

2022 ANNUAL REPORT

LAKE OF THE ROCKIES METROPOLITAN DISTRICT

As required by Section IX of the Service Plan for Lake of the Rockies Metropolitan District (“**District**”) approved by the Board of Trustees of the Town of Monument, Colorado (the “**Town**”) on May 3, 2010, as amended on January 20, 2015 (collectively, the “**Amended Service Plan**”), and pursuant to Section 32-1-207(3), C.R.S., the District submits the following Annual Report of the District’s activities from January 1, 2022 to December 31, 2022.

1. Boundary Changes Made: *None*
2. Intergovernmental agreements entered into of terminated with other governmental entities: *None*
3. Access information to obtain a copy of rules and regulations adopted by the Board: *The District’s rules and regulations, including Design Guidelines and other covenant-enforcement related documents, as well as the District’s Resolutions, including those related to imposition of Operations & Maintenance Fees, can be accessed on the District’s website, under the “Documents” tab:
<http://lakeoftherockies.org/documents.html>*
4. A summary of litigation involving public improvements owned by the special District: *None*
5. The status of the construction of public improvements by the special District: *The District did not construct any public improvements; however, the former developer of the District completed the public improvements contemplated under the Service Plan in 2018 (see No. 6, below, for additional information)*
6. A list of facilities or improvements constructed by the special Districts that were conveyed or dedicated to the county or municipality: *The District did not construct, nor convey or dedicate, any public improvements to the Town. Prior to 2022, the former developer of the District constructed streets, sidewalks, curb and gutter, water, sewer, certain drainage, grading and park improvements in three phases between 2014 and 2018, and dedicated same to the Town in 2018. The District operates and maintains certain common area landscape, monument, and drainage/detention improvements.*
7. The final assessed valuation of the special District as of December 31 of the reporting year: *As noted in the District’s 2023 Budget, the final assessed valuation of the property in the District as of December 2022 was \$5,526,450.00.*
8. A copy of the current year’s budget: *The District’s 2023 Budget is enclosed with this Annual Report.*

9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable: *As of the date of the Annual Report, the District’s 2022 Audit has not yet been completed. The District will provide a copy of its 2022 Audit once completed.*
10. Notice of any uncured defaults existing for more than ninety days under and debt instruments of the special District: *None.*
11. Any inability of the special District to pay its obligations as they come due under any obligation which continues beyond a ninety-day period: *None.*

DATED: March 24, 2023

CC: Town of Monument (via email) - lhogan@tomgov.org
DOLA (via E-Filing Portal)
McGeady Becher; Elisabeth Cortese, Jessie Stamper (via email)
CliftonLarsonAllen LLP; Krista Baptist
State Auditor (via email) - osa.lg@state.co.us

LAKE OF THE ROCKIES METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 275,430	\$ 414,436	\$ 545,719
REVENUES			
Property Taxes	273,375	315,752	317,024
Specific Ownership Tax	32,095	31,575	31,702
Interest Income	276	6,850	13,302
Homeowner Fees	184,301	184,140	184,140
Late Fees/Penalties/Adjustments	-	1,435	1,794
Total revenues	490,047	539,752	547,962
Total funds available	765,477	954,188	1,093,681
EXPENDITURES			
General Fund	196,404	233,710	280,000
Debt Service Fund	154,637	174,759	243,300
Total expenditures	351,041	408,469	523,300
Total expenditures and transfers out requiring appropriation	351,041	408,469	523,300
ENDING FUND BALANCES	\$ 414,436	\$ 545,719	\$ 570,381
EMERGENCY RESERVE	\$ 8,300	\$ 8,300	\$ 8,400
AVAILABLE FOR OPERATIONS	22,858	64,693	61,397
DEBT SERVICE RESERVE	209,000	209,000	209,000
SURPLUS FUND	168,554	168,554	271,500
TOTAL RESERVE	\$ 408,712	\$ 450,547	\$ 550,297

No assurance provided. See summary of significant assumptions.

LAKE OF THE ROCKIES METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/27/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	4,810,830	5,570,480	5,447,100
Residential Multi-Family	-	-	6,790
Commercial	29,270	32,220	150
Agricultural	230	240	220
State assessed	69,230	69,520	72,190
Vacant land	200	-	-
Certified Assessed Value	<u>\$ 4,909,760</u>	<u>\$ 5,672,460</u>	<u>\$ 5,526,450</u>
MILL LEVY			
General	16.493	14.419	14.948
Debt Service	39.171	41.245	42.417
Total mill levy	<u>55.664</u>	<u>55.664</u>	<u>57.365</u>
PROPERTY TAXES			
General	\$ 80,977	\$ 81,791	\$ 82,609
Debt Service	192,320	233,961	234,415
Levied property taxes	<u>273,297</u>	<u>315,752</u>	<u>317,024</u>
Refunds and abatements	78	-	-
Budgeted property taxes	<u>\$ 273,375</u>	<u>\$ 315,752</u>	<u>\$ 317,024</u>
BUDGETED PROPERTY TAXES			
General	\$ 81,000	\$ 81,791	\$ 82,609
Debt Service	192,375	233,961	234,415
	<u>\$ 273,375</u>	<u>\$ 315,752</u>	<u>\$ 317,024</u>

No assurance provided. See summary of significant assumptions.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

	12/27/22		
	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (47,289)	\$ 31,158	\$ 72,993
REVENUES			
Property taxes	81,000	81,791	82,609
Specific ownership tax	9,510	8,179	8,261
Homeowner fees	184,301	184,140	184,140
Late fees/penalties/adjustments	-	1,435	1,794
Interest income	40	-	-
Total revenues	274,851	275,545	276,804
Total funds available	227,562	306,703	349,797
EXPENDITURES			
General and administrative			
Accounting	32,382	32,500	37,500
Auditing	4,300	5,000	5,750
County Treasurer's fee	1,216	1,227	1,240
Dues and licenses	449	432	600
Insurance and bonds	3,480	3,451	3,800
District management	32,165	42,500	48,000
Billing	15,876	18,600	19,500
Legal services	37,177	42,000	45,000
Miscellaneous	-	150	1,000
Election expense	-	6,000	8,500
Contingency	-	-	13,460
Operations and maintenance			
Repairs and maintenance	698	1,500	2,000
Landscaping	12,398	12,500	24,200
Landscaping - Contingency	-	-	3,000
Snow removal	5,186	11,000	13,800
Streets repairs and maintenance	-	-	1,000
Utilities	3,906	3,500	4,000
Trash collection	32,020	38,000	30,000
Water usage	1,352	650	1,500
Website	557	1,200	1,200
Covenant Enforcement	13,242	13,500	14,950
Total expenditures	196,404	233,710	280,000
Total expenditures and transfers out requiring appropriation	196,404	233,710	280,000
ENDING FUND BALANCE	\$ 31,158	\$ 72,993	\$ 69,797
EMERGENCY RESERVE	\$ 8,300	\$ 8,300	\$ 8,400
AVAILABLE FOR OPERATIONS	22,858	64,693	61,397
TOTAL RESERVE	\$ 31,158	\$ 72,993	\$ 69,797

No assurance provided. See summary of significant assumptions.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 322,719	\$ 383,278	\$ 472,726
REVENUES			
Property taxes	192,375	233,961	234,415
Specific ownership tax	22,585	23,396	23,441
Interest income	236	6,850	13,302
Total revenues	<u>215,196</u>	<u>264,207</u>	<u>271,158</u>
Total funds available	<u>537,915</u>	<u>647,485</u>	<u>743,884</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,887	3,509	3,507
Paying agent fees	6,000	6,000	6,000
Contingency	-	-	70,043
Debt Service			
Series 2018A Bond interest	135,750	135,250	133,750
Series 2018A Bond principal	10,000	30,000	30,000
Total expenditures	<u>154,637</u>	<u>174,759</u>	<u>243,300</u>
Total expenditures and transfers out requiring appropriation	<u>154,637</u>	<u>174,759</u>	<u>243,300</u>
ENDING FUND BALANCE	<u>\$ 383,278</u>	<u>\$ 472,726</u>	<u>\$ 500,584</u>
DEBT SERVICE RESERVE	\$ 209,000	\$ 209,000	\$ 209,000
SURPLUS FUND	168,554	168,554	271,500
TOTAL RESERVE	<u>\$ 377,554</u>	<u>\$ 377,554</u>	<u>\$ 480,500</u>

No assurance provided. See summary of significant assumptions.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Lake of the Rockies Metropolitan District's (the District) organization was approved by eligible electors of the District at an election held on November 2, 2010. The District was organized by order of the District Court in and for El Paso County recorded on January 3, 2011. The Service Plan for the District was approved by the Town of Monument, Colorado, (the Town).

The Lake of the Rockies Metropolitan District was created pursuant to Title 32 Colorado Revised Statutes. The District is an independent unit of local government, separate and distinct from the Town. There are currently no other governmental entities, including any other district, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants and taxpayers of the District and the Town. The primary purpose of the District will be to finance the construction of these Public Improvements.

At the November 2, 2010 election for the District, the voters approved authorization to increase property taxes up to \$150,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Total debt authorization was also approved in the amount of \$14,000,000 for streets, water, sewer and storm drainage improvements, refunding debt, and mortgages.

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

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

Revenues

Property Taxes

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

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

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - Continued

Property Taxes (Continued)

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%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10.00% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2.50%.

Homeowner Fees

The District charges each homeowner a monthly operation and maintenance fee of \$99.00. The 2023 budgeted revenues are based on 155 homeowners.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and meeting expense. Estimated expenditures related to repairs and maintenance, landscaping, trash collection, utilities, water usage, covenant enforcement, website, and snow removal were also included in the budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2018A Bonds (discussed under Debt and Leases).

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2018 Bond Issuance

The District issued Senior Bonds and the Subordinate Bonds on August 1, 2018, in the amounts of \$2,715,000 and \$439,000, respectively. Proceeds from the sale of the Senior Bonds will be used to: (i) pay project costs; (ii) pay the costs of issuance of the Bonds; (iii) fund the Senior Reserve Fund; and (iv) fund capitalized interest. The proceeds of the Subordinate Bonds will be used to pay project costs.

The Senior Bonds bear interest at 5.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021 through December 1, 2047. The Senior Bonds mature on August 1, 2048.

The Subordinate Bonds are issued at the rate of 7.50% per annum and payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on August 1, 2048. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amount due and owing on the Subordinate Bonds remains outstanding on December 16, 2058, such amount shall be deemed discharged and no longer due and outstanding.

The Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which is to be funded from Senior Bond proceeds in the amount of \$209,000, and by amounts on deposit in the Senior Surplus Fund. The Senior Surplus Fund is anticipated to be funded from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year, up to the Maximum Surplus Amount of \$271,500. Pursuant to the Senior Indenture, the Senior Surplus Fund is to be maintained for so long as any Senior Bond is outstanding.

The Indentures separate property taxes and specific ownership taxes generated by each mill levy, the Senior Required Mill Levy and the Subordinate Required Mill Levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the Subordinate Bonds.

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy in the amount of 50 mills (subject to adjustment) less the amount of the Senior Required Mill Levy and the Operations Mill Levy, or such lesser mill levy which, after the deduction of the Senior Bond Mill Levy and the Operations Mill Levy, will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the Subordinate Bonds in full. As a result, the Subordinate Required Mill Levy will equal zero until such time as the Senior Bond Mill Levy together with the Operations Mill Levy equals less than 50 mills (subject to adjustment).

Leases

The District has no capital or operating leases.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for 2023, as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the 2018A Bonds in the amount of \$209,000.

Surplus Fund

The District maintains a Surplus Fund as required with the issuance of the 2018A Bonds in the amount of \$271,500.

This information is an integral part of the accompanying budget.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
DEBT SERVICE REQUIREMENTS TO MATURITY**

\$2,715,000 General Obligation Limited Tax Bonds - Series 2018A

Interest Rate 5.00%

Date: July 18, 2018

Interest Payable: June 1st and December 1st

Principal Payable: December 1st

Year Ending December 31,	Principal	Interest	Total
2023	\$ 30,000	\$ 133,750	\$ 163,750
2024	35,000	132,250	167,250
2025	35,000	130,500	165,500
2026	40,000	128,750	168,750
2027	45,000	126,750	171,750
2028	50,000	124,500	174,500
2029	50,000	122,000	172,000
2030	60,000	119,500	179,500
2031	60,000	116,500	176,500
2032	70,000	113,500	183,500
2033	70,000	110,000	180,000
2034	80,000	106,500	186,500
2035	80,000	102,500	182,500
2036	90,000	98,500	188,500
2037	95,000	94,000	189,000
2038	105,000	89,250	194,250
2039	105,000	84,000	189,000
2040	115,000	78,750	193,750
2041	125,000	73,000	198,000
2042	135,000	66,750	201,750
2043	140,000	60,000	200,000
2044	150,000	53,000	203,000
2045	160,000	45,500	205,500
2046	170,000	37,500	207,500
2047	180,000	29,000	209,000
2048	400,000	13,333	413,333
Total	<u>\$ 2,675,000</u>	<u>\$ 2,389,583</u>	<u>\$ 5,064,583</u>

No assurance provided. See Summary of Significant assumptions.