

**ERIE FARM METROPOLITAN DISTRICT  
2022 ANNUAL REPORT  
TOWN OF ERIE**

Pursuant to Section VII of the Erie Farm Metropolitan District’s (the “District”) Amended and Restated Service Plan approved on March 12, 2013 (“Service Plan”) and pursuant to section 32-1-207(3)(c), C.R.S., the District is required to provide an annual report to the Town of Erie no later than August 1st of each year for the prior fiscal year. The District submits the following annual report for the year ending December 31, 2022 (the “Reporting Year”).

**1. A narrative summary of the progress of the District in implementing its Service Plan.**

Construction of the first phase of public infrastructure was completed in 2015 and 2016, and accepted by the District. The District held a TABOR Election on November 3, 2015 to address discrepancies in voter authorized debt categories approved by voters at the District’s Organizational/TABOR Election held on November 7, 2006. The District issued General Obligation Bonds in March, 2016. The District issued its \$13,000,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021, on October 19, 2021, to refinance its outstanding debt and reimburse for previous public improvement expenditures. Details of the 2021 bonds are shown in the 2023 budget, attached hereto as **Exhibit A**.

**2. Unless an exemption from audit is filed, audited financial statements of the District for the fiscal year including a statement of financial condition (i.e. balance sheet) as of December 31 of the fiscal year and the statement of operations (i.e. revenues and expenditures for the fiscal year.**

The District’s 2022 audit is attached hereto as **Exhibit B**.

**3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the fiscal years.**

The District financed and acquired capital improvements constructed by developer entities during 2016 and 2017. Reimbursements can be found in the financial statements.

**4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the fiscal year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the fiscal year, the amount of payment or retirement of existing indebtedness of the District in the fiscal year, the total assessed valuation of all taxable properties within the District as of January 1 of the fiscal year, and the current mill levy of the District pledged to debt retirement in the fiscal year.**

Information is contained in the District’s 2023 budget, attached hereto as **Exhibit A**.

**5. The final assessed valuation of the District as of December 31, of the Reporting Year.**

The District's final assessed valuation for the Reporting Year was \$16,714,762.

**6. The District's budget for the calendar year in which the annual report is submitted.**

The District's adopted 2023 Budget is attached hereto as **Exhibit A**.

**7. A summary of residential and commercial development which has occurred within the District for the fiscal year.**

The Compass Subdivision consists of four filings: Compass Filing No. 1 was approved by the Town on February 10, 2015 and recorded in the real property records of the County on February 13, 2015 at Reception No. 03427560, and amended by an Affidavit of Correction recorded on March 10, 2015 at Reception No. 03432150 (collectively, "Filing No. 1"). Filing No. 1 generally includes the southeast quadrant of the development and further subdivides that portion of the property into 152 single family detached lots.

Filing No. 2 consisting of the 59 single family detached lots. Filing No. 3 consists of 146 single family detached lots. Filing 4 will consist of 146 paired homes. The total buildout is 513 units.

**8. A summary of all taxes, fees, charges and assessments imposed by the District as of January 1 of the fiscal year.**

The District certified 47.309 mills for debt service in 2022, for collection in 2023, and 3.476 mills for operations and administration.

**9. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.**

No boundary changes were made or proposed during the Reporting Year.

**10. Intergovernmental agreements with other governmental entities either, either entered into, terminated, or proposed as of December 31 of the prior year.**

The District did not enter into any intergovernmental agreements with other governmental entities during the Reporting Year. Further, no intergovernmental agreements were terminated or proposed.

**11. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.**

The District did not adopt rules and regulations during the Reporting Year. The District's website is: [www.eriefarmmd.com](http://www.eriefarmmd.com).

**12. A summary of any litigation which involves the District public improvements as of December 31 of the prior year.**

There is no litigation or notices of claim, pending or threatened which involves public improvements, against the District of which the District is aware for the Reporting Year.

**13. Status of the District's construction of the public improvements as of December 31 of the prior year.**

No public improvements were constructed by the District during the Reporting Year.

**14. All facilities and improvements constructed by the District that have been dedicated to and accepted by the Town as of December 31 of the prior year.**

No facilities or improvements were dedicated to the Town of Erie during the Reporting Year.

**15. The name, business address and telephone number of each member of the board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the board.**

Board Contact/Term Information:

Benazir Rowe 753 Drake Avenue Erie, CO 80516 (702) 302-9490	Term Expires: May 2025
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Kurt Mooney 779 Byrd Drive Erie, CO 80516 (303) 653-8807	Term Expires: May 2027
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Keenan Bartlett 809 Byrd Dr. Erie, CO 80516 (570) 872-4152	Term Expires: May 2027
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Vacancy	Term Expires: May 2025
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Vacancy	Term Expires: May 2025
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General Counsel and Contact for the District:

Tom George

c/o Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203  
[tgeorge@spencerfane.com](mailto:tgeorge@spencerfane.com)  
(303) 839-3800

2023 Meeting Dates and Location:

At 11:30 a.m. on June 16, 2023 and October 20, 2023 via Zoom telephone and videoconference.

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

None.

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

None.

The foregoing annual report is submitted by the undersigned, Counsel for the District on behalf of the Erie Farm Metropolitan District, dated this 28th day of July, 2023.

SPENCER FANE LLP

*/s/ Thomas N. George*  
Thomas N. George, Counsel for the District

*This annual report must be electronically filed with the governing body with jurisdiction over the special district, the division, and the state auditor, and such report must be electronically filed with the county clerk and recorder for public inspection, and a copy of the report must be made available by the special district on the special district's website pursuant to section 32-1-104.5 (3).*

**Exhibit A**

(2023 Budget)

**RESOLUTION  
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
ERIE FARM METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE ERIE FARM METROPOLITAN DISTRICT, BOULDER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Erie Farm Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 31, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 66,289.00; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 902,203.00; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$ -0-; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Boulder County is \$ 19,070,430.00; and

WHEREAS, at an election held on November 16, 2006, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ERIE FARM METROPOLITAN DISTRICT OF BOULDER COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Erie Farm Metropolitan District for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 3.476 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 47.309 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Boulder County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Boulder County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

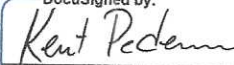
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*



ADOPTED this 31<sup>st</sup> day of October, 2022.

ERIE FARM METROPOLITAN DISTRICT

DocuSigned by:  
  
E204B2F6C3C84D1...  
\_\_\_\_\_  
President

ATTEST:

DocuSigned by:  
  
D2E394E77E9B4B1  
\_\_\_\_\_  
Secretary

NOTICE OF HEARING ON PROPOSED 2023 BUDGET  
AND 2022 BUDGET AMENDMENT

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2023 has been submitted to the Erie Farm Metropolitan District ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 11:30 a.m. on October 20, 2022, via telephone and videoconference. To attend and participate by telephone, dial 1-253-215-8782 and enter passcode 20717. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing by contacting District Manager, by email at [angela@teleos-services.com](mailto:angela@teleos-services.com) or by telephone at 303-818-9365.

NOTICE IS FURTHER GIVEN that an amendment to the 2022 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2023 budget and the amended 2022 budget, if required, are available for public inspection at the offices of Clifton-Larson-Allen, LLP, located at 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111. Please contact Carrie Beacom by email at [Carrie.Beacom@claconnect.com](mailto:Carrie.Beacom@claconnect.com) or by telephone at 303-295-7858 to make arrangements to inspect the budget(s) prior to visiting the foregoing office. Any interested elector within the District may, at any time prior to final adoption of the 2023 budget and the amended 2022 budget, if required, file or register any objections thereto.

ERIE FARM METROPOLITAN DISTRICT  
By: /s/ Kent Pedersen, President

Published: Colorado Hometown Weekly October 12, 2022-1925964

Prairie Mountain Media, LLC

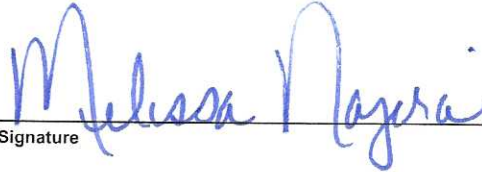
PUBLISHER'S AFFIDAVIT

County of Boulder  
State of Colorado

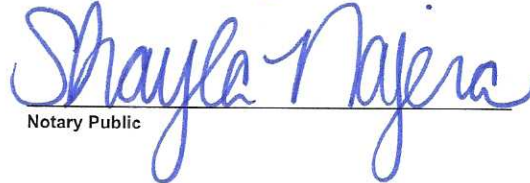
The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Colorado Hometown* in Boulder County on the following date(s):

Oct 12, 2022

  
\_\_\_\_\_  
Signature

Subscribed and sworn to me before me this  
12<sup>th</sup> day of October 2022.

  
\_\_\_\_\_  
Notary Public

(SEAL)

SHAYLA NAJERA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174031965  
MY COMMISSION EXPIRES July 31, 2025

Account: 1093200  
Ad Number: 1925964  
Fee: \$31.90

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Boulder County, Colorado.

On behalf of the Erie Farm Metropolitan District,  
(taxing entity)<sup>A</sup>

the Board of Directors,  
(governing body)<sup>B</sup>

of the Erie Farm Metropolitan District,  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 19,070,430 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 19,070,430 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/07/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	3.476 mills	\$ 66,289
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>3.476 mills</b>	<b>\$ 66,289</b>
3. General Obligation Bonds and Interest <sup>J</sup>	47.309 mills	\$ 902,203
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify): _____	mills	\$
_____	mills	\$
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b>50.785 mills</b>	<b>\$ 968,492</b>

Contact person: Debra Hessler Daytime phone: (303) 779 - 5710  
 (print)  
 Signed: Debra Hessler Title: Board Member  
DocuSigned by: Debra Hessler 997811F3070C4EA...

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>l</sup>:**

1.	Purpose of Issue:	Capital Improvements
	Series:	General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021
	Date of Issue:	October 21, 2021
	Coupon Rate:	5.00%
	Maturity Date:	December 1, 2051
	Levy:	47.309
	Revenue:	\$902,203

2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

**CONTRACTS<sup>k</sup>:**

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**ERIE FARM METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**ERIE FARM METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,127,483	\$ 48,461	\$ 121,268
REVENUE			
Property taxes	691,523	848,775	968,492
Specific ownership tax	34,230	35,806	36,088
Interest income	692	4,760	4,300
Bond proceeds	13,000,000	-	-
Bond premium	2,517,523	-	-
Total revenue	<u>16,243,968</u>	<u>889,341</u>	<u>1,008,880</u>
TRANSFERS IN	7,583,245	15,604	-
Total funds available	<u>24,954,696</u>	<u>953,406</u>	<u>1,130,149</u>
EXPENDITURES			
General Fund	46,327	48,627	59,700
Debt Service Fund	9,693,418	767,907	776,753
Capital Projects Fund	7,583,245	-	-
Total expenditures	<u>17,322,990</u>	<u>816,534</u>	<u>836,453</u>
TRANSFERS OUT	7,583,245	15,604	-
Total expenditures and transfers out requiring appropriation	<u>24,906,235</u>	<u>832,138</u>	<u>836,453</u>
ENDING FUND BALANCES	<u>\$ 48,461</u>	<u>\$ 121,268</u>	<u>\$ 293,695</u>
EMERGENCY RESERVE	\$ -	\$ 2,000	\$ 2,000
AVAILABLE FOR OPERATIONS	24,801	48,267	55,956
DEBT SERVICE RESERVE	23,660	71,002	235,740
TOTAL RESERVE	<u>\$ 48,461</u>	<u>\$ 121,268</u>	<u>\$ 293,695</u>

No assurance provided. See summary of significant assumptions.

**ERIE FARM METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential - Single Family	\$ 10,207,447	\$ 14,725,229	\$ 18,021,625
Commercial	1,615	-	5,297
State assessed	217	233	-
Vacant land	2,138,634	1,915,800	650,195
Personal property	67,351	73,181	392,994
Natural resources	319	319	319
	<u>12,415,583</u>	<u>16,714,762</u>	<u>19,070,430</u>
 Certified Assessed Value	 <u>\$ 12,415,583</u>	 <u>\$ 16,714,762</u>	 <u>\$ 19,070,430</u>
 <b>MILL LEVY</b>			
General	4.359	3.888	3.476
Debt Service	51.305	46.897	47.309
 Total mill levy	 <u>55.664</u>	 <u>50.785</u>	 <u>50.785</u>
 <b>PROPERTY TAXES</b>			
General	\$ 54,119	\$ 64,987	\$ 66,289
Debt Service	636,981	783,872	902,203
 Levied property taxes	 <u>691,101</u>	 <u>848,859</u>	 <u>968,492</u>
Adjustments to actual/rounding	(1)	-	-
Refunds and abatements	423	(84)	-
Budgeted property taxes	<u>\$ 691,523</u>	<u>\$ 848,775</u>	<u>\$ 968,492</u>
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ 54,153	\$ 64,981	\$ 66,289
Debt Service	637,370	783,794	902,203
	<u>\$ 691,523</u>	<u>\$ 848,775</u>	<u>\$ 968,492</u>

No assurance provided. See summary of significant assumptions.



**ERIE FARM METROPOLITAN DISTRICT  
GENERAL FUND  
- 2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 16,897	\$ 24,761	\$ 50,267
REVENUE			
Property taxes	54,153	64,981	66,289
Interest income	38	1,300	1,100
Total revenue	<u>54,191</u>	<u>66,281</u>	<u>67,389</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>7,852</u>	<u>-</u>
Total funds available	<u>71,088</u>	<u>98,894</u>	<u>117,656</u>
EXPENDITURES			
General and administrative			
Accounting	20,935	25,300	29,500
Auditing	5,400	4,500	4,950
County Treasurer's fee	813	975	994
Dues and licenses	272	308	450
Insurance and bonds	2,044	2,044	2,500
District management	4,418	4,500	4,900
Legal services	12,413	8,500	9,800
Miscellaneous	32	500	1,606
Election	-	2,000	5,000
Total expenditures	<u>46,327</u>	<u>48,627</u>	<u>59,700</u>
Total expenditures and transfers out requiring appropriation	<u>46,327</u>	<u>48,627</u>	<u>59,700</u>
ENDING FUND BALANCE	<u>\$ 24,761</u>	<u>\$ 50,267</u>	<u>\$ 57,956</u>
EMERGENCY RESERVE	\$ -	\$ 2,000	\$ 2,000
AVAILABLE FOR OPERATIONS	<u>24,761</u>	<u>48,267</u>	<u>55,956</u>
TOTAL RESERVE	<u>\$ 24,761</u>	<u>\$ 50,267</u>	<u>\$ 57,956</u>

No assurance provided. See summary of significant assumptions.

**ERIE FARM METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,110,586	\$ 23,660	\$ 71,002
<b>REVENUE</b>			
Property taxes	637,370	783,794	902,203
Specific ownership tax	34,230	35,806	36,088
Interest income	614	3,400	3,200
Bond proceeds	13,000,000	-	-
Bond premium	2,517,523	-	-
Total revenue	16,189,737	823,000	941,491
Total funds available	17,300,323	846,660	1,012,493
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	9,565	11,757	13,533
Contingency	-	-	4,070
Debt Service			
Bond interest - Series 2016A	201,850	-	-
Bond interest - Series 2021A	67,794	610,150	603,150
Bond principal - Series 2021	-	140,000	150,000
Bond issue costs	192,650	-	-
Paying agent fees	5,500	6,000	6,000
Payment to refunding escrow	9,216,059	-	-
Total expenditures	9,693,418	767,907	776,753
<b>TRANSFERS OUT</b>			
Transfers to other fund	7,583,245	7,752	-
Total expenditures and transfers out requiring appropriation	17,276,663	775,659	776,753
ENDING FUND BALANCE	\$ 23,660	\$ 71,002	\$ 235,740
DEBT SERVICE RESERVE	\$ 23,660	\$ 71,002	\$ 235,740
TOTAL RESERVE	\$ 23,660	\$ 71,002	\$ 235,740

No assurance provided. See summary of significant assumptions.

**ERIE FARM METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 40	\$ -
REVENUE			
Interest income	40	60	-
Total revenue	<u>40</u>	<u>60</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>7,583,245</u>	<u>7,752</u>	<u>-</u>
Total funds available	<u>7,583,285</u>	<u>7,852</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Repay developer advance - principal	1,789,723	-	-
Repay promissory note	5,793,522	-	-
Total expenditures	<u>7,583,245</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>7,852</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>7,583,245</u>	<u>7,852</u>	<u>-</u>
ENDING FUND BALANCE:	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ERIE FARM METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by court order dated November 16, 2006, to provide financing for the design, acquisition, construction, installation, relocation, operation and maintenance of essential public-purpose facilities such as water, sanitation, streets, safety protection, park and recreation, and transportation, as described in the Service Plan. The District's service area is located entirely in the Town of Erie, in Boulder County, Colorado.

Under the Service Plan, the District provides essential public improvements and services for a new residential community located entirely within the Town of Erie. The District may, with agreement by the Town, engage in other activities. The property in the District is being developed consistent with the terms, requirements and provisions of a Development Agreement.

On November 10, 2006, the electorate authorized general obligation debt in the amount of \$37,960,800 to provide financing for the design, acquisition, construction and installation of the essential public-purpose facilities above. On November 3, 2015, the District held a second TABOR election where the electorate authorized general obligation debt in the total amount of \$91,000,000; however, the District's Service Plan limits the total Debt issuance to \$13,000,000, with a maximum mill levy of 50.000 mills, adjusted, which includes both an operations and debt service mill levy.

The District funds operating and administrative expenditures through General Fund Mill Levy revenue of up to approximately \$50,000 per year, for levy year 2016 (for collection year 2017), and for each levy year thereafter, the dollar amount produced in the prior year plus 2%, pursuant to the 2016 Series A Bond documents described below. Additional construction of District improvements is expected to be financed by developer advances until additional bonded debt is issued to repay the developer.

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 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 set no later than December 15 by certification to the County Commissioners to put the tax lien on individual properties located within the District 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.

**ERIE FARM METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

The District's maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2023, the total adjusted maximum mill levy is 51.648 mills. The adjusted mill levy to cover general and administrative expenditures, after 1% of annual increase, is 3.476 mills, and adjusted maximum mill levy for debt service is 48.172.

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

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

**Net investment income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%.

**Developer Advances**

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

**Expenditures**

**County Treasurer's Fees**

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

**General and administration**

General and administration expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

**ERIE FARM METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2021 Bonds (discussed under Bonds). The District owes developer advances, which are not general obligation debt and will be paid if and when eligible funds become available. Developer advances totaled \$6,979,244 at December 31, 2023, which includes principal and accrued interest at the current rate of 5.25% per annum.

**Series 2021 Bonds**

On October 21, 2021, the District issued Series 2021 Bonds (the Bonds) in the amount of \$13,000,000. The Bonds are limited tax general obligations of the District secured by and payable from the Pledged Revenue consisting of moneys derived by the District from the following sources: (i) the Required Mill Levy, (ii) the Capital Fees, if any, (iii) the portion of Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. Pledged Revenue that is not needed to pay debt service on the Bonds will be used to fill up the Reserve Fund to the Reserve Requirement amount of \$903,000.

The District does not expect to impose any Capital Fees. The 2021 Bonds bear interest at a rate of 5.00% and interest is payable semiannually on each June and December 1, commencing December 1, 2021.

Bond proceeds were used to refund the 2016A and 2016B bonds, in the amounts of \$7,340,000 and \$1,232,000, respectively, and the 2017C promissory note in the amount of \$4,428,000. The 2021 bonds were also used to fund infrastructure costs and bond issue costs.

The Bonds are subject to optional redemption prior to maturity at the option of the District, as a whole or in integral multiples of \$5,000 on December 1, 2031, and on any date thereafter upon payment of par, plus accrued interest thereon. The Bonds maturing on December 1, 2041 also are subject to mandatory sinking fund redemption prior to maturity, in part, by lot, upon payment of par, plus accrued interest to the redemption date, without redemption premium. The Bonds maturing on December 1, 2046 also are subject to mandatory sinking fund redemption prior to maturity, in part, by lot, upon payment of par, plus accrued interest to the redemption date, without redemption premium. The Bonds maturing on December 1, 2051 also are subject to mandatory sinking fund redemption prior to maturity, in part, by lot, upon payment par, plus accrued interest to the redemption date, without redemption premium.

**ERIE FARM METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

The following is an analysis of the District's long-term obligations through the year-ended December 31, 2023:

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
G.O. Limited Tax Refunding and Improvement Bonds - Series 2021	\$ 13,000,000	\$ -	\$ 140,000	\$ 12,860,000
Bond Premium	2,372,240	-	122,778	2,249,462
Bond Insurance Premium	130,888	-	6,774	124,114
Total Bonds Payable	<u>15,503,128</u>	<u>-</u>	<u>269,552</u>	<u>15,233,576</u>
Developer Advances - O&M	38,896	-	-	38,896
Developer Advances - Capital	4,970,706	-	-	4,970,706
Accrued interest - Developer Advances O&M	4,833	2,139	-	6,972
Accrued interest - Developer Advances - Capital	1,486,614	260,962	-	1,747,576
Total Developer Advances	<u>6,501,049</u>	<u>263,101</u>	<u>-</u>	<u>6,764,150</u>
	<u>\$ 22,004,177</u>	<u>\$ 263,101</u>	<u>\$ 269,552</u>	<u>\$ 21,997,726</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
G.O. Limited Tax Refunding and Improvement Bonds - Series 2021	\$ 12,860,000	\$ -	\$ 150,000	12,710,000
Bond Premium	2,249,462	-	121,369	2,128,093
Bond Insurance Premium	124,114	-	6,697	117,417
Total Bonds Payable	<u>15,233,576</u>	<u>-</u>	<u>278,066</u>	<u>14,955,510</u>
Developer Advances - O&M	38,896	-	-	38,896
Developer Advances - Capital	4,970,706	-	-	4,970,706
Accrued interest - Developer Advances - O&M	6,972	2,139	-	9,111
Accrued interest - Developer Advances - Capital	1,747,576	260,962	-	2,008,538
Total Developer Advances	<u>6,764,150</u>	<u>263,101</u>	<u>-</u>	<u>7,027,251</u>
	<u>\$ 21,997,726</u>	<u>\$ 263,101</u>	<u>\$ 278,066</u>	<u>\$ 21,982,761</u>

\* Estimate

**Leases**

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

**Debt Service Reserve**

The District maintains a Debt Service Reserve as required with the issuance of the 2021 Bonds.

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

**ERIE FARM METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE  
REQUIREMENTS TO MATURITY**

**\$13,000,000**

**2021 General Obligation Limited Tax Refunding and  
Improvement Bonds**

**Principal Payable December 1**

**5.00% Interest Payable**

**June 1 and December 1**

**Beginning December 1, 2021**

<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 150,000	\$ 603,150	\$ 753,150
2024	165,000	595,650	760,650
2025	175,000	587,400	762,400
2026	195,000	578,650	773,650
2027	200,000	568,900	768,900
2028	225,000	558,900	783,900
2029	235,000	547,650	782,650
2030	255,000	535,900	790,900
2031	270,000	523,150	793,150
2032	295,000	509,650	804,650
2033	305,000	494,900	799,900
2034	335,000	479,650	814,650
2035	350,000	462,900	812,900
2036	380,000	445,400	825,400
2037	395,000	426,400	821,400
2038	430,000	406,650	836,650
2039	450,000	385,150	835,150
2040	485,000	362,650	847,650
2041	510,000	338,400	848,400
2042	545,000	312,900	857,900
2043	575,000	285,650	860,650
2044	615,000	256,900	871,900
2045	645,000	226,150	871,150
2046	690,000	193,900	883,900
2047	725,000	159,400	884,400
2048	765,000	130,400	895,400
2049	795,000	99,800	894,800
2050	835,000	68,000	903,000
2051	865,000	34,600	899,600
<b>Total</b>	<b>\$ 12,860,000</b>	<b>\$ 11,178,800</b>	<b>\$ 24,038,800</b>

No assurance provided. See summary of significant assumptions.



**Exhibit B**

(2022 Audit)

**ERIE FARM METROPOLITAN DISTRICT  
Boulder County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**ERIE FARM METROPOLITAN DISTRICT  
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YEAR ENDED DECEMBER 31, 2022**

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## Independent Auditor's Report

To the Board of Directors  
Erie Farm Metropolitan District

### Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Erie Farm Metropolitan District (the District), as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of Erie Farm Metropolitan District, as of December 31, 2022, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Other Matters**

#### *Required Supplementary Information*

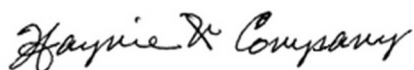
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Erie Farm Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Littleton, Colorado  
June 1, 2023

## **BASIC FINANCIAL STATEMENTS**

**ERIE FARM METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 44,655
Cash and Investments - Restricted	90,963
Property Taxes Receivable	968,492
Prepaid Expense	2,076
Receivable from County Treasurer	2,909
Construction in Progress	8,707,094
Total Assets	9,816,189
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Cost of Refunding	226,882
Total Deferred Outflows of Resources	226,882
<b>LIABILITIES</b>	
Accounts Payable	11,032
Accrued Interest Payable	50,263
Noncurrent Liabilities:	
Due in One Year	150,000
Due in More Than One Year	21,847,726
Total Liabilities	22,059,021
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	968,492
Total Deferred Inflows of Resources	968,492
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	2,000
Debt Service	29,106
Unrestricted	(13,015,548)
Total Net Position	\$ (12,984,442)

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT  
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
Governmental Activities:					
General Government	\$ 49,005	\$ -	\$ -	\$ -	\$ (49,005)
Interest and Related Costs on Long-Term Debt	774,044	-	-	-	(774,044)
Total Governmental Activities	\$ 823,049	\$ -	\$ -	\$ -	(823,049)
<b>GENERAL REVENUES</b>					
Property Taxes					848,777
Specific Ownership Taxes					37,947
Net Investment Income					9,330
Total General Revenues					896,054
<b>CHANGE IN NET POSITION</b>					73,005
Net Position - Beginning of Year					(13,057,447)
<b>NET POSITION - END OF YEAR</b>					\$ (12,984,442)

See accompanying Notes to Basic Financial Statements.



**ERIE FARM METROPOLITAN DISTRICT  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 44,655	\$ -	\$ -	\$ 44,655
Cash and Investments - Restricted	2,000	81,043	7,920	90,963
Property Taxes Receivable	66,289	902,203	-	968,492
Prepaid Insurance	2,076	-	-	2,076
Receivable - County Treasurer	-	2,909	-	2,909
	<u>\$ 115,020</u>	<u>\$ 986,155</u>	<u>\$ 7,920</u>	<u>\$ 1,109,095</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,032	\$ 4,000	\$ -	\$ 11,032
Total Liabilities	7,032	4,000	-	11,032
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes	66,289	902,203	-	968,492
Total Deferred Inflows of Resources	66,289	902,203	-	968,492
<b>FUND BALANCES</b>				
Restricted for:				
Emergency Reserves	2,000	-	-	2,000
Debt Service	-	79,952	-	79,952
Assigned for:				
Capital Projects	-	-	7,920	7,920
Unassigned	37,623	-	-	37,623
Total Fund Balances (Deficits)	<u>41,699</u>	<u>79,952</u>	<u>7,920</u>	<u>129,571</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 115,020</u>	<u>\$ 986,155</u>	<u>\$ 7,920</u>	

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

Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds.

Capital Assets	8,707,094
----------------	-----------

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(12,860,000)
Deferred Cost of Refunding	226,882
Bond Premium	(2,249,462)
Bond Insurance Premium	(124,114)
Accrued Interest on Bonds Payable	(50,263)
Developer Advance Payable - Accrued Interest	(1,754,548)
Developer Advance Payable	(5,009,602)

Net Position of Governmental Activities	<u>\$ (12,984,442)</u>
-----------------------------------------	------------------------

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 64,981	\$ 783,796	\$ -	\$ 848,777
Specific Ownership Tax	-	37,947	-	37,947
Interest Income	962	8,240	128	9,330
Total Revenues	<u>65,943</u>	<u>829,983</u>	<u>128</u>	<u>896,054</u>
<b>EXPENDITURES</b>				
General:				
Accounting	24,919	-	-	24,919
County Treasurer's Fee	977	11,789	-	12,766
Auditing	5,900	-	-	5,900
District Management	5,190	-	-	5,190
Dues and Membership	308	-	-	308
Election	1,956	-	-	1,956
Insurance and Bonds	2,044	-	-	2,044
Legal Services	7,679	-	-	7,679
Miscellaneous	32	-	-	32
Debt Service:				
Bond Interest - Series 2021A	-	610,150	-	610,150
Bond Principal - Series 2021A	-	140,000	-	140,000
Paying Agent Fees	-	4,000	-	4,000
Total Expenditures	<u>49,005</u>	<u>765,939</u>	<u>-</u>	<u>814,944</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	16,938	64,044	128	81,110
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to) from Other Funds	-	(7,752)	7,752	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,752)</u>	<u>7,752</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	16,938	56,292	7,880	81,110
Fund Balances - Beginning of Year	<u>24,761</u>	<u>23,660</u>	<u>40</u>	<u>48,461</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 41,699</u>	<u>\$ 79,952</u>	<u>\$ 7,920</u>	<u>\$ 129,571</u>

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT  
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 - Total Governmental Funds \$ 81,110

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

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. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Principal Payment 140,000

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	583
Accrued Interest on Developer Advances - Change in Liability	(263,101)
Amortization of Deferred Cost of Refunding	(15,139)
Amortization of Bond Premium	122,778
Amortization of Bond Insurance Premium	6,774
	6,774

Change in Net Position of Governmental Activities \$ 73,005

**ERIE FARM METROPOLITAN DISTRICT  
GENERAL FUND –  
STATEMENT 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)
<b>REVENUES</b>			
Property Taxes	\$ 64,987	\$ 64,981	\$ (6)
Interest Income	30	962	932
Total Revenues	<u>65,017</u>	<u>65,943</u>	<u>926</u>
<b>EXPENDITURES</b>			
Accounting	25,300	24,919	381
Auditing	3,000	5,900	(2,900)
County Treasurer's Fees	975	977	(2)
District Management	4,500	5,190	(690)
Dues and Membership	368	308	60
Election	1,500	1,956	(456)
Insurance and Bonds	2,500	2,044	456
Legal Services	16,500	7,679	8,821
Miscellaneous	3,357	32	3,325
Total Expenditures	<u>58,000</u>	<u>49,005</u>	<u>8,995</u>
<b>NET CHANGE IN FUND BALANCE</b>	7,017	16,938	9,921
Fund Balance - Beginning of Year	<u>23,822</u>	<u>24,761</u>	<u>939</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 30,839</u>	<u>\$ 41,699</u>	<u>\$ 10,860</u>

See accompanying Notes to Basic Financial Statements.

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Erie Farm Metropolitan District (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 Boulder County on November 16, 2006, 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 Town of Erie, Boulder County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets, water, storm, sanitation, safety protection, and parks and recreation facilities.

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

The District reports the following major governmental funds:

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

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

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

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Budgets**

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

The District 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.

**Property Taxes**

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

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

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Amortization**

**Original Issue Discount/Premium**

In the government-wide financial statements, bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

**Cost of Refunding**

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applied to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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

**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.



**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Equity (Continued)**

**Fund Balance (Continued)**

The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

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

**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	\$ 44,655
Cash and Investments - Restricted	90,963
Total Cash and Investments	<u>\$ 135,618</u>

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

Deposits with Financial Institutions	\$ 5,154
Investments	130,464
Total Cash and Investments	<u>\$ 135,618</u>

**ERIE FARM METROPOLITAN DISTRICT  
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 balance and a carrying balance of \$5,154.

**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

**ERIE FARM METROPOLITAN DISTRICT  
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 Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 41,561
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	88,903
		<u>\$ 130,464</u>

**CSAFE**

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

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, and any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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

**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.

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**COLOTRUST (Continued)**

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 Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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.

**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	\$ 8,707,094	\$ -	\$ -	\$ 8,707,094
Governmental Activities Capital Assets	\$ 8,707,094	\$ -	\$ -	\$ 8,707,094

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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	Retirement of Long-Term Obligations	Balance - December 31, 2022	Due Within One Year
Bonds Payable:					
G.O. Limited Tax Refunding and					
Improvement Bonds - Series 2021A	\$ 13,000,000	\$ -	\$ 140,000	\$ 12,860,000	\$ 150,000
Bond Premium - 2021A	2,372,240	-	122,778	2,249,462	-
Bond Insurance Premium - 2021A	130,888	-	6,774	124,114	-
Subtotal Bonds Payable	15,503,128	-	269,552	15,233,576	150,000
Other Debts:					
Developer Advances - Capital	4,970,706	-	-	4,970,706	-
Developer Advances - O&M	38,896	-	-	38,896	-
Interest on Developer					-
Advances - Capital	1,486,614	260,962	-	1,747,576	-
Interest on Developer					-
Advances - O&M	4,833	2,139	-	6,972	-
Subtotal Other Debts	6,501,049	263,101	-	6,764,150	-
Total	\$ 22,004,177	\$ 263,101	\$ 269,552	\$ 21,997,726	\$ 150,000

**General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021**

On October 21, 2021, the District issued \$13,000,000 of General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021 (the 2021 Bonds) for the purposes of (i) paying the costs of refunding the 2016A and 2016B Bonds, (ii) paying project costs, (iii) funding the Reserve Fund, and (iv) paying bond issue costs.

The 2021 Bonds bear interest at the rate of 5.0%, payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2022. The 2021 Bonds mature on December 1, 2051, and are subject to optional redemption and mandatory sinking fund redemption as described in the Indenture.

The 2021 Bonds are secured by and payable solely from Pledged Revenue, net of any costs of collection, which includes (i) property taxes generated by the imposition of the Required Mill Levy, (ii) Capital Fees, if any, (iii) Specific Ownership Taxes attributable to the Required Mill Levy, and (iv) any other legally available amounts that the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. The Bonds are also secured by amounts on deposit in the Reserve Fund. Available Pledged Revenue, if any, is to be accumulated in the Reserve Fund in accordance with the Indenture up to the Required Reserve Amount of \$903,000.

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Limited Tax Refunding and Improvement Bonds, Series 2021  
(Continued)**

Events of Default

The occurrence of any one or more of the following events or the existence of any one of more of the following conditions shall constitute an Event of Default under the Indenture, and there shall be no default of Event of Default hereunder except as provided in this Section:

- (a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;
- (b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture of the Bond Resolution; or
- (c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

No assets have been pledged as collateral on the Series 2021 Bonds.

The 2021 Bonds are not subject to acceleration. The 2021 Bonds are not subject to early termination.

The 2021 Bonds do not have any unused lines of credit.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	150,000	603,150	\$ 753,150
2024	165,000	595,650	760,650
2025	175,000	587,400	762,400
2026	195,000	578,650	773,650
2027	200,000	568,900	768,900
2028-2032	1,280,000	2,675,250	3,955,250
2033-2037	1,765,000	2,309,250	4,074,250
2038-2042	2,420,000	1,805,750	4,225,750
2043-2047	3,250,000	1,122,000	4,372,000
2048-2052	3,260,000	332,800	3,592,800
Total	<u>\$ 12,860,000</u>	<u>\$ 11,178,800</u>	<u>\$ 24,038,800</u>

**Developer Advance**

The District has entered into an Advance and Reimbursement Agreement as amended and restated on May 14, 2014. This agreement is discussed under Note 7, Related Party.

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

On November 3, 2015, a majority of the qualified electors of the District who voted in the election authorized the issuance of District indebtedness in an amount not to exceed \$117,000,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized November 3, 2015	Authorization Used for Series 2016A Bonds	Authorization Used for Series 2016B Bonds	Authorization Used for Promissory Note	Authorization Used for Series 2021A Bonds	Authorized But Unissued
Water	\$ 13,000,000	\$ 1,443,044	\$ 242,211	\$ -	\$ 1,270,958	\$ 10,043,787
Sanitation	13,000,000	4,312,250	723,800	-	3,798,006	4,165,944
Streets	13,000,000	1,517,178	254,654	-	1,336,252	9,891,916
Safety Protection	13,000,000	52,848	8,870	-	46,546	12,891,736
Parks and Recreation	13,000,000	14,680	2,465	-	12,928	12,969,927
Transportation	13,000,000	-	-	-	-	13,000,000
Mosquito Control	13,000,000	-	-	-	-	13,000,000
Operations	13,000,000	-	-	-	-	13,000,000
Refunding	13,000,000	-	-	4,428,000	6,535,310	2,036,690
Total	<u>\$ 117,000,000</u>	<u>\$ 7,340,000</u>	<u>\$ 1,232,000</u>	<u>\$ 4,428,000</u>	<u>\$ 13,000,000</u>	<u>\$ 91,000,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$13,000,000 at a maximum interest rate of 18% and the maximum underwriting discount is 5%. The Service Plan also limits the total mill levy (debt service and operations combined) to 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 NET POSITION**

The District’s net position consists of two components – restricted and unrestricted.

Restricted net position includes 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 restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 2,000
Debt Service	29,106
Total Restricted Net Position	\$ 31,106

The District has a deficit in unrestricted net position. This deficit amount is primarily a result of the District being responsible for the repayment of bonds issued, and accrued interest, for the construction of public improvements that will be conveyed to other governments.

**NOTE 7 RELATED PARTY**

The Developer of the property which constitutes the District was CC Erie Farms, LLC, KC Erie Farms, LLC, SC Erie Farms, LLC, and CR Erie Farms, LLC (collectively, the Developer). The majority of the members of the Board of Directors were employees, owners, or otherwise associated with the Developer, and may have had conflicts of interest in dealing with the District.

In July, 2017, the Developer sold additional property within the District (Filing 2) to CalAtlantic Group, Inc. and the District’s Board of Directors transitioned to individuals associated with CalAtlantic. In late 2017, CalAtlantic acquired the remaining platted property (Filing 3) within the District. In February 2018, CalAtlantic was acquired by Lennar, Corp. At the District’s May 8, 2018, regular election, five individuals, employees, or otherwise associated with Lennar, Corp., were elected to the Board of Directors and may have had conflicts of interest in dealing with the District.

**Amended and Restated Advance and Reimbursement Agreement**

The District and the Developer entered into an Amended and Restated Advance and Reimbursement Agreement on May 14, 2014 (the Advance and Reimbursement Agreement). On July 21, 2017, the Advance and Reimbursement Agreement was assigned by the Developer to CalAtlantic. Pursuant to the Advance and Reimbursement Agreement, the Developer agrees to loan funds to the District for the purpose of funding (i) Public Improvement Costs (Capital Costs), and (ii) general operating, administrative, and maintenance costs, such as accounting, legal, engineering, insurance, audit and other expenses (O&M Advances). The Advance and Reimbursement Agreement terminates on May 14, 2029, or earlier by mutual agreement of the parties. Pursuant to the Advance and Reimbursement Agreement, any costs remaining unpaid as of the termination date are considered discharged and satisfied in full.



**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 RELATED PARTY (CONTINUED)**

**Amended and Restated Advance and Reimbursement Agreement (Continued)**

The District agrees to pay Developer for the Capital Costs and O&M Advances together with interest at the annual prime rate (as published in *The Wall Street Journal*) plus 2%. This rate is to be adjusted each January 1st and July 1st per the Advance and Reimbursement Agreement. The interest rates for Developer Advances in 2022 were 3.25%. The District anticipates that the source of District revenues to be used for reimbursing Developer for O&M Advances will be from legally available District revenue; to the extent such revenues are not needed or pledged for other District obligations. The District anticipates issuing private placement bonds, general obligation bonds, and/or promissory notes to repay Capital Costs and to finance the purchase of Public Improvements.

The District may also use any legally available revenue of the District for payment for Capital Costs. As of December 31, 2022, outstanding advances for operations and maintenance totaled \$38,896 of principal and \$6,972 of interest and outstanding advances for Capital totaled \$4,970,706 of principal and \$1,747,576 of interest.

**Infrastructure Acquisition Agreement**

The District and Developer entered into an Infrastructure Acquisition Agreement on May 14, 2014 (the Acquisition Agreement). Pursuant to the terms of the Acquisition Agreement the Developer agrees to construct the Public Improvements and the District agrees to acquire the Public Improvements from the Developer. On July 21, 2017, the Acquisition Agreement was assigned by the Developer to CalAtlantic.

In July 2015, the District acquired \$3,663,125 of Public Improvements from the Developer, and in October 2015, the District acquired an additional \$4,047,221 of Public Improvements from the Developer pursuant to the Acquisition Agreement and dedicated such Public Improvements to the Town of Erie. As of January 28, 2016, additional Public Improvements in the amount of \$979,403 for work performed in 2015 was certified as eligible for District acquisition from the Developer pursuant to the Acquisition Agreement, for a total of \$8,689,749 of Public Improvements acquired and to be acquired from the Developer. A portion of the purchase of the acquired Public Improvements by the District was funded with the proceeds from the bonds issued by the District on March 2, 2016. In 2017, the District acquired \$3,039,190 of Public Improvements from the Developer, and in 2018 and 2019, the District acquired an additional \$4,681,684 and \$6,817, respectively, pursuant to the Acquisition Agreement.

**ERIE FARM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 RISK MANAGEMENT**

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). 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.

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

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

On November 7, 2006, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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

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

**NOTE 10 INTERFUND TRANSFERS**

The District transferred \$7,752 from the Debt Service Fund to the Capital Projects Fund for the purpose of funding public infrastructure costs.

## **SUPPLEMENTARY INFORMATION**

**ERIE FARM METROPOLITAN DISTRICT  
DEBT SERVICE FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 783,872	\$ 783,872	\$ 783,796	\$ (76)
Specific Ownership Tax	33,954	33,954	37,947	3,993
Interest Income	100	100	8,240	8,140
Total Revenues	<u>817,926</u>	<u>817,926</u>	<u>829,983</u>	<u>12,057</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	11,758	11,757	11,789	(32)
Bond Interest - Series 2021A	610,150	610,150	610,150	-
Bond Principal - Series 2021	140,000	140,000	140,000	-
Paying Agent Fees	6,000	6,000	4,000	2,000
Contingency	4,092	-	-	-
Total Expenditures	<u>772,000</u>	<u>767,907</u>	<u>765,939</u>	<u>1,968</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	45,926	50,019	64,044	14,025
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	-	(7,752)	(7,752)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,752)</u>	<u>(7,752)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	45,926	42,267	56,292	14,025
Fund Balance - Beginning of Year	<u>14,138</u>	<u>14,138</u>	<u>23,660</u>	<u>9,522</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 60,064</u>	<u>\$ 56,405</u>	<u>\$ 79,952</u>	<u>\$ 23,547</u>

**ERIE FARM METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Interest Income	\$ -	\$ -	\$ 128	\$ 128
Developer Advance	-	60	-	(60)
Total Revenues	<u>-</u>	<u>60</u>	<u>128</u>	<u>68</u>
<b>EXPENDITURES</b>				
Transfers to Other Fund	-	7,852	-	7,852
Total Expenditures	<u>-</u>	<u>7,852</u>	<u>-</u>	<u>7,852</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(7,792)	128	7,920
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	-	7,752	7,752	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,752</u>	<u>7,752</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(40)	7,880	7,920
Fund Balance - Beginning of Year	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,920</u>	<u>\$ 7,920</u>

## **OTHER INFORMATION**

**ERIE FARM METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2022**

\$13,000,000 General Obligation  
Limited Tax Refunding and  
Improvement Bonds  
Series 2021A  
Dated October 21, 2021  
Interest Rate 5.00%  
Due 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	\$ 150,000	\$ 603,150	\$ 753,150
2024	165,000	595,650	760,650
2025	175,000	587,400	762,400
2026	195,000	578,650	773,650
2027	200,000	568,900	768,900
2028	225,000	558,900	783,900
2029	235,000	547,650	782,650
2030	255,000	535,900	790,900
2031	270,000	523,150	793,150
2032	295,000	509,650	804,650
2033	305,000	494,900	799,900
2034	335,000	479,650	814,650
2035	350,000	462,900	812,900
2036	380,000	445,400	825,400
2037	395,000	426,400	821,400
2038	430,000	406,650	836,650
2039	450,000	385,150	835,150
2040	485,000	362,650	847,650
2041	510,000	338,400	848,400
2042	545,000	312,900	857,900
2043	575,000	285,650	860,650
2044	615,000	256,900	871,900
2045	645,000	226,150	871,150
2046	690,000	193,900	883,900
2047	725,000	159,400	884,400
2048	765,000	130,400	895,400
2049	795,000	99,800	894,800
2050	835,000	68,000	903,000
2051	865,000	34,600	899,600
Total	<u>\$ 12,860,000</u>	<u>\$ 11,178,800</u>	<u>\$ 24,038,800</u>

**ERIE FARM METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt	Levied	Collected	
		Operations	Service			
2018	\$ 7,006,431	7.207	48.070	\$ 387,294	\$ 387,294	100.00 %
2019	9,182,501	5.663	49.614	507,581	506,730	99.83
2020	9,901,104	5.357	50.309	551,155	551,028	99.98
2021	12,415,583	4.359	51.305	691,101	691,524	100.06
2022	16,714,762	3.888	46.897	848,859	848,777	99.99
Estimated for the Year Ending December 31, 2023	\$ 19,070,430	3.476	47.309	\$ 968,492		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.