeal the Department's final decision to the Colorado court of appeals. The law requires the court of appeals to give deference to the Department.

The law was sent to the Governor on May 8, 2023, for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

[SB23-175: Financing of Downtown Development Authority Projects](#)

The law amends the downtown development authority authorization act to make reauthorization less cumbersome and allow downtown development authorities to continue facilitating development. Following an initial period of 30-years and the option for one 20-year extension of a tax increment financing (TIF) arrangement, the law would allow a downtown development authority the option for an additional 20-year extension. During the 20-year extension periods authorized in the law, the default split of the incremental revenues under current law is continued unless the municipality and all other governmental entities reach an alternative agreement.

The law was sent to the Governor on May 4, 2023, for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

[SB23-286: Access to Government Records](#)

The law makes various changes to the "Colorado Open Records Act" (CORA).

- *Public records open to inspection.* The law prohibits, with certain specified exceptions, a custodian of public records from requiring a requester to provide any form of identification to request or inspect records pursuant to CORA.
- *Format of records for inspection.* The law repeals requirements regarding records that are available in a sortable format and specifies that if a record is available in digital format, the custodian is required to transmit the record in a digital format by electronic communication or by another mutually-agreed upon transmission method if the size of the record prevents transmission by electronic communication. In addition, the law prohibits a custodian from converting a digital record into a non-searchable or non-sortable format prior to transmission.

- *Records subject to inspection.* The law adds to the category of records that a custodian can deny a right to inspect based on such disclosure being contrary to public interest the telephone number or home address that a person provides to an elected official, agency, institution, or political subdivision of the state for the purpose of future communication with the elected official, agency, institution, or political subdivision of the state.
- The law specifies that records of sexual harassment complaints made against an elected official and the results or report of investigations regarding alleged sexual harassment by an elected official conducted by or for that official's government shall be made available for inspection if the investigation concludes that the elected official is culpable for any act of sexual harassment. The law specifies that the identity of any accuser, accused who is not an elected official, victim, or witness and any other information that would identify any such person must be redacted.
- *Electronic mail policy.* The law requires each member of the general assembly, the governor's office, each office of the governor, and each state agency and institution to submit, on or before January 1, 2024, a report to the staff of the legislative council of the general assembly outlining its respective electronic mail retention policy.
- *Transmission and per-page fees for records.* The law specifies that the custodian may not charge a per-page fee if records are provided in a digital or electronic format.
- *Electronic payments.* The law requires a custodian to allow records requesters to pay any fee or deposit associated with the request via a credit card or electronic payment if the custodian allows members of the public to pay for any other product or service provided by the custodian with a credit card or electronic payment.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

SB32-303: Reduce Property Taxes and Voter-Approved Revenue Change

The law concerns a reduction in property taxes by several methods:

1. The law creates limits on annual property tax increases from the prior property tax year for certain local governments, including special districts, at inflation levels unless the local government takes specified actions to exceed the limitations.
2. The law temporarily reduces the valuation for assessment of certain residential and nonresidential property.

Nonresidential Property:

For lodging property, property listed under any improved commercial subclass code, and all other nonresidential property, excluding agricultural property and renewable energy production property, the assessment rate is reduced as follows:

- 27.9% to 27.85% for 2023 property tax year;
- 27.85% for the 2024 through 2026 property tax years;
- 27.65% for the 2027 and 2028 property tax years;
- 26.9% for the 2029 and 2030 property tax years; and
- 25.9% or 26.9% for the 2031 and 2032 property tax years, depending on the increase in the valuation in the 32 counties with the smallest increases from the 2030 to 2031 property tax years (revenue increases).

For agricultural property, excluding renewable energy agricultural land, and renewable energy property, the assessment rate is reduced as follows:

- 29% to 26.4% for the 2025 through 2030 property tax years; and
- 25.9% or 26.4% for the 2031 and 2032 property tax years, depending on the increase in the valuation in the 32 counties with the smallest revenue increases.

For renewable energy agricultural land, which is a newly created subclass of agricultural property, the assessment rate is reduced from 29% to 21.9% for the 2024 through 2032 property tax years.

Beginning with the 2033 property tax year, all temporary valuation reductions expire, and the valuation of all nonresidential real property is 29% of the actual value of the property.

Residential Property:

The law further reduces the valuation of residential real property as follows:

- *For the 2023 property tax year:* the valuation is reduced from 6.765% of the amount equal to the actual value minus the lesser of \$15,000 or the amount that causes the valuation to be \$1,000 (alternate amount) to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount.
- *For the 2024 property tax year:* the valuation is reduced as follows:
 - For multi-family residential real property, the valuation is reduced from 6.8% of the actual value to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount; and
 - For all other residential real property, the valuation is reduced from an estimate of 6.98% of the actual value to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount.
- *For the 2025 through 2032 property tax years:*
 - For multi-family residential real property and primary residence real property, including multi-family primary residence real property, the valuation is reduced from 7.15% of the actual value to 6.7% of the actual value minus the lesser of \$40,000 or the alternate amount;

- For qualified-senior primary residence real property, including multi-family qualified-senior primary residence real property, the valuation is reduced from 7.15% of the actual value to 6.7% of the amount equal to the actual value minus \$140,000 or the alternate amount; and
- For all other residential real property, the assessment rate is reduced from 7.15% to 6.7 %.

Beginning with the 2033 property tax year, all temporary valuation reductions expire and the valuation of all residential real property is 7.15% of the actual value of the property.

The law also establishes that all temporary reductions in valuation for residential and nonresidential property created in the law are contingent on the State's ability to retain and spend state surplus up to the proposition HH cap. If, for any reason, excluding a legislative enactment by the general assembly, the State is not permitted to retain and spend this money, then the temporary reductions in the law do not apply.

3. Creates new subclasses of residential property;
4. Permits the State to retain and spend revenue up to the proposition cap;
5. Requires the retained revenue to be used to reimburse certain local governments for lost property tax revenue and to be deposited in the State education fund to backfill the reduction in school district property tax revenue;
6. Transfers general fund money to the State public school fund and to a cash fund to also be used for the reimbursements;
7. Eliminates the cap on the amount of excess State revenues that may be used for the reimbursements for the 2023 property tax year; and
8. Refers a ballot issue to the voters at the November 2023 election that asks voters whether property taxes should be reduced and that seeks voter approval to retain and spend excess state revenues that will be used to backfill some of the reduced property tax revenue.

The law was passed on May 8, 2023, and will be sent to the Governor for signature. If signed, except as noted in the law, the majority of the law will take effect only if a majority of voters approve the ballot issued referred to in November 2023.

COMMUNITY ASSOCIATION LEGISLATION

[HB23-1105: Homeowners' Association And Metropolitan District Homeowners' Rights Task Forces](#)

The law creates the HOA homeowners' rights task force (HOA task force) and the metropolitan district homeowners' rights task force (metro district task force) in the division of housing (division) in the department of local affairs.

Members of the HOA task force must be designated or appointed on or before August 1, 2023. The HOA task force is required to:

- Study issues confronting HOA homeowners' rights, including homeowners' associations' fining authority and practices, foreclosure practices, communications with homeowners and the availability and method of making certain documents available to HOA homeowners in the association;
- Review HOA homeowners' complaints and relevant state and federal laws related to common interest communities;
- Prepare an interim report regarding its findings and conclusions, publish the interim report on the division's website, and submit copies of the report to the metro district task force on or before October 15, 2023; and
- Prepare a final report, publish the final report on the division's website, and submit copies of the final report to the metro district task force, the legislative committees with oversight of housing and local government issues (legislative committees), and the governor on or before April 15, 2024.

The law was passed on May 7, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

See above for description of metropolitan district task force specific details.

HB23-1233: Electrical Vehicle Charing and Parking Requirements

The law requires the state electrical board to adopt rules facilitating electric vehicle charging at multifamily buildings, limiting the ability of the state electrical board to prohibit the installation of electric vehicle charging stations, forbidding private prohibitions on electric vehicle charging and parking, requiring local governments to count certain spaces served by an electric vehicle charging station for minimum parking requirements, forbidding local governments from prohibiting the installation of electric vehicle charging stations, exempting electric vehicle chargers from business personal property tax, and authorizing electric vehicle charging systems along highway rights-of-way.

The law was passed on May 4, 2023, and will be sent to the Governor for signature. If signed by the Governor, the law takes effect immediately. If not signed by the Governor, the law takes effect 30 days after the end of the legislative session.

SB23-178: Water Wise Landscaping

Under current law, a unit owners' association (association) of a common interest community may not prohibit the use of xeriscape, nonvegetative turf grass, or drought-tolerant vegetative landscapes to provide ground covering to property for which a unit owner is responsible. There is, however, an exception authorizing an association to adopt and enforce design or aesthetic guidelines or rules that apply to nonvegetative turf grass and drought-tolerant vegetative landscapes or to regulate the type, number, and placement of drought-tolerant plantings and hardscapes that may be installed on a unit owner's property, on a limited common element, or on other property for which the unit owner is responsible.

The law states that an association's guidelines or rules must:

- Not prohibit the use of nonvegetative turf grass in the backyard of a unit owner's property;
- Not unreasonably require the use of hardscape on more than 20% of the landscaping area of a unit owner's property;
- Allow a unit owner an option that consists of at least 80% drought-tolerant plantings; and
- Not prohibit vegetable gardens in the front, back, or side yard of a unit owner's property.

The law also requires an association to permit the installation of at least 3 garden designs that are preapproved by the association for installation in front yards within the common interest community. To be preapproved, a garden design must adhere to the principles of water-wise landscaping or be part of a water conservation program operated by a local water provider.

The law allows a unit owner who is affected by an association's violation of the new requirements to bring a civil action to restrain further violation and to recover up to a maximum of \$500 or the unit owner's actual damages, whichever is greater. The law states that the new provisions apply only to a unit that is a single-family detached home and do not apply to:

- A unit that is a single-family attached home that shares one or more walls with another unit; or
- A condominium.

The law was sent to the Governor on May 5, 2023. If signed by the Governor, the law takes effect 90 days after the end of the legislative session, August 7, 2023, unless a referendum is filed. If a referendum is filed, then it will be on the November 2024 ballot.

WARD TOD METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

JUNE 30, 2023

Ward TOD Metro District No. 1
Balance Sheet - Governmental Funds
June 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Checking Account	\$ 9,593.70	\$ 16,828.20	\$ -	\$ 26,421.90
UMB - 2019A Bond Fund	-	93,828.11	-	93,828.11
UMB - 2019A Surplus Fund	-	584,575.68	-	584,575.68
UMB - 2019B Interest Fund	-	1.09	-	1.09
Accounts Receivable	6,480.87	-	-	6,480.87
Receivable from County Treasurer	10,195.50	41,923.53	-	52,119.03
TIF Receivable	3,545.99	14,583.82	-	18,129.81
Due from Other Funds	3,961.92	-	-	3,961.92
Total Assets	<u>\$ 33,777.98</u>	<u>\$ 751,740.43</u>	<u>\$ -</u>	<u>\$ 785,518.41</u>
Liabilities				
Accounts Payable	\$ 20,049.89	\$ -	\$ 4,056.39	\$ 24,106.28
Due to Other Funds	-	-	3,961.92	3,961.92
Total Liabilities	<u>20,049.89</u>	<u>-</u>	<u>8,018.31</u>	<u>28,068.20</u>
Fund Balances	<u>13,728.09</u>	<u>751,740.43</u>	<u>(8,018.31)</u>	<u>757,450.21</u>
Liabilities and Fund Balances	<u>\$ 33,777.98</u>	<u>\$ 751,740.43</u>	<u>\$ -</u>	<u>\$ 785,518.41</u>

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

Ward TOD Metro District No. 1
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 36,369.00	\$ 35,667.98	\$ 701.02
Specific ownership taxes	2,805.00	1,438.44	1,366.56
Water Reimbursement	4,800.00	3,839.03	960.97
TIF revenue	3,649.00	3,579.53	69.47
Total Revenue	<u>47,623.00</u>	<u>44,524.98</u>	<u>3,098.02</u>
Expenditures			
Accounting	30,000.00	15,070.69	14,929.31
Auditing	6,000.00	-	6,000.00
County Treasurer's fee	546.00	535.02	10.98
Dues and membership	500.00	369.38	130.62
Insurance	5,300.00	7,081.00	(1,781.00)
Legal	20,000.00	12,877.97	7,122.03
Miscellaneous	1,500.00	300.00	1,200.00
Election	2,500.00	2,692.20	(192.20)
Landscaping	15,000.00	21,499.54	(6,499.54)
Snow removal	15,000.00	17,564.43	(2,564.43)
Xcel Energy	2,000.00	626.45	1,373.55
Water	15,000.00	1,592.92	13,407.08
Operation reserve	-	5,000.00	(5,000.00)
Contingency	10,654.00	-	10,654.00
Total Expenditures	<u>124,000.00</u>	<u>85,209.60</u>	<u>38,790.40</u>
Other Financing Sources (Uses)			
Developer advance	77,000.00	95,448.78	(18,448.78)
Total Other Financing Sources (Uses)	<u>77,000.00</u>	<u>95,448.78</u>	<u>(18,448.78)</u>
Net Change in Fund Balances	623.00	54,764.16	(54,141.16)
Fund Balance - Beginning	1,200.00	(41,036.07)	42,236.07
Fund Balance - Ending	<u>\$ 1,823.00</u>	<u>\$ 13,728.09</u>	<u>\$ (11,905.09)</u>

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

SUPPLEMENTARY INFORMATION

Ward TOD Metro District No. 1
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 149,548.00	\$ 146,665.42	\$ 2,882.58
Specific ownership taxes	11,535.00	5,914.78	5,620.22
Interest income	20,000.00	16,595.03	3,404.97
Other revenue	10,000.00	-	10,000.00
TIF revenue	15,005.00	14,718.92	286.08
Total Revenue	<u>206,088.00</u>	<u>183,894.15</u>	<u>22,193.85</u>
Expenditures			
County Treasurer's fee	2,243.00	2,199.98	43.02
Paying agent fees	9,500.00	9,500.00	-
Bond Interest - 2019A	257,250.00	128,625.00	128,625.00
Contingency	10,000.00	-	10,000.00
Total Expenditures	<u>278,993.00</u>	<u>140,324.98</u>	<u>138,668.02</u>
Net Change in Fund Balances	(72,905.00)	43,569.17	(116,474.17)
Fund Balance - Beginning	708,162.00	708,171.26	(9.26)
Fund Balance - Ending	<u>\$ 635,257.00</u>	<u>\$ 751,740.43</u>	<u>\$ (116,483.43)</u>

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

Ward TOD Metro District No. 1
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Accounting	3,000.00	278.80	2,721.20
Legal	5,500.00	538.65	4,961.35
Engineering	15,000.00	3,682.92	11,317.08
Capital outlay	1,976,500.00	401,072.66	1,575,427.34
Total Expenditures	<u>2,000,000.00</u>	<u>405,573.03</u>	<u>1,594,426.97</u>
Other Financing Sources (Uses)			
Developer advance	2,000,000.00	406,412.05	1,593,587.95
Total Other Financing Sources (Uses)	<u>2,000,000.00</u>	<u>406,412.05</u>	<u>1,593,587.95</u>
Net Change in Fund Balances	-	839.02	(839.02)
Fund Balance - Beginning	-	(8,857.33)	8,857.33
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (8,018.31)</u>	<u>\$ 8,018.31</u>

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

WARD TOD METROPOLITAN DISTRICT NO. 1

Schedule of Cash Position

June 30, 2023

Updated as of July 17, 2023

	General Fund	Debt Fund	Capital Fund	Total
<u>First Bank - Checking</u>				
Balance as of 06/30/23	\$ 9,593.70	\$ 16,828.20	\$ -	\$ 26,421.90
Subsequent activities:				
07/10/23 - Property tax	10,195.50	41,923.53	-	52,119.03
07/18/23 - Bill.com payables	(17,218.61)	-	-	(17,218.61)
<i>Anticipated Vouchers Payable</i>	(6,577.09)	-	(310.58)	(6,887.67)
<i>Anticipated Transfer Between Funds</i>	3,961.92	-	(3,961.92)	-
<i>Anticipated Developer Advance</i>	44.58	-	4,272.50	4,317.08
<i>Anticipated Pledged Revenue transfer</i>	-	(58,751.73)	-	(58,751.73)
<i>Anticipated balance</i>	-	-	-	-
<u>UMB-Series 2019A - Bond Fund #151480.1</u>				
Balance as of 06/30/23	-	93,828.11	-	93,828.11
Subsequent activities:				
<i>Anticipated Transfer of Pledge Revenue</i>	-	58,751.73	-	58,751.73
<i>Anticipated balance</i>	-	152,579.84	-	152,579.84
<u>UMB-Series 2019A - Surplus Fund #151480.2</u>				
Balance as of 06/30/23	-	584,575.68	-	584,575.68
Subsequent activities:				
None	-	-	-	-
<i>Anticipated balance</i>	-	584,575.68	-	584,575.68
<u>UMB-Series 2019B - Interest Fund #151481.1</u>				
Balance as of 06/30/23	-	1.09	-	1.09
Subsequent activities:				
None	-	-	-	-
<i>Anticipated balance</i>	-	1.09	-	-
<u>Total Anticipated Balances</u>	\$ -	\$ 737,156.61	\$ -	\$ 737,155.52

Current Yield (as of 06/30/23)

UMB - ColoTrust Plus - 5.18%

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.

WARD TOD METROPOLITAN DISTRICT NO. 1
Property Tax Reconciliation
2023

	Current Year										Prior Year			
	Property Taxes		Tax Increment Financing Taxes	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to URA	Net TIF Received	Net PPTX Received	% of Total Current Property Taxes Received to Taxes Levied		Total Cash Received	% of Total Property Taxes Received to Taxes Levied	
	Current	Delinquent								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 2,369.73	\$ -	\$ 323.88	\$ 1,300.65	\$ -	\$ (35.55)	\$ (168.64)	\$ 155.24	\$ 3,790.07	1.27%	1.27%	\$ 1,011.97	0.00%	0.00%
February	74,190.77	-	7,570.69	1,227.67	-	(1,112.86)	-	7,570.69	74,305.58	39.91%	41.18%	34,172.76	22.64%	22.64%
March	3,903.46	-	398.34	1,286.71	-	(58.55)	-	398.34	5,131.62	2.10%	43.28%	5,608.95	3.17%	25.80%
April	38,270.27	-	3,905.22	1,061.28	-	(574.05)	-	3,905.22	38,757.50	20.58%	63.86%	4,802.40	2.71%	28.51%
May	11,872.40	-	923.59	1,308.75	-	(178.09)	-	923.59	13,003.06	6.39%	70.25%	81,325.24	54.71%	83.22%
June	51,726.77	-	5,176.73	1,168.16	-	(775.90)	-	5,176.73	52,119.03	27.82%	98.07%	22,836.17	15.01%	98.23%
July	-	-	-	-	-	-	-	-	-	0.00%	98.07%	264.37	-0.43%	97.80%
August	-	-	-	-	-	-	-	-	-	0.00%	98.07%	2,485.92	0.86%	98.66%
September	-	-	-	-	-	-	-	-	-	0.00%	98.07%	-	0.00%	98.66%
October	-	-	-	-	-	-	-	-	-	0.00%	98.07%	669.19	-0.78%	97.88%
November	-	-	-	-	-	-	-	-	-	0.00%	98.07%	903.31	0.00%	97.88%
December	-	-	-	-	-	-	-	-	-	0.00%	98.07%	705.17	0.00%	97.88%
	\$ 182,333.40	\$ -	\$ 18,298.45	\$ 7,353.22	\$ -	\$ (2,735.00)	\$ (168.64)	\$ 18,129.81	\$ 187,106.86	98.07%		154,785.45	97.88%	

	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Taxes				
General Fund	\$ 36,369.00	19.56%	\$ 35,667.98	98.07%
Debt Service Fund	149,548.00	80.44%	146,665.42	98.07%
	\$ 185,917.00	100.00%	\$ 182,333.40	

	Taxes	% of Budgeted	Taxes/Fees Collected	% Collected to Amount Budgeted
TIF Reimbursement				
General Fund	\$ 3,649.00	19.56%	\$ 3,579.53	98.10%
Debt Service Fund	15,005.00	80.44%	14,718.92	98.09%
	\$ 18,654.00	100.00%	\$ 18,298.45	

	Taxes/Fees Budgeted	% of Budgeted	Taxes/Fees Collected	% Collected to Amount Budgeted
Specific Ownership Taxes				
General Fund	\$ 2,805.00	19.56%	\$ 1,438.42	51.28%
Debt Service Fund	11,535.00	80.44%	5,914.80	51.28%
	\$ 14,340.00	100.00%	\$ 7,353.22	

	Taxes/Fees Budgeted	% of Budgeted	Taxes/Fees Collected	% Collected to Amount Budgeted
Treasurer's Fees				
General Fund	\$ 546.00	19.56%	\$ 535.03	97.99%
Debt Service Fund	2,243.00	80.44%	2,199.97	98.08%
	\$ 2,789.00	100.00%	\$ 2,735.00	

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.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Jefferson County on April 9, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Wheat Ridge, Jefferson County, Colorado.

The District was established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the public improvements and services, including streets, water, sanitation and storm drainage traffic and safety controls, transportation, television relay and translation and mosquito control. Under its Service Plan, The District was organized in conjunction with two other related Districts: Ward TOD Metropolitan District Nos. 2 and 3. Ward TOD Metropolitan District No.1 serves as a Management District, and Ward TOD Metropolitan District Nos. 2 and 3 serve as Financing Districts.

Pursuant to the Service Plan, the district is permitted to issue bond indebtedness of up to \$25,000,000. On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C.

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

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

Revenues

Property Taxes

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

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.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

The Maximum Debt Mill Levy the District is permitted to impose is 60.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation with the District) for any Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy.

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 29.0%.

As a result of the assessment ratio change for collection year 2023, the 60.000 mills will be required to adjust to 61.680 mills for debt service.

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.

Specific Ownership Taxes

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

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Urban Renewal TIF

Pursuant to the Intergovernmental Tax Sharing Agreement dated October 1, 2019 with the Wheat Ridge Urban Renewal Authority, the District will receive the tax increment ("TIF") generated from the Wheat Ridge Urban Renewal Project area to be used toward the repayment of the District's bonds.

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.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Water Reimbursement

Pursuant to the Water Cost Sharing Agreement with Ward Station Homeowners Association (HOA), the HOA agrees to reimburse the District for HOA's proportional share of water use based on square footage of the HOA Tracts.

Investment Income

Interest earned on the District's available funds has been estimated based upon an average interest rate of approximately 3%.

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, banking, meeting expense and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt Service

Principal and interest payments are provided based on the anticipated debt amortization schedule from the Senior Bonds, Subordinate Bonds, and Junior Lien Bonds (discussed under Debt and Leases). Anticipated debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C. The proceeds of the Senior Bonds will be used to fund: (i) the Initial Deposit to the Surplus Fund; (ii) capitalized interest on the Senior Bonds; (iii) pay the Project costs; and, (iv) the costs of issuing the Senior Bonds, the Subordinate Bonds and the Junior Lien Bonds. Proceeds of the Subordinate Bonds will be used to pay Project costs. The Junior Lien Bonds will be issued for the purpose of paying Project Costs, comprised of paying a portion of amounts due and payable to the Developer under the Acquisition and Reimbursement Agreement.

The Senior Bonds bear interest at 5.000% and are payable semi-annually on June 1 and December 1, commencing December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The Senior Bonds mature on December 1, 2049.

The Subordinate Bonds are issued at the rate of 7.750% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15 through December 15, 2049. In the event that any principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2059, the Subordinate Bonds shall be deemed discharged.

The Junior Lien Bonds are issued at the rate of 9.000% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2052. The Junior Lien Bonds are structured as cash flow bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Junior Lien Pledged Revenue is available for payment. Principal and interest payments are due on the Junior Lien Bonds on each December 15 through December 15, 2052, only to the extent of available Junior Lien Pledged Revenue. In the event that any principal or interest on the Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue available on December 15, 2059, the Junior Lien Bonds shall be deemed discharged.

Debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The following is the analysis of the anticipated changes in Subordinate Bonds and developer advances for the year ending December 31, 2022 and 2023.

	Balance December 31, 2021	Additions*	Reductions*	Anticipated Balance December 31, 2022
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	\$ 600,000	\$ -	\$ -	\$ 600,000
Accrued Interest on Subordinate - Series 2019B	100,400	54,281	-	154,681
Junior Lien - Series 2019C	708,000	-	-	708,000
Accrued Interest on Junior Lien - Series 2019C	137,508	76,096	-	213,604
Subtotal Bonds Payable	<u>1,545,908</u>	<u>130,377</u>	<u>-</u>	<u>1,676,285</u>
Developer Advances - O&M	171,394	82,000	-	253,394
Developer Advances - Infrastructure	1,324,895	10,320	-	1,335,215
Accrued Interest on Developer Advances - O&M	62,035	21,954	15	83,974
Accrued Interest on Developer Advances - Infrastructure	35,572	10,250	-	45,822
Subtotal of Other Debts	<u>1,593,896</u>	<u>124,524</u>	<u>15</u>	<u>1,718,405</u>
Total	<u>\$ 3,139,804</u>	<u>\$ 254,901</u>	<u>\$ 15</u>	<u>\$ 3,394,690</u>
	Anticipated Balance December 31, 2022	Additions*	Reductions*	Anticipated Balance December 31, 2023
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	600,000	-	-	600,000
Accrued Interest on Subordinate - Series 2019B	154,681	58,487	-	213,168
Junior Lien - Series 2019C	708,000	-	-	708,000
Accrued Interest on: Junior Lien - Series 2019C	213,604	82,944	-	296,548
Subtotal Bonds Payable	<u>1,676,285</u>	<u>141,431</u>	<u>-</u>	<u>1,817,716</u>
Developer Advances - O&M	253,394	77,000	-	330,394
Developer Advances - Infrastructure	1,335,215	2,000,000	-	3,335,215
Accrued Interest on Developer Advances - O&M	83,974	30,069	-	114,043
Accrued Interest on Developer Advances - Infrastructure	45,822	190,483	-	236,305
Subtotal of Other Debts	<u>1,718,405</u>	<u>2,297,552</u>	<u>-</u>	<u>4,015,957</u>
Total	<u>\$ 3,394,690</u>	<u>\$ 2,438,983</u>	<u>\$ -</u>	<u>\$ 5,833,673</u>

*Estimates

The District has no operating and capital leases.

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.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Debt Service Reserves

The District maintains a Debt Service Reserve, based on the amount held in our Debt Service Surplus fund, as required with the issuance of the Senior Bonds.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

**WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$5,145,000 Limited Tax (Convertible to Unlimited Tax) Senior
Bonds**

Interest Rate 5.00%

Date: December 5, 2019

Interest Payable June 1 and December 1

Year Ending December 31,	Principal Payable December 1		
	Principal	Interest	Total
2023	\$ -	\$ 257,250	\$ 257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026	40,000	257,250	297,250
2027	80,000	255,250	335,250
2028	90,000	251,250	341,250
2029	95,000	246,750	341,750
2030	105,000	242,000	347,000
2031	110,000	236,750	346,750
2032	125,000	231,250	356,250
2033	130,000	225,000	355,000
2034	145,000	218,500	363,500
2035	150,000	211,250	361,250
2036	165,000	203,750	368,750
2037	175,000	195,500	370,500
2038	190,000	186,750	376,750
2039	200,000	177,250	377,250
2040	220,000	167,250	387,250
2041	230,000	156,250	386,250
2042	250,000	144,750	394,750
2043	260,000	132,250	392,250
2044	280,000	119,250	399,250
2045	295,000	105,250	400,250
2046	320,000	90,500	410,500
2047	335,000	74,500	409,500
2048	360,000	57,750	417,750
2049	795,000	39,750	834,750
	<u>\$ 5,145,000</u>	<u>\$ 4,997,750</u>	<u>\$ 10,142,750</u>

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

**WARD TOD METROPOLITAN
DISTRICT NO. 1
Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**WARD TOD METROPOLITAN DISTRICT NO. 1
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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

**WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 4,647
Cash and Investments - Restricted	702,372
Accounts Receivable	2,642
Accounts Receivable - County Treasurer	705
Property Taxes Receivable	185,917
Prepaid Insurance	7,782
Capital Assets, Not Being Depreciated:	536,080
Total Assets	1,440,145
LIABILITIES	
Accounts Payable	59,870
Accrued Interest on Bonds	389,723
Noncurrent Liabilities:	
Due in More Than One Year	8,192,466
Total Liabilities	8,642,059
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	185,917
Total Deferred Inflows of Resources	185,917
NET POSITION	
Restricted for:	
Emergency Reserves	1,000
Unrestricted	(7,388,846)
Total Net Position	\$ (7,387,846)

See accompanying Notes to Basic Financial Statements.

**WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 101,248	\$ -	\$ 4,452	\$ -	\$ (96,796)
Interest and Related Costs on Long-Term Debt	518,838	-	-	-	(518,838)
Conveyance of Capital Assets to Other Governments	5,651,050	-	-	-	(5,651,050)
Total Governmental Activities	\$ 6,271,136	\$ -	\$ 4,452	\$ -	(6,266,684)
GENERAL REVENUES					
					146,081
					10,949
					12,708
					10,389
					180,127
CHANGE IN NET POSITION					
					(6,086,557)
					(1,301,289)
NET POSITION - END OF YEAR					
					\$ (7,387,846)

See accompanying Notes to Basic Financial Statements.

**WARD TOD METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 4,647	\$ -	\$ -	\$ 4,647
Cash and Investments - Restricted	1,000	701,372	-	702,372
Due from Other Funds	1,288	-	-	1,288
Accounts Receivable	2,642	-	-	2,642
Accounts Receivable - County Treasurer	140	565	-	705
Property Taxes Receivable	36,369	149,548	-	185,917
TIF Receivable	1,548	6,234	-	7,782
	<u>\$ 47,634</u>	<u>\$ 857,719</u>	<u>\$ -</u>	<u>\$ 905,353</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 52,301	\$ -	\$ 7,569	\$ 59,870
Due to Other Funds	-	-	1,288	1,288
Total Liabilities	<u>52,301</u>	<u>-</u>	<u>8,857</u>	<u>61,158</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	36,369	149,548	-	185,917
Total Deferred Inflows of Resources	<u>36,369</u>	<u>149,548</u>	<u>-</u>	<u>185,917</u>
FUND BALANCES				
Restricted for:				
Emergencies (TABOR)	1,000	-	-	1,000
Debt Service	-	708,171	-	708,171
Unassigned	(42,036)	-	(8,857)	(50,893)
Total Fund Balances	<u>(41,036)</u>	<u>708,171</u>	<u>(8,857)</u>	<u>658,278</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 47,634</u>	<u>\$ 857,719</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				536,080
Long-term liabilities, including Developer advances payable and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(6,453,000)
Accrued Interest Payable - Bonds				(389,723)
Developer Advance Payable				(1,520,178)
Accrued Interest Payable - Developer Advance				(219,303)
Net Position of Governmental Activities				<u>\$ (7,387,846)</u>

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 29,054	\$ 117,027	\$ -	\$ 146,081
Specific Ownership Taxes	2,178	8,771	-	10,949
Water Reimbursement	4,452	-	-	4,452
TIF Reimbursement	2,066	8,323	-	10,389
Net Investment Income	-	12,708	-	12,708
Total Revenues	<u>37,750</u>	<u>146,829</u>	<u>-</u>	<u>184,579</u>
EXPENDITURES				
General:				
Accounting	19,374	-	-	19,374
Auditing	5,400	-	-	5,400
Banking Fees	953	-	-	953
County Treasurer's Fees	436	1,755	-	2,191
Dues and Licenses	350	-	-	350
Election	2,289	-	-	2,289
Insurance	4,791	-	-	4,791
Landscaping	8,829	-	-	8,829
Legal	15,944	-	1,612	17,556
Miscellaneous Expenses	611	-	-	611
Payroll Taxes	21,492	-	-	21,492
Water Utilities	13,912	-	-	13,912
Debt Service:				
Paying Agent Fees	-	9,500	-	9,500
Bond Interest	-	257,250	-	257,250
Capital Projects:				
Capital Outlay	-	-	3,500	3,500
Total Expenditures	<u>94,381</u>	<u>268,505</u>	<u>5,112</u>	<u>367,998</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,631)	(121,676)	(5,112)	(183,419)
OTHER FINANCING SOURCES (USES)				
Developer Advances	22,814	-	1,075	23,889
Repay Developer Advances	(15)	-	-	(15)
Total Other Financing Sources (Uses)	<u>22,799</u>	<u>-</u>	<u>1,075</u>	<u>23,874</u>
NET CHANGE IN FUND BALANCES	(33,832)	(121,676)	(4,037)	(159,545)
Fund Balances (Deficits) - Beginning of Year	<u>(7,204)</u>	<u>829,847</u>	<u>(4,820)</u>	<u>817,823</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (41,036)</u>	<u>\$ 708,171</u>	<u>\$ (8,857)</u>	<u>\$ 658,278</u>

See accompanying Notes to Basic Financial Statements.

**WARD TOD METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (159,545)

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

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

Conveyance of Capital Assets to Other Governments (5,651,050)

The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advance - O&M (22,814)

Developer Advance - Infrastructure (1,075)

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

Accrued Interest on Bonds - Change in Liability (130,377)

Accrued Interest on Developer Advance - Change in Liability (121,696)

Change in Net Position of Governmental Activities \$ (6,086,557)

See accompanying Notes to Basic Financial Statements.

**WARD TOD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 29,683	\$ 29,683	\$ 29,054	\$ (629)
Specific Ownership Taxes	2,078	2,205	2,178	(27)
TIF Reimbursement	2,008	2,066	2,066	-
Water Reimbursement	3,200	4,450	4,452	2
Total Revenues	<u>36,969</u>	<u>38,404</u>	<u>37,750</u>	<u>(654)</u>
EXPENDITURES				
General:				
Accounting	27,500	23,000	19,374	3,626
Auditing	5,400	5,400	5,400	-
Contingency	9,855	5,005	-	5,005
County Treasurer's Fees	445	436	436	-
Dues and Licenses	500	350	350	-
Election	2,500	2,300	2,289	11
Insurance	4,300	4,800	4,791	9
Landscaping	16,000	21,000	8,829	12,171
Legal	15,000	16,000	15,944	56
Miscellaneous Expenses	1,500	1,694	611	1,083
Snow Removal	10,000	20,000	21,492	(1,492)
Utilities	-	1,000	953	47
Water Utilities	10,000	14,000	13,912	88
Total Expenditures	<u>103,000</u>	<u>114,985</u>	<u>94,381</u>	<u>20,604</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(66,031)	(76,581)	(56,631)	19,950
OTHER FINANCING SOURCES (USES)				
Developer Advances	67,000	85,000	22,814	(62,186)
Repay Developer Advances	-	(15)	(15)	-
Total Other Financing Sources (Uses)	<u>67,000</u>	<u>84,985</u>	<u>22,799</u>	<u>(62,186)</u>
NET CHANGE IN FUND BALANCE	969	8,404	(33,832)	(42,236)
Fund Balance (Deficit) - Beginning of Year	<u>836</u>	<u>(7,204)</u>	<u>(7,204)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ 1,805</u></u>	<u><u>\$ 1,200</u></u>	<u><u>\$ (41,036)</u></u>	<u><u>\$ (42,236)</u></u>

See accompanying Notes to Basic Financial Statements.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Ward TOD Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the Jefferson County District Court on June 1, 2012, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan, along with Ward TOD Metropolitan District No. 2 (District No. 2) and Ward TOD Metropolitan District No. 3 (District No. 3) approved by the City of Wheat Ridge, Colorado (the City), on April 9, 2012. Such Service Plan was replaced in its entirety by an Amended and Restated Service Plan for Ward TOD Metropolitan District Nos. 1 – 3, which was approved by the City on May 13, 2019. The Districts were established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the public improvements and services, including streets, park and recreation, water, sanitation and storm sewer and safety protection.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

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

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

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

Property Taxes

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

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

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2022.

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

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

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

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

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

Deficits

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 4,647
Cash and Investments - Restricted	<u>702,372</u>
Total Cash and Investments	<u><u>\$ 707,019</u></u>

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

Deposits with Financial Institutions	\$ 9,110
Investments	<u>697,909</u>
Total Cash and Investments	<u><u>\$ 707,019</u></u>

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2022, the District's cash deposits had a bank and a carrying balance of \$9,110.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

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

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 697,909

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 6,187,130	\$ -	\$ 5,651,050	\$ 536,080
Capital Assets, Net	<u>\$ 6,187,130</u>	<u>\$ -</u>	<u>\$ 5,651,050</u>	<u>\$ 536,080</u>

During 2022, a significant portion of the capital assets constructed and acquired by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
Limited Tax General Obligation Bonds:					
Senior - Series 2019A	\$ 5,145,000	\$ -	\$ -	\$ 5,145,000	\$ -
Subordinate - Series 2019B	600,000	-	-	600,000	-
Accrued Interest on:					
Senior - Series 2019A	21,438	21,438	21,438	21,438	-
Subordinate - Series 2019B	100,400	54,281	-	154,681	-
Subtotal Bonds Payable	<u>5,866,838</u>	<u>75,719</u>	<u>-</u>	<u>5,921,119</u>	<u>-</u>
Notes from Direct Borrowings and Direct Payments:					
Junior Lien - Series 2019C	708,000	-	-	708,000	-
Accrued Interest on:					
Junior Lien - Series 2019C	137,508	76,096	-	213,604	-
Subtotal of Notes from Direct Borrowings and Direct Payments	<u>845,508</u>	<u>76,096</u>	<u>-</u>	<u>921,604</u>	<u>-</u>
Other Debts:					
Developer Advances - O&M	171,394	22,814	-	194,193	-
Developer Advances - Infrastructure	1,324,895	1,075	-	1,325,970	-
Accrued Interest on:					
Developer Advances - O&M	62,035	15,302	15	77,322	-
Accrued Interest on:					
Developer Advances - Infrastructure	35,572	106,409	-	141,981	-
Subtotal of Other Debts	<u>1,593,896</u>	<u>145,600</u>	<u>15</u>	<u>1,739,466</u>	<u>-</u>
Total	<u>\$ 8,306,242</u>	<u>\$ 297,415</u>	<u>\$ 15</u>	<u>\$ 8,582,189</u>	<u>\$ -</u>

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's general obligation bonds outstanding during 2022 are as follows:

Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A (the Senior Bonds), **Subordinate Limited Tax General Obligation Bonds, Series 2019B** (the Subordinate Bonds), and **Junior Lien Limited Tax General Obligation Bonds, Series 2019C** (the Junior Lien Bonds, and together with the Senior Bonds and the Subordinate Bonds, the Bonds)

Bond Proceeds

The District issued the Bonds on December 5, 2019, in the par amounts of \$5,145,000 for the Senior Bonds, \$600,000 for the Subordinate Bonds, and on December 10, 2019 \$708,000 for the Junior Lien Bonds. Proceeds of the Senior Bonds were used to: (i) pay project costs; (ii) fund capitalized interest for the Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay other costs in connection with the issuance of the Bonds. Proceeds of the Subordinate Bonds were applied to pay project costs. The Junior Lien Bonds were issued to pay a portion of amounts due and payable to the Developer under the Acquisition and Reimbursement Agreement.

Senior Bonds Details

The Senior Bonds bear interest at 5.000% per annum, payable semiannually on June 1 and December 1 of each year commencing June 1, 2020, and mature on December 1, 2049.

Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026.

To the extent the principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid subject to the discharge date of December 1, 2059, of the Senior Bonds. To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the Senior Bond until the total repayment obligation of the District for the Senior Bonds equals the amount permitted by law and the Election in repayment of the Senior Bonds. In the event that any amount of principal of or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2059, the Senior Bonds and the lien of the Senior Indenture shall be deemed discharged.

The Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Senior Bonds. There are no events of default for the Senior Bonds. The Senior Bonds are not subject to early termination. The Senior Bonds are not subject to acceleration.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

Senior Bonds Pledged Revenue

The Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, as follows: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Capital Fees, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Bonds Pledged Revenue (Continued)

“Senior Property Tax Revenues” are generally defined as all moneys derived from imposition by the District of the Senior Required Mill Levy, whether received by the District directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Senior Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Senior Property Tax Revenues do not include Senior Specific Ownership Tax Revenues.

“Senior Specific Ownership Tax Revenues” mean the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

“Capital Fees” are defined as all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District. Capital Fees do not include any other fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Required Mill Levy

Prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount that generates Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Surplus Fund), but not in excess of 60 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2018). For so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 60 mills (subject to adjustment) or such lesser amount that generates Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Surplus Fund, will pay the Senior Bonds in full in the year such levy is collected.

On and after the Conversion Date, the District has covenanted to impose an ad valorem mill levy on all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Surplus Fund). On and after the Conversion Date, the definition of Senior Required Mill Levy shall be determined exclusively by this paragraph regardless of any subsequent increase in the Senior Debt to Assessed Ratio.

The Conversion Date is the first date on which both of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; and (b) no amounts of principal or interest on the Senior Bonds are due but unpaid. The Senior Debt to Assessed Ratio means the ratio derived by dividing the then-outstanding principal amount of all Senior Debt by the most recent certified assessed valuation of the District.

Additional Security for Senior Bonds

The Senior Bonds are additionally secured by capitalized interest which was funded from proceeds of the Bonds in the amount of \$771,750 and by amounts in the Senior Surplus Fund (if any). The Senior Surplus Fund was partially funded in the amount of the Initial Deposit of \$417,000 on the date of issuance of the Senior Bonds. The Senior Surplus Fund will be further funded from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds (if any) in any year up to the Maximum Surplus Amount of \$1,029,000. Promptly after the Conversion Date, all amounts then on deposit in the Senior Surplus Fund in excess of the amount of the Initial Deposit shall be released to the District for application to any lawful purpose.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Additional Security for Senior Bonds (Continued)

If on the Conversion Date, the amount on deposit in the Senior Surplus Fund is less than the amount of the Initial Deposit, then no moneys shall be released to the District from the Senior Surplus Fund. After the Conversion Date, the District shall have no obligation to replenish or fund the Senior Surplus Fund in the event it is drawn upon. Amounts on deposit in the Senior Surplus Fund (if any) on the final maturity date of the Senior Bonds are to be applied to the payment of the Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in the levy year prior to the final maturity of the Senior Bonds. The balance in the Senior Surplus Fund as of December 31, 2022, is \$571,098.

Subordinate Bonds Details

The Subordinate Bonds bear interest at 7.750% and mature on December 15, 2049. The Subordinate Bonds constitute subordinate "cash flow" bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the Subordinate Bonds on each December 15, beginning December 15, 2020, through December 15, 2049, only to the extent of available Subordinate Pledged Revenue.

In the event that Subordinate Pledged Revenue is insufficient to pay the Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the Subordinate Bonds equals the amount permitted by law and the Election in repayment of the Subordinate Bonds. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all available Subordinate Pledged Revenue on December 15, 2059, the Subordinate Bonds shall be deemed discharged and shall no longer be due and outstanding.

Subordinate Bonds Optional Redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, as follows: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate Capital Fee Revenue, if any; (d) any amounts released from the Senior Surplus Fund pursuant to the Senior Indenture; and (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

“Subordinate Property Tax Revenues” are defined as all moneys derived from imposition by the District of the Subordinate Required Mill Levy, whether received directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Subordinate Property Tax Revenues do not include Subordinate Specific Ownership Tax Revenues.

“Subordinate Specific Ownership Tax Revenues” mean the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

“Subordinate Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations.

Subordinate Required Mill Levy

The District has covenanted to impose a Subordinate Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 60 mills (as adjusted) less the Senior Obligation Mill Levy, or (ii) such lesser amount, which if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Subordinate Bonds in full in the year such levy is collected. The Senior Obligation Mill Levy is the sum of the Senior Required Mill Levy and any other mill levy required to be imposed for the payment of Senior Obligations.

Junior Lien Bonds Details

The Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Junior Lien Bonds Pledged Revenue

The Junior Lien Bonds are payable solely from and to the extent of the Junior Lien Pledged Revenue, net costs of collection, as follows: (a) all Junior Lien Property Tax Revenues; (b) all Junior Lien Specific Ownership Tax Revenues; (c) all Junior Lien Capital Fee Revenue, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

“Junior Lien Property Tax Revenues” are defined as all moneys derived from imposition by the District of the Junior Lien Required Mill Levy, whether received by the District directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Junior Lien Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Junior Lien Property Tax Revenues do not include Junior Lien Specific Ownership Tax Revenues.

“Junior Lien Specific Ownership Tax Revenues” mean the specific ownership taxes remitted to the District as a result of its imposition of the Junior Lien Required Mill Levy.

“Junior Lien Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior/Subordinate Obligations.

Junior Lien Required Mill Levy

The District has covenanted to impose a Junior Lien Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 60 mills (as adjusted) less the Senior/Subordinate Required Mill Levy (which is defined as the sum of the Senior Required Mill Levy, the Subordinate Required Mill Levy, and any other ad valorem property tax levy required to be imposed by the District for the payment of other Senior/Subordinate Obligations), or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the Junior Lien Bonds in full in the year such levy is collected.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Debt Service

The outstanding principal and interest of the Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 257,250	\$ 257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026	40,000	257,250	297,250
2027	80,000	255,250	335,250
2028-2032	525,000	1,208,000	1,733,000
2033-2037	765,000	1,054,000	1,819,000
2038-2042	1,090,000	832,250	1,922,250
2043-2047	1,490,000	521,750	2,011,750
2048-2049	1,155,000	97,500	1,252,500
Total	<u>\$ 5,145,000</u>	<u>\$ 4,997,750</u>	<u>\$ 10,142,750</u>

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

Authorized Debt

At an election held May 8, 2012, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness in an amount not to exceed \$630,000,000 for providing public improvements and refunding of previously issued indebtedness.

	<u>Authorized May 8, 2012 Election</u>	<u>Authorization Used, Series 2019 Bonds</u>	<u>Remaining at December 31, 2019</u>
Streets	\$ 65,000,000	\$ 1,802,427	\$ 63,197,573
Sanitary Sewer and Storm	65,000,000	2,817,590	62,182,410
Water	65,000,000	1,164,338	63,835,662
Parks and Recreation	65,000,000	568,344	64,431,656
Safety Protection	65,000,000	100,301	64,899,699
Operations and Maintenance	65,000,000	-	65,000,000
Refunding of Debt	120,000,000	-	120,000,000
Intergovernmental Agreements	120,000,000	-	120,000,000
Total	<u>\$ 630,000,000</u>	<u>\$ 6,453,000</u>	<u>\$ 623,547,000</u>

At December 31, 2022, with the issuance of the Series 2019 Bonds, The District had authorized but unissued indebtedness remaining in the amount of \$623,547,000 for public improvements and refunding.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt on behalf of the Districts for purposes of providing public improvements to support development as it occurs within the Districts' service areas. The Service Plans for the Districts limit the aggregate amount of debt that they may issue together with any debt issued by the Districts to \$25,000,000.

Developer Advances

The District entered into Funding and Reimbursement Agreement and Infrastructure Acquisition and Reimbursement Funding Agreement with Toll Southwest, LLC (the Developer), in 2019, for the purpose of funding certain operation and maintenance expenses and construction and acquisition of public improvements (see Agreement Note).

NOTE 6 NET POSITION

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

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

Restricted Net Position:

Emergencies	\$ 1,000
Total Restricted Net Position	<u>\$ 1,000</u>

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

NOTE 7 AGREEMENTS

Intergovernmental Agreement between Districts and the City of Wheat Ridge

On May 13, 2019, the District entered into the Intergovernmental Agreement (the IGA) with the City of Wheat Ridge (the City), Ward TOD Metropolitan District No. 2 and Ward TOD Metropolitan District No. 3. Pursuant to the IGA, the District agrees to dedicate the public improvements to the City or other appropriate jurisdiction in a manner contemplated under the approved development plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts are authorized, but not obligated, to own, operate and maintain public improvements not otherwise dedicated to the City or other public entity.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Cooperation Agreement with Wheat Ridge Urban Renewal Authority dba: Renewal Wheat Ridge

On October 1, 2019, the District entered into a Cooperation Agreement with Wheat Ridge Urban Renewal Authority dba: Renewal Wheat Ridge (the Authority). Under the terms of the Cooperation Agreement, the Authority and the District agreed that, in consideration for the District undertaking certain improvements and activities within the District pursuant to the Service Plan, the portion of revenues that the Authority receives as a result of certain incremental increases in property taxes which are attributable to all of the property tax revenues calculated, produced, allocated and paid to the Authority as a result of all ad valorem property tax levies of the District upon taxable property described in the I-70/Kipling Corridors Urban Renewal Plan (the Urban Renewal Plan), the (Tax Increment Revenues), shall be segregated upon receipt and shall be remitted by the Authority to the District on each April 15 and October 15. The terms of the Cooperation Agreement are in effect until the expiration of the TIF authorization granted pursuant to the Urban Renewal Plan, December 13, 2040.

Funding and Reimbursement Agreement (Operations and Maintenance) with Toll Southwest, LLC

On August 27, 2019, the District entered into the Funding and Reimbursement Agreement (Operations and Maintenance) with Toll Southwest, LLC (the Developer). On October 19, 2022, First Amendment to Funding and Reimbursement Agreement (collectively, the O&M Agreements) was entered into, effective as of January 1, 2021, by and between the District and Developer. Pursuant to the O&M Agreements, the Developer agrees to advance funds to the District, for operation and maintenance expenses, one or more sums of money, not exceed the aggregate of \$50,000 per annum for fiscal years 2019 through 2020, \$55,000 for fiscal year 2021, \$67,000 for fiscal year 2022, and \$77,000 for fiscal year 2023. The maximum amount to be advanced for Operations and Maintenance Expenses pursuant to the O&M agreements is two hundred and ninety nine thousand dollars (\$299,000). These funds shall be loaned to the District in one or a series of installments and shall be available to the District through December 31, 2023. The District agrees to repay these advances together with accrued interest at the rate of 8% per annum accruing from the date any such advance is made. The term of repayment under the O&M Agreements shall not extend beyond 20 years from the date of the O&M Agreements.

Infrastructure Acquisition and Reimbursement Agreement with Toll Southwest, LLC

On August 27, 2019, the District entered into the Infrastructure Acquisition and Reimbursement Agreement (the Agreement) with the Developer, pursuant to which the Developer agrees to make advances to the District the purpose of the acquisition, financing, construction, and installation of the public improvements. The District, upon the execution of the Agreement, the District agrees to acquire certain public infrastructure constructed or caused to be constructed by the Developer to be owned by the District or other governmental entities. The District agrees to repay these advances and reimburse the developer for the certified District eligible costs, together with accrued simple interest at the rate of 8% per annum from the date of payment or the date of the related acceptance resolution.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Water Cost Sharing Agreement with Ward Station Homeowners Association, Inc

The District entered into Water Cost Sharing Agreement with Ridge at Ward Station Homeowners Association, Inc. (the HOA) on July 27, 2022. The District owns two water meters that provide irrigation to Tracts owned, operated and maintained by the District and Tracts owned, operated and maintained by the HOA (the HOA Tracts). Pursuant to the Water Cost Sharing Agreement, the HOA agrees to reimburse the District for HOA's proportional share of water use based on square footage of the HOA Tracts.

NOTE 8 RELATED PARTIES

The Developer of the property within the District is Toll Southwest, LLC. The Developer has advanced funds to the District. The members of the Board of Directors of the District and the Districts hold direct or indirect ownership interests in the Toll Southwest, LLC or are otherwise associated with Toll Southwest, LLC and may have conflicts of interest in dealing with the District. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay for most of its operational and certain capital expenditures. Until an independent revenue base is established, continuation of the District's operation and financing of certain capital improvements are dependent upon Developer advances.

NOTE 10 RISK MANAGEMENT

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

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

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

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On May 8, 2012, a majority of the District's electors authorized the District to increase property taxes \$15,000,000 annually; increase fees \$15,000,000 annually and increase property taxes for intergovernmental agreements \$15,000,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

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

SUPPLEMENTARY INFORMATION

**WARD TOD METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 119,562	\$ 117,027	\$ (2,535)
Specific Ownership Taxes	8,369	8,771	402
TIF Reimbursement	8,087	8,323	236
Other Revenue	10,000	-	(10,000)
Net Investment Income	750	12,708	11,958
Total Revenues	<u>146,768</u>	<u>146,829</u>	<u>61</u>
EXPENDITURES			
General:			
County Treasurer's Fees	1,793	1,755	38
Paying Agent Fees	9,500	9,500	-
Bond Interest	257,250	257,250	-
Contingency	10,000	-	10,000
Total Expenditures	<u>278,543</u>	<u>268,505</u>	<u>10,038</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(131,775)	(121,676)	10,099
Fund Balance - Beginning of Year	<u>829,992</u>	<u>829,847</u>	<u>(145)</u>
FUND BALANCE - END OF YEAR	<u>\$ 698,217</u>	<u>\$ 708,171</u>	<u>\$ 9,954</u>

**WARD TOD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)-
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
General:			
Accounting	3,000	-	3,000
Legal	5,500	1,612	3,888
Capital Projects:			
Engineering	15,000	3,500	11,500
Capital Outlay	1,000,000	-	1,000,000
Total Expenditures	1,023,500	5,112	1,018,388
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,023,500)	(5,112)	1,018,388
OTHER FINANCING SOURCES (USES)			
Developer Advances	1,023,500	1,075	(1,022,425)
Total Other Financing Sources (Uses)	1,023,500	1,075	(1,022,425)
NET CHANGE IN FUND BALANCE	-	(4,037)	(4,037)
Fund Balance (Deficit) - Beginning of Year	-	(4,820)	(4,820)
FUND BALANCE (DEFICIT) - END OF YEAR	\$ -	\$ (8,857)	\$ (8,857)

OTHER INFORMATION

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$5,145,000 Senior Limited Tax General Obligation Bonds
Series 2019A
Dated December 5, 2019
Interest Rate 5.00%
Payable June 1 and December 1
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 257,250	\$ 257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026	40,000	257,250	297,250
2027	80,000	255,250	335,250
2028	90,000	251,250	341,250
2029	95,000	246,750	341,750
2030	105,000	242,000	347,000
2031	110,000	236,750	346,750
2032	125,000	231,250	356,250
2033	130,000	225,000	355,000
2034	145,000	218,500	363,500
2035	150,000	211,250	361,250
2036	165,000	203,750	368,750
2037	175,000	195,500	370,500
2038	190,000	186,750	376,750
2039	200,000	177,250	377,250
2040	220,000	167,250	387,250
2041	230,000	156,250	386,250
2042	250,000	144,750	394,750
2043	260,000	132,250	392,250
2044	280,000	119,250	399,250
2045	295,000	105,250	400,250
2046	320,000	90,500	410,500
2047	335,000	74,500	409,500
2048	360,000	57,750	417,750
2049	795,000	39,750	834,750
Total	<u>\$ 5,145,000</u>	<u>\$ 4,997,750</u>	<u>\$ 10,142,750</u>

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ 694,589	5.000	\$ 3,473	\$ 3,473	100.00%
2019	693,402	10.000	6,934	6,946	100.17
2020	717,523	75.419	54,115	54,452	100.62
2021	1,570,798	75.419	118,468	118,463	100.00
2022	1,978,875	75.419	149,245	146,081	97.88
Estimated for the Year Ending December 31, 2023	\$ 2,424,577	76.680	\$ 185,917		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

Ward Tod Metropolitan District No 1 Board of Directors Meeting July 25, 2023



The Management Trust[™]
Community Management. Built Differently.



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Ward Tod Metropolitan District No 1

BOARD OF DIRECTORS MEETING

Monday, July 25th

- Regular Session: 1:00 pm

This meeting will be held via Zoom and may be joined using the following link:

<https://us06web.zoom.us/j/84651790336?pwd=TWRKbTArNGNqZ2dPVlpOV2pyendsQT09>

Meeting ID: 846 5179 0336

Passcode: 182409

Call-in Number: 720-707-2699

If you are unable to attend, please notify:
The Management Trust at (303) 750-0994
by 12:00pm *the day before* the meeting.

Please note: This board packets contains confidential material for the sole use of the Board of Directors and may not be copied or distributed to anyone else unless authorized by the Board or Management.



The Management Trust™

3091 S Jamaica Ct Ste 100
Aurora, CO 80014
PH: (303) 750-0994 • FAX: (303) 679-0300
www.managementtrust.com

Ward Tod Metropolitan District No 1
Board of Directors Meeting
7.25.2023
DISTRICT MANAGERS REPORT

- I. PROOF OF HOMEOWNER NOTICE (attached)

- II. MANAGEMENT REPORT
 - A. Bookkeeping/Financial reporting:
 - 1. O&M Budget
 - 2. Board needs
 - 3. CLA needs
 - 4. Moving Operations and Maintenance Invoices away from CLA
 - 5. Additional funding prior to #3. above

- III. UNFINISHED/OLD BUSINESS
 - A. Landscaping Duties and Responsibilities
 - B. Parking enforcement, of Parking Rules and Regulations
 - 1. Needed
 - 2. Owner registration, and placards/stickers

- IV. NEW BUSINES
 - A. DRAFT Resolution: Establishing Operations and Maintenance Invoice Approval Procedures (attached)
 - B. DRAFT Resolution: Establishing Guidelines for Collection of Delinquent Fees and Charges (attached)
 - C. Log jams and pinch points

The next meeting is scheduled for: October 20, 2023
Location: Virtual



WARD TOD METROPOLITAN DISTRICT No. 1

C/O The Management Trust - 3091 S. Jamaica Ct. Suite 100 - Aurora, CO 80014
(303) 750-0994 – coinfo@managementtrust.com

NOTICE
REGULAR BOARD MEETING CANCELED
SPECIAL BOARD MEETING SCHEDULED FOR JULY 25TH

Tuesday, July 25, 2023 at 1:00 pm
Held via Zoom Teleconference
<https://wardmetrodistrict.org/>

Timothy Westbrook	Term to May 2027
Chris Ferguson	Term to May 2027
Matthew Foran	Term to May 2027
Ben Both	Term to May 2025
Kyle Ninness	Term to May 2025

This meeting will be held via Zoom and may be joined using the following link:

<https://us06web.zoom.us/j/84651790336?pwd=TWRKbTArNGNqZ2dPVlpQV2pyendsQT09>

Meeting ID: 846 5179 0336
Passcode: 182409
Call-in Number: 720-707-2699

Once final, agendas are posted to the District’s website at <https://wardmetrodistrict.org/>.
Final agendas will also be distributed to Property Owners and the Board of Directors, via the
Ward TOD Metropolitan District No. 1 homeowner portal at
https://my.managementtrust.com/home_v2/Login

Sincerely,

The Management Trust Colorado
Community Management. Built Differently.
(303) 750-0994 | managementtrust.com



**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
WARD TOD METROPOLITAN DISTRICT NO. 1**

ESTABLISHING OPERATIONS AND MAINTENANCE INVOICE APPROVAL PROCEDURES

WHEREAS, Ward Tod Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the Board of Directors of the District (the “**Board**”) wishes to establish an invoice approval procedure for expenses related to the operations and maintenance of the District (collectively, the “**Operations and Maintenance Expenses**”); and

WHEREAS, the Board employs a District Manager (the “**District Manager**”) pursuant to that certain Independent Contractor Agreement between the District and The Management Association, Inc. d/b/a The Management Trust – PMA Colorado Division dated April 20, 2023 (the “**Agreement**”) to oversee the operations and maintenance of the District; and

WHEREAS, by this Resolution (the “**Resolution**”), the District desires to set forth procedures for the processing and payment of Operation and Maintenance Expenses incurred in the District Manager’s performance of operations and maintenance duties on behalf of the District; and

WHEREAS, the guidelines set forth in this Resolution are intended to create orderly and timely procedures for the processing and payment of Operation and Maintenance Expenses of the District, and any deviation from these guidelines shall not affect the status of the obligations of the District, in any way; and

WHEREAS, notwithstanding anything in this Resolution to the contrary, any deviation from the guidelines set forth in this Resolution shall not affect the status of the obligations within the Agreement in any way it being the intention of the District and the District Manager that the Agreement shall control in the event of a conflict between the Agreement and the terms of this Resolution.

NOW, THEREFORE, the Board hereby RESOLVES:

1. **Guidelines:**

A. **Payment Approval.** District Manager, on the basis of an operation schedule, job standards and compensation rates set forth in an applicable third-party Independent Contractor Agreement of the District, shall investigate, secure and approve payment of third parties in order to maintain and operate the District. Payment of the Operations and Maintenance Expenses incurred by the District via services performed by third-party contractors shall be made with District funds.

i. Notwithstanding the foregoing, the guidelines set forth in this Resolution are intended to create orderly and timely procedures for the processing and payment of Operation and Maintenance Expenses of the District the event any or all of the guidelines set forth in this Resolution are not followed, such deviation shall not affect the status of the mutual or individual obligations of the District or District Manager in any way. Further, the Board may waive any guidelines set forth in this Resolution and may amend them from time to time as it deems necessary.

B. **Payment Processing.** The District's Manager is responsible for issuing all payments for Operations and Maintenance Expenses approved by the District or the District Manager for services performed by all third-party contractors using District funds.

C. **District Funding of Operations and Maintenance Bank Account(s).** On occasion, and from time to time as may be necessary, District Manager will request approval for additional Operations and Maintenance Expense funding from the Board, via affirmative vote of the majority of the Board via Resolution. With Board approved Resolution, District Manager will request a transfer of District funds via check or electronic method, from the Accounting Firm of the District.

D. **Accounting/Bookkeeping.** Working with the District's Accountant, District Manager will classify/code, and enter Operations and Maintenance Expense invoices in the bookkeeping system using the method of the Districts choosing, so that Operations and Maintenance Expenses are reflected in the proper ledger accounts.

E. **Reconciling.** Working with the District's Accountant, the District Manager will assist with the reconciliation of Operations and Maintenance Expenses with the District's annual budget and identify specific and justifiable causes of any variances.

F. **Approval of Financial Reporting.** Working with the District's Accountant, the District Manager will assist with the preparation of financial reporting of Operations and Maintenance Expenses for Board Approval.

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**BOARD SIGNATURE PAGE
FOR RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
WARD TOD METROPOLITAN DISTRICT NO. 1**

ESTABLISHING OPERATIONS AND MAINTENANCE INVOICE APPROVAL PROCEDURES

Effective July 25, 2023, WARD TOD METROPOLITAN DISTRICT No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado. District hereby adopts the following resolution regarding establishing Operations and Maintenance Expenses invoice approval procedures.

1. Amendment. This Resolution may be amended from time to time by the Board of Directors.

The undersigned, being the President of WARD TOD METROPOLITAN DISTRICT No. 1, certifies that this Resolution was adopted by the Board of Directors of WARD TOD METROPOLITAN DISTRICT No. 1, on _____, 20__ .

WARD TOD METROPOLITAN DISTRICT NO. 1
a quasi-municipal corporation and political
subdivision of the state of Colorado,

By: _____
President

(END OF DOCUMENT)

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
WARD TOD METROPOLITAN DISTRICT NO. 1

ESTABLISHING THE GUIDELINES, POLICIES AND PROCEDURES FOR THE
PROCESSING AND COLLECTION OF DELINQUENT FEES, FINES AND OTHER CHARGES

WHEREAS, Ward Tod Metropolitan District No. 1 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (the "Board") is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District (collectively, the "Fees") to properties within and without (each property individually referred to herein as the "Property") the District's boundaries; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., until paid, the Fees shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics' liens; and

WHEREAS, by this Resolution (the "Resolution"), the District desires to set forth guidelines for the processing and collection of unpaid and/or delinquent Fees imposed by the District, together with any and all District Late Charges, District Interest Charges, Costs of Collections, Legal Fees and Court Costs, District Approved Fines, Penalties and Other Charges, Unpaid Imposed District Fee (each defined separately in this Resolution), (collectively, the "Delinquent Fees and Charges"); and

WHEREAS, notwithstanding anything in this Resolution to the contrary, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and collection of Delinquent Fees and Charges and any deviation from the guidelines shall not affect the status of the Lien (as defined below) in any way.

NOW, THEREFORE, the Board hereby RESOLVES:

1. Statement of Lien Guidelines:

A. Perpetual Lien: Pursuant to § 32-1-1001(1)(j)(I), C.R.S., all Delinquent Fees and Charges shall constitute a perpetual lien on and against the Property served by the District (the "Lien"). All such Liens shall, to the fullest extent permitted by law, have priority over all other liens of record affecting the Property and shall run with the Property and remain in effect until paid in full. All Liens contemplated herein may be foreclosed as authorized by law at such time as the District, in its sole discretion, may determine.

i. Notwithstanding the foregoing, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the processing and collection of Delinquent Fees and Charges and to provide additional notice to interested parties, including, but not limited to, title companies and the Property owner. In the event any or all of the guidelines set forth in this Resolution are not followed, such deviation shall not affect the status of the Lien in any way. Further, the Board may waive any guidelines set forth in this Resolution and may amend them from time to time as it deems necessary.

B. District's Manager Procedures. The District's Manager, Accountant or Billing Agent (any of which are referred to herein as the "Manager") is responsible for collecting Fees imposed by the District against the Property (the "Property owner"). In the event payment of Fees is delinquent, the Manager may perform the procedures listed below. The Fees are considered delinquent when they have not been paid by their corresponding due date (the "Delinquent Account"):

i. Notices, Payments, and Consequences of Nonpayment. Unless otherwise required by law, all notices will be sent by first-class mail, postage prepaid, to the Property owner's address as shown in District's books and records, and emailed to Owner's email if email has been provided to the District's books and records; at the time the notice is written. All amounts due must be paid in full before the notice period expires. If the notice period expires without full payment, the consequences set forth in the notice and/or in this policy shall apply.

- a. Fifteen (15) Calendar Days Past Due: A delinquent payment "Reminder Letter" may be sent to the address of the last known Property owner via the methods described in Section 1.(B).(i.) above. Along with the Reminder Letter, a copy of the most recent account ledger reflecting the total amount due and owing to the District according to the records of the Manager may also be sent. In the event the above mailing is returned as undeliverable, the Manager may send a second copy of the Reminder Letter to: (1) the Property Address; and (2) the address of the last known owner of the Property as found in the real property records of the County Assessor's Office (the "Assessor") for the County in which the District is located (collectively, the "Property Address"). Said Reminder Letter may: (1) request prompt payment; (2) notify the Property owner that a Reminder Letter Fee, and a Late Fee in the amounts set forth in this Resolution have been assessed; and (3) reference the URL address of the District's webpage where this Resolution is displayed, if available and requested by the Board.
- b. Fifteen (15) Calendar Days From the Due Date of the Reminder Letter: A "Warning Letter" may be sent to the Property owner, and Property Address via the methods described in Section 1.(B).(i.) above: (1) requesting prompt payment; (2) warning of further legal action should the Property owner fail to pay the total amount due and owing; and (3) referencing the URL address of the District's webpage where this Resolution is displayed, if available. Along with the Warning Letter, a copy of the most recent account ledger reflecting the total amount due and owing to the District according to the records of the Manager may also be sent.
- c. Ten (10) Calendar Days from the Due Date of the Warning Letter: Once the total amount of Delinquent Fees and Charges owing on the Property has exceeded Two Hundred Fifty Dollars (\$250.00), regardless of whether the Manager has performed the tasks outlined in Section 1.(B) of this Resolution, the Manager may refer the Delinquent Account to the District's General Counsel (the "General Counsel"). At the time of such referral, the Manager may be requested to provide General Counsel with copies of all notices and letters sent pursuant to Section 1.(B), if any, as well as a copy of the most recent ledger for the Delinquent Account.

ii. Waiver of Late Fees, Interest and Costs of Collections:

- a. The Manager and General Counsel each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Late Fees and Interest. Such action is permitted if either the Manager or General Counsel, in its discretion, determines that such waiver or reduction will facilitate the payment of Delinquent Fees and Charges. Notwithstanding the foregoing, neither the Manager nor General Counsel shall have the authority to waive Late Fees and Interest which, in the aggregate, exceeds One Thousand Dollars (\$1,000.00). In such case, the person or entity owing in excess of One Thousand Dollars (\$1,000.00) in Late Fees and Interest combined and requesting such a waiver shall first submit a request, in writing, to the Board, and the Board may make the determination in its sole discretion.
- b. Neither the Manager nor General Counsel is authorized to waive any portion of the Fees or Costs of Collections. Should the Property owner desire a waiver of such Fees and/or Costs of Collections, the person or entity owing may submit a written request to the Board and the Board may make the determination in its sole discretion.
- c. Any waiver or reduction of Late Fees or Interest granted pursuant to Sections ii(a) or ii(b) hereof shall not be construed as a waiver or reduction of future Late Fees and Interest, or as the promise to waive or reduce future Late Fees or Interest. Nor shall any such waiver or reduction be deemed to bind, limit, or direct the future decision-making power of the Board, Manager, or General Counsel, whether related to the Property in question or other properties within the District.

C. General Counsel Procedures. Upon referral of a Delinquent Account from the Manager, General Counsel may perform the following:

i. Upon Referral of the Delinquent Account From the Manager: A "Demand Letter" may be sent to the Property Address, notifying the Property owner that the Property has been referred to General Counsel for further collections enforcement, including the filing of a statement of lien against the Property. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the District according to the records of the Manager may also be sent.

ii. No Sooner than Thirty (30) Calendar Days from the Postmark Date of the Demand Letter: A Notice of Intent to File a Statement of Lien, along with a copy of the statement of lien to be filed, may be sent to the Property Address of the Delinquent Account notifying the Property owner that a statement of lien will be recorded with the clerk and recorder of the County where the Property is located (the "Clerk and Recorder") within no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien.

iii. No Sooner than Ten (10) Calendar Days from the Postmark Date of the Notice of Intent to File a Statement of Lien: A Statement of Lien for the total amount due and owing as of the date of the Statement of Lien may be recorded against the Property with the Clerk and Recorder no sooner than ten (10) days from the postmark date of the Notice of Intent to File a Statement of Lien is sent to the Property. Notwithstanding the amount due and owing reflected on the Statement of Lien, all Delinquent Fees and Charges will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the District is paid in full.

D. Foreclosure or Bankruptcy. In circumstances where the Property is being foreclosed upon or where the owner of the Property has declared or is declaring bankruptcy and notice of such bankruptcy action has been provided to the District, the Manager may be permitted, in his or her discretion, to refer the Delinquent Account directly to General Counsel in order to avoid unnecessary, costly and time-consuming procedures. Upon referral of the Delinquent Account to General Counsel, General Counsel may, in his or her discretion, immediately file a Statement of Lien on the Property. Further, when a Delinquent Account has a balance of Two Thousand Four Hundred Dollars (\$2,400.00) or greater, General Counsel is authorized to recommend the Delinquent Account for a foreclosure action. Any foreclosure action shall be approved by the Board of Directors of the District. The District may, at its option, forward a copy of the foreclosure warning letter to any and all deed of trust holders and/or counsel for any and all deed of trust holders of record.

2. Payment Remittance Instructions, Application of Payment, and Late Charges.

A. Payment Remittance: Payments can be made by sending a check made out to "WARD TOD METROPOLITAN DISTRICT 1" to:

WARD TOD METROPOLITAN DISTRICT 1
AAB – PO Box 97046
Las Vegas, NV 89193-7046

or, via the my.managementtrust.com owner portal.

B. Application of Payments: All delinquent accounts remain delinquent until paid in full. No partial payments will waive District's right to pursue full payment and/or to enforce the provisions of this policy. District will apply partial payments to the outstanding balance in the following order:

1. First to, District Late Charges: Late fees assessed by the District when payment of Delinquent Fees and Charges are not paid by the due date. When these charges are paid in full, then;
2. District Interest Charges: Interest charges assessed by the District when Delinquent Fees and Charges are not paid by the due date.
3. Costs of Collections: incurred by the Managing Agent in the effort to collect. When these charges are paid in full, then;
4. Legal Fees and Court Costs: Incurred by the District in the effort to collect. When these charges are paid in full, then;
5. District Approved Fines, Penalties and Other Charges: Assessed by the District or charged by the District, for repair or replacement of District property due to failure to comply with any District rules, policies or procedures. When these charges are paid in full, then;
6. The Earliest Imposed Unpaid District Fee: The earliest imposed fee that remains uncollected by the District. When these charges are paid in full, then;

7. Any Successive Unpaid District Fee: In chronological order from the earliest uncollected District Fees, to the most recently imposed District Fees.

C. Late Charges:

i. Late Fees are assessed on the Property for failure to make timely payments of Fees. Late Charges are applied, regardless of whether the Charges are assessed on a one-time, monthly, quarterly, semi-annual, annual, or any other basis.

ii. Late Charges are assessed on the Property Fifteen (15) calendar days from the payment due date. Pursuant to § 29-1-1102, C.R.S., such Late Fee may be charged by either of the following two methods, whichever is greater:

- a. One Late Charge of Fifteen Dollars (\$15.00) may be assessed on the Property per each assessment or installment of Fees not fully paid prior to the Fifteenth (15) calendar day following the payment due date; or
- b. In lieu of Section 1(B)(i)(1)) above, a Late Charges of Five Percent (5%) per month, commencing on the Fifteenth (15) calendar day following the payment due date, and each month thereafter, may be charged on unpaid Fees until the Late Fee equals Twenty Five Percent (25%) of all outstanding Fees.

iii. Partial payment of any outstanding Delinquent Fees and Charges will not prevent the imposition of Late Fees pursuant to this Section 2.

iv. No penalty will be assessed on the Property for a credit balance resulting from the prepayment and/or overpayment of Fees. Such credit balances will be carried forward on the account with all subsequent Fees and Delinquent Fees and Charges being deducted until such time as the credit balance is depleted. A Property carrying a credit balance may be assessed Late Fees as provided herein at such time as the credit balance is insufficient to pay the entire amount of Fees due and owing the District.

3. Interest Charges: Interest charges accrue on all delinquent Fees at the maximum statutory rate of Eighteen Percent (18%) per annum. Interest shall not accrue and be charged on Late Fees, Interest or Costs of Collections. §29-1-1102, C.R.S.

A. Costs of Collections, Legal Fees, Court Cost:

i. Include, but are not limited to, attorneys' fees and all costs, fees and charges associated with the processing and/or collection of Delinquent Fees and Charges, including the following fixed rates and hourly fees and costs:

- a. Action Fees. The following fixed rate fees are charged to a Delinquent Account once the corresponding action has been taken by either the Manager or General Counsel:

- 1) Reminder Letter Fee: Ten Dollars (\$10.00) per Reminder Letter. This action is typically performed by the Manager.

- 2) Warning Letter Fee: Ten Dollars (\$10.00) per Warning Letter sent. This action is typically performed by the Manager.
- 3) Return Check Fee: Forty Dollars (\$40.00) per returned payment. This action is typically performed by the Manager.
- 4) Manager Payment Plan Fee: Two Hundred Fifty Dollars (\$250.00) per Payment Plan prepared. Fifteen Dollar (\$15.00) per month per Payment Plan for monitoring. This action is performed by the Manager.
- 5) Attorney Transfer Fee: Two Hundred Fifty (\$250.00) per Delinquent Account transferred from the Manager to General Counsel. This action is performed by the Manager.
- 6) Demand Letter Fee: One Hundred Fifty Dollars (\$150.00) per Demand Letter sent. This action is performed by General Counsel.
- 7) Follow up Demand Letter Fee: Fifty Dollars (\$50.00) per Follow up Demand Letter sent. This action is performed by General Counsel.
- 8) Notice of Intent to File a Statement of Lien Fee: One Hundred Twenty Dollars (\$120.00) per Notice of Intent to File a Statement of Lien sent. This action is performed by General Counsel.
- 9) Lien Recording Fee: One Hundred Fifty Dollars (\$150.00) per each lien recorded on the Property. This action is performed by General Counsel.
- 10) General Counsel Payment Plan Fee: Two Hundred Fifty Dollars (\$250.00) per Payment Plan prepared. This action is performed by General Counsel.
- 11) Default Letter Fee: Seventy Dollars (\$70.00) per Default Letter prepared. This action is performed by General Counsel.
- 12) Monitoring Bankruptcy Fee: One Hundred Dollars (\$100.00) for monitoring Chapter 7 bankruptcies. Three Hundred and Fifty Dollars (\$350.00) for monitoring Chapter 13 or Chapter 11 bankruptcies. These actions are performed by General Counsel.
- 13) Monitoring Public Trustee Foreclosure Fee: Two Hundred Dollars (\$200.00) per Public Trustee Foreclosure action monitored. This action is performed by General Counsel.
- 14) Attorney Reminder Letter Fee: One Hundred Dollars (\$100.00) per Reminder Letter. This action is performed by General Counsel.
- 15) Certificate of Status Fee: One Hundred Dollars (\$100.00) per Status Letter prepared. This action is performed by General Counsel.
- 16) Foreclosure Warning Letter Fee: One Hundred Dollars (\$100.00) per Foreclosure Warning Letter prepared. This action is performed by General Counsel.

17) Lien Release Fee: One Hundred Fifty Dollars (\$150.00) per lien that is released. This action is performed by General Counsel. It is recommended that the Lien Release Fee be charged to the Delinquent Account at the same time as the Lien Recording Fee.

- b. Attorney Hourly Fees and Costs. Upon transfer of a Delinquent Account to General Counsel, all hourly attorneys' fees and costs, including, but not limited to, litigation and expert witness fees and costs, litigation guarantees, service of process and/or publications incurred by the District to collect or defend the Delinquent Fees and Charges are assessed to the Delinquent Account and become part of the perpetual Lien on the Property. All such hourly attorneys' fees and costs shall be reasonable.
- c. Recovery of Costs of Collections. In accordance with § 29-1-1102(8), C.R.S., nothing in this Resolution shall be construed to prohibit the District from recovering all Costs of Collections whether or not outlined above.

B. Penalties: May be charged on Delinquent Accounts at a rate determined by the Board and may include, but are not limited to, pro-rated costs associated with collection efforts on behalf of the District for all Delinquent Accounts combined.

C. Payment Plans. The Manager and General Counsel each have the authority to enter into or establish payment plans for the repayment of a Delinquent Account. Should the Manager or General Counsel elect not to enter into a payment plan with the Property owner, the Property owner may submit a written request to the Board if the matter has not already been referred to a collection agency and/or attorney, in which event the payment plan request needs to be in writing to the collection agency and/or attorney. If the matter has not already been referred to a collection agency and/or attorney, the Board may make the determination in its sole discretion, however the Board is not obligated to accept all payment plans.

D. Acceleration and Decelerations of Fees. The District reserves the right to accelerate and call due an entire unpaid annual Fee on any delinquent account. Such acceleration shall result in the entire unpaid annual Fee being due to the District immediately. The District also reserves the right to decelerate any accelerated Fee.

E. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Service Plan shall have the same meaning herein.

F. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Service Plan and the law of the State of Colorado governing the District.

G. Ratification of Past Actions: All acts, omissions, waivers and/or payment plans heretofore undertaken by the Manager or General Counsel that would otherwise have been authorized by or not required by this Resolution are hereby affirmed, ratified and made effective as of the date said acts, omissions, waivers and/or payment plans occurred.

H. Additional Actions: The Board directs its officers, staff and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of this Resolution.

I. Deviations: The District may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

J. Supersedes Prior Resolutions: This Resolution shall supersede and replace in their entirety all prior resolutions addressing the processing and/or collection of Delinquent Fees and Charges, including the Prior Policy. To the extent that any term or provision in this Resolution conflicts with any term or provision in a previously enacted and valid resolution of the District, the term or provision in this Resolution shall prevail.

K. Severability: If any term, condition or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, condition or provision shall not affect any other provision contained in this Resolution, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

L. Savings Provision: The failure to comply with the procedures set forth herein shall not affect the status of the Delinquent Fees and Charges as a perpetual Lien subject to foreclosure in accordance with law. Failure by the Manager, General Counsel or other authorized representative to take any action in accordance with the guidelines provided herein shall not invalidate subsequent efforts to collect the Delinquent Fees and Charges.

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