

CONIFER METROPOLITAN DISTRICT

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2022




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Board of Directors and Management
Conifer Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Conifer 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District, as of December 31, 2022, and the respective changes in financial position, budgetary comparison schedules, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our 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 general 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 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

The 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.

Sincerely,

Haynie & Company

Littleton, Colorado
July 11, 2023

Conifer Metropolitan District
Statement of Net Position
December 31, 2022

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and cash equivalents - unrestricted	\$ 274,620	\$ -	\$ 274,620
Cash and cash equivalents - restricted	366,073	-	366,073
Property taxes receivable - current	2,726	-	2,726
Property taxes receivable - deferred	299,507	-	299,507
Accounts receivable net of allowance for doubtful accounts	-	56,605	56,605
Prepaid Expenses	-	9,740	9,740
Due to (from) other funds	171,938	(171,938)	-
Capital assets, net of depreciation	2,036,615	13,781,815	15,818,430
Total assets	3,151,479	13,676,222	16,827,701
Liabilities			
Accounts payable	3,559	153,406	156,965
Deposits	-	12,635	12,635
Accrued interest payable	14,334,053	-	14,334,053
Bonds payable: Due in more than one year	25,189,848	-	25,189,848
Total liabilities	39,527,460	166,041	39,693,501
Deferred Inflows of Resources			
Property tax revenue	299,507	-	299,507
Total deferred inflows of resources	299,507	-	299,507
Net Position			
Net investment in capital assets	(23,153,233)	13,781,815	(9,371,418)
Restricted for:			
Emergencies	3,978	-	3,978
Roads and bridges	356,896	-	356,896
Unrestricted	(13,883,129)	(271,634)	(14,154,763)
Total net position	(36,675,488)	13,510,181	(23,165,307)
Total liabilities, deferred inflow of resources and net position	\$ 3,151,479	\$ 13,676,222	\$ 16,827,701

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 135,894	\$ -	\$ -	\$ (135,894)	\$ -	\$ (135,894)
Depreciation	95,868	-	-	(95,868)	-	(95,868)
Interest and related costs on long term debt	2,031,314	-	-	(2,031,314)	-	(2,031,314)
	<u>\$2,263,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,263,076)</u>	<u>\$ -</u>	<u>\$ (2,263,076)</u>
Business-type activities						
Water and wastewater services	424,071	469,915	-	-	45,844	45,844
Depreciation	324,885	-	-	-	(324,885)	(324,885)
	<u>748,956</u>	<u>469,915</u>	<u>-</u>	<u>-</u>	<u>(279,041)</u>	<u>(279,041)</u>
General revenues:						
Property taxes				300,968	-	300,968
Specific ownership taxes				20,882	-	20,882
Transportation taxes				132,601	-	132,601
Investment income				1,655	-	1,655
Transfers in (out)				34,465	(34,465)	-
Total general revenues and transfers				<u>490,571</u>	<u>(34,465)</u>	<u>456,106</u>
Change in net position				(1,772,505)	(313,506)	(2,086,011)
Net position - beginning of year				(34,902,983)	13,823,687	(21,079,296)
Net position - end of year				<u>\$ (36,675,488)</u>	<u>\$ 13,510,181</u>	<u>\$ (23,165,307)</u>

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Governmental Funds Balance Sheet
and Reconciliation of Fund Balances to Net Position
December 31, 2022

Assets	General Fund	Debt Service Fund	Total
Cash and investments	\$ 274,620	\$ -	\$ 274,620
Cash and investments - restricted	356,896	9,177	366,073
Accounts receivable			
Taxes - current	-	2,726	2,726
Taxes - deferred	-	299,507	299,507
Due from (to) other funds	<u>(325,954)</u>	<u>497,892</u>	<u>171,938</u>
Total assets	<u>\$ 305,562</u>	<u>\$ 809,302</u>	<u>\$ 1,114,864</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	<u>\$ 3,559</u>	<u>\$ -</u>	<u>\$ 3,559</u>
Total liabilities	<u>3,559</u>	<u>-</u>	<u>3,559</u>
Deferred Inflows of Resources			
Property tax revenue	<u>-</u>	<u>299,507</u>	<u>299,507</u>
Total deferred inflows of resources	<u>-</u>	<u>299,507</u>	<u>299,507</u>
Fund Balances			
Restricted for:			
Emergencies	3,978	-	3,978
Debt service	-	509,795	509,795
Roads and bridges	356,896	-	356,896
Unassigned	<u>(58,871)</u>	<u>-</u>	<u>(58,871)</u>
Total Fund Balances	<u>302,003</u>	<u>509,795</u>	<u>811,798</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 305,562</u>	<u>\$ 809,302</u>	<u>\$ 1,114,864</u>
Total governmental fund balance per above			\$ 811,798
Amounts reported for governmental activities in the statement of net position are excluded from the governmental fund balance because:			
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and are excluded from the funds.			2,036,615
Long term liabilities not payable in the current year are excluded as liabilities in the governmental funds. These liabilities consist of:			
Bonds payable			(25,189,848)
Accrued interest payable			<u>(14,334,053)</u>
Net position of governmental activities			<u>\$ (36,675,488)</u>

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances
For the Years Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:			
Property taxes	\$ -	\$ 300,968	\$ 300,968
Specific ownership taxes	-	20,882	20,882
Transportation tax	132,601	-	132,601
Interest income	-	1,655	1,655
Total General Revenues	<u>132,601</u>	<u>323,505</u>	<u>456,106</u>
Expenditures:			
General government			
Legal fees	36,633	-	36,633
Accounting & audit fees	7,400	-	7,400
Management fees (incl receiver)	71,779	-	71,779
Transportation expenses	11,858	-	11,858
Admin supplies/ dues & subscriptions	634	-	634
Trustee fees	-	3,051	3,051
Treasurer's fees	-	4,539	4,539
Debt service			
Bond interest	-	284,000	284,000
Total Expenditures	<u>128,304</u>	<u>291,590</u>	<u>419,894</u>
Excess (Deficiency) of Revenues over expenditures	<u>4,297</u>	<u>31,915</u>	<u>36,212</u>
Other financing sources (uses):			
Interfund transfers in (out)	<u>60,015</u>	<u>(25,550)</u>	<u>34,465</u>
	<u>60,015</u>	<u>(25,550)</u>	<u>34,465</u>
Net change in fund balance	64,312	6,365	70,677
Fund balances:			
Beginning of the year	<u>237,691</u>	<u>503,430</u>	<u>741,121</u>
End of the year	<u>\$ 302,003</u>	<u>\$ 509,795</u>	<u>\$ 811,798</u>

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Years Ended December 31, 2022

	2022
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balance—total governmental funds	\$ 70,677
Governmental funds report capital outlays as expenditures. In the Statement of Activities, capital outlay is not reported as an expenditure; however, the Statement of Activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.	
Depreciation	(95,868)
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:	
Change in accrued interest on bonds payable	(1,547,478)
Accretion of Supplemental Coupon Interest	<u>(199,836)</u>
Change in net position of governmental activities	<u>\$ (1,772,505)</u>

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Statement of Revenues, Expenditures and Changes
in Fund Balance—Budget and Actual—General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Sales Tax revenue	\$ 110,000	\$ 132,601	\$ 132,601	\$ -
Total revenue	110,000	132,601	132,601	-
Expenditures:				
Accounting & audit fees	7,000	7,400	7,400	-
Admin supplies/dues & subscriptions	1,000	634	634	-
Legal	25,000	27,165	36,633	(9,468)
Management fees (including receiver)	80,000	78,478	71,779	6,699
Transportation expenses	25,000	11,858	11,858	-
Transportation reserve	85,000	120,743	-	120,743
Total Expenditures	223,000	246,278	128,304	117,974
Excess (deficiency) of revenues over expenditures	(113,000)	(113,677)	4,297	117,974
Other financing sources (uses):				
Transfers in (out)	113,000	113,000	60,015	(52,985)
Total other financing sources (uses)	113,000	113,000	60,015	(52,985)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(677)	64,312	64,989
Fund balance—beginning of year	254,949	254,949	237,691	(17,258)
Fund balance—end of year	\$ 254,949	\$ 254,272	\$ 302,003	\$ 47,731

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Statement of Net Position
Proprietary Fund
December 31, 2022

	Water and Sewer
Assets	
Accounts receivable (net of allowance for doubtful accounts)	\$ 56,605
Prepaid expenses	9,740
Total current assets	66,345
Land and improvements	6,512,846
Water rights	1,264,958
Buildings and improvements	6,543,285
Utility lines	2,541,367
Wells	367,167
Machinery & equipment	1,542,167
	18,771,790
Less accumulated depreciation	(4,989,975)
Total capital assets, net of accumulated depreciation	13,781,815
Total assets	13,848,160
Liabilities	
Accounts payable	153,406
Due to other funds	171,938
Deposits	12,635
Total liabilities	337,979
Net Position	
Net investment in capital asset	13,781,815
Unrestricted	(271,634)
Total net position	13,510,181
Total liabilities and net position	\$13,848,160

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
December 31, 2022

Operating Revenues	
Program revenue	\$ 469,915
Total operating revenues	469,915
Operating Expenses	
Operations, Repair and Maintenance	
Water/well monitoring	21,655
Insurance	32,465
Supplies	3,513
Chemical fees	15,015
Maintenance and repair parts	109,246
Sludge haul	38,903
Lab test	11,240
Consulting services	16,134
Water right expense	2,473
Durable equipment purchases	95,179
Utilities	59,750
Trash	893
Telephone	2,874
Fee/permits	1,443
Reimbursable expenses	2,180
Administrative expenses	11,108
Depreciation expense	324,885
Total operating expenses	748,956
Operating (Loss)	(279,041)
Non-Operating Revenues (Expenses)	
Interfund transfers in (out)	(34,465)
Total non-operating revenues (expenses)	(34,465)
Change in Net Position	(313,506)
Net Position—Beginning of Year	13,823,687
Net Position—End of Year	\$ 13,510,181

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District
Statement of Cash Flows
Proprietary Fund
For the Years Ended December 31, 2022

Cash Flows from Operating Activities	
Cash received from customers	\$ 470,522
Cash paid to suppliers for goods and services	<u>(422,151)</u>
Net cash from operating activities	<u>48,371</u>
Cash Flows from Investing Activities	
Purchase of capital assets	<u>(13,906)</u>
Net cash from non-capital financing activities	<u>(13,906)</u>
Cash Flows from Non-Capital Financing Activities	
Transfers (to) from other funds	<u>(34,465)</u>
Net cash from non-capital financing activities	<u>(34,465)</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents—Beginning of Year	<u>-</u>
Cash and Cash Equivalents—End of Year	<u><u>\$ -</u></u>
Reconciliation of Net Operating Loss to	
Net Cash From Operating Activities:	
Net operating loss	\$ (279,041)
Adjustments to reconcile net operating loss to net	
Cash from operating activities:	
Depreciation	324,885
Changes in assets and liabilities:	
Change in accounts receivable	(1,052)
Change in prepaid expenses	(9,740)
Change in accounts payable	11,660
Change in deposits	<u>1,659</u>
Total adjustments	<u>327,412</u>
Net Cash From Operating Activities	<u><u>\$ 48,371</u></u>

The accompanying notes are an integral part of these financial statements.

Conifer Metropolitan District

Notes to Financial Statements

December 31, 2022

1. Definition of Reporting Entity

The accounting policies of the Conifer Metropolitan District (the “District”) located in Jefferson County, Colorado (the “County”), conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on November 8, 2004, and is governed pursuant to provisions of the Colorado Special District Act. The District’s service plan was approved by the Jefferson County Board of County Commissioners (the “County Commissioners”) and encompasses approximately 39 acres of property along US Highway 285 in the rural mountain community of Conifer. The District was formed for the purpose of providing public infrastructure necessary to permit development within the District and to provide water and wastewater services to property within the District and extraterritorial customers. The primary revenues of the District are property taxes, sales taxes and water and wastewater fees charged to the property owners of the District.

The District was structured to be governed by an elected Board of Directors (the “Board”); however, on January 5, 2016, the District Court of Jefferson County, Colorado, issued an Order appointing Edward B. Cordes as Receiver for the District (the “Receiver”). On August 22, 2019, the Court entered an Order Granting Motion for Substitution of Receiver and Custodian for the District appointing Michael L. Staheli as the new Receiver for the District. The Receiver was ordered to take physical possession of, manage, operate, and protect the District and its assets until terminated or modified further by Order of the Court. Concurrently with the appointment of the Receiver, the members of the Board resigned, and the former District manager turned over the files and records of the District to the Receiver (See Note 7).

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

2. Summary of Significant Accounting Policies

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

The District follows the GASB, Statement No. 61, *The Financial Reporting Entity: Omnibus, which amended* GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity.

Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

Government-Wide and Fund Financial Statements

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position.

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

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

The District reports the following major proprietary funds:

Water and Wastewater Enterprise Fund - The Water and Wastewater Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's ongoing operations. Operating revenues consist of charges to customers for services provided. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the Local Government Budget Law of Colorado, the Board holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The Board 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 appropriation is at the total fund expenditures level and lapses at year end. Effective with appointment of the Receiver, the duties and obligations regarding the budgetary process now reside with the Receiver.

In the current year, actual expenditures were less than budgeted appropriations.

Assets, Liabilities, Deferred Inflows/Inflows of Resources and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the Statement of Net Position.

Estimates

The preparation of these financial statements in conformity with Accounting Standards Generally Accepted in the United States (GAAP) requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report 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(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 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 and an estimated useful life in excess of one year. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge.

Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	25-50 years
Building and Improvements	20-40 years
Utility Lines and Wells	15-50 years
Machinery & Equipment	7-15 years

Property Taxes

Property taxes are levied by the Receiver. 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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$3,978 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$509,795 is restricted for the payment of the debt service costs associated with the Series 2005 and Series 2006 General Obligation Bonds, subject to the terms of the Order Appointing the Receiver (see Note 5 and Note 6).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

3. Cash and Cash Equivalents

As of December 31, 2022, cash and cash equivalents are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 274,620
Cash and cash equivalents - restricted	<u>366,073</u>
Total	<u>\$ 640,693</u>

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

Deposits with financial institutions	<u>\$ 640,693</u>
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Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

3. Cash and Cash Equivalents (continued)

PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

The District does not have a formal policy for deposits. None of the District's deposits were exposed to custodial credit risk.

4. Capital Assets

An analysis of the changes in net capital assets during 2022 follows:

	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2022</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land and improvement	\$ 255,765	\$ -	\$ -	\$ 255,765
Total capital assets not being depreciated	<u>255,765</u>	<u>-</u>	<u>-</u>	<u>255,765</u>
Capital assets being depreciated:				
Infrastructure	3,227,793	-	-	3,227,793
Total capital assets being depreciated	3,227,793	-	-	3,227,793
Accumulated depreciation	<u>(1,351,076)</u>	<u>(95,868)</u>	<u>-</u>	<u>(1,446,944)</u>
Net capital assets being depreciated	<u>1,876,718</u>	<u>(95,868)</u>	<u>-</u>	<u>1,780,850</u>
Governmental assets, net	<u>\$ 2,132,483</u>	<u>\$ (95,868)</u>	<u>\$ -</u>	<u>\$ 2,036,615</u>

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

4. Capital Assets (continued)

	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2022</u>
<u>Business Type Activities</u>				
Capital assets not being depreciated:				
Land and improvement	\$ 6,512,846	\$ -	\$ -	\$ 6,512,846
Water rights	<u>1,264,958</u>	<u>-</u>	<u>-</u>	<u>1,264,958</u>
Total capital assets not being depreciated	<u>7,777,804</u>	<u>-</u>	<u>-</u>	<u>7,777,804</u>
Capital assets being depreciated:				
Buildings and improvements	6,543,285	13,906	-	6,557,191
Utility lines	2,541,367	-	-	2,541,367
Wells	367,167	-	-	367,167
Machinery and equipment	<u>1,528,261</u>	<u>-</u>	<u>-</u>	<u>1,528,261</u>
Total capital assets being depreciated	10,980,080	13,906	-	10,993,986
Accumulated depreciation	<u>(4,665,090)</u>	<u>(324,885)</u>	<u>-</u>	<u>(4,989,975)</u>
Net capital assets being depreciated	<u>6,314,990</u>	<u>(310,979)</u>	<u>-</u>	<u>6,004,011</u>
Business type assets, net	<u>\$ 14,092,794</u>	<u>\$ (310,979)</u>	<u>\$ -</u>	<u>\$ 13,781,815</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	\$ 95,868
Business-type Activities:	
Water and Wastewater Utility Operations	<u>324,885</u>
Total Depreciation Expense	<u>\$ 420,753</u>

5. Long-Term Liabilities

A description of the long-term obligations as of December 31, 2022, is as follows:

General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2005

On November 18, 2005, the District issued \$10,000,000 of General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2005 (“Series 2005 Bonds”) dated November 18, 2005 for the purpose of providing public infrastructure necessary to permit development within the District.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Liabilities (continued)

The bonds bear interest at the rate of 7%, payable semiannually on each June 1 and December 1, commencing on June 1, 2006, and mature on December 1, 2030. The Series 2005 Bonds constitute limited tax obligations of the District, but will be converted to unlimited tax general obligations at such time as the ratio derived by dividing the then-outstanding principal amount of all general obligation debt of the District by the assessed valuation of the taxable property in the District first becomes 50% or less. Prior to conversion the required mill levy is limited to a maximum rate of 50.000 mills. Following conversion, the required mill levy necessary to meet principal and interest on the Series 2005 Bonds is not limited as to rate.

General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2006

On June 30, 2006, the District issued \$3,000,000 of General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2006 (“Series 2006 Bonds”) dated June 30, 2006, for the purpose of providing public infrastructure necessary to permit development within the District. The bonds bear interest at the rate of 7%, payable semiannually on each June 1 and December 1, commencing on December 1, 2006. \$1,450,000 matures on December 1, 2032 and the remaining \$1,550,000 matures on December 1, 2033. The Series 2006 Bonds constitute limited tax obligations of the District, but will be converted to unlimited tax general obligations at such time as the ratio derived by dividing the then-outstanding principal amount of all general obligation debt of the District by the assessed valuation of the taxable property in the District first becomes 50% or less.

Prior to conversion the required mill levy is limited to a maximum rate of 50.000 mills. Following conversion, the required mill levy necessary to meet principal and interest on the Series 2006 Bonds is not limited as to rate.

Series 2006 Bonds Supplemental Interest Coupons

On October 12, 2006, the District issued Series 2006 Bonds Supplemental Interest Coupons evidencing the right to receive payment of the Series 2006 Bonds Supplemental Interest to accrue on the December 1, 2032, maturity of the District’s Series 2006 General Obligation Bonds issued on June 30, 2006. The Supplemental Interest Coupon was issued at a discount of \$4,735,035 from its face value of \$7,470,000, for a net of \$2,734,965. The accreted value at December 31, 2022, was \$6,394,124.

Application of Partial Payments

Beginning in 2010, deposits into the Debt Service Fund have not been sufficient for the payment of the principal and interest on the bonds.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Liabilities (continued)

Pursuant to Section 2.03(c) of the 2005 Indenture, to the extent principal of any Series 2005 Bond is not paid when due, such principal shall remain outstanding and shall continue to accrue interest until paid at the interest rate borne by the Series 2005 Bonds. To the extent interest on any Series 2005 Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by such Series 2005 Bond until paid.

Pursuant to Section 2.03(c) of the 2006 Indenture, to the extent principal of any Series 2006 Bond is not paid when due, such principal shall remain outstanding and shall continue to accrue interest until paid at the interest rate borne by the Series 2006 Bonds. To the extent interest on any Series 2006 Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by such Series 2006 Bond until paid.

Pursuant to Section 3.05 of both the 2005 and 2006 Indentures, in the event that on any payment date moneys available in the Debt Service Fund are insufficient for the payment of the principal, premium, if any, and interest on the Bonds including any accrued but unpaid amounts and any interest due as a result of compounding that have accrued or are payable on that date, the amounts that are available shall be allocated by the Trustee proportionately among such Bonds on such date, as partial payment of the amount due in the following order or priority:

- First: accrued but unpaid interest and any interest due as a result of compounding;
- Second: current interest;
- Third: principal that has not been paid on the nominal due date thereof;
- Fourth: current principal;
- Fifth: prior redemption premium, if any.

After applying the above allocations, the remaining insufficiencies as of December 31, 2022, on the Series 2005 and Series 2006 Bonds are as follows:

	Principal	Interest	Total
2005 GO Bonds	\$ 4,410,000	\$ 10,876,038	\$ 15,286,038
2006 GO Bonds	-	3,299,491	3,299,491
Supplemental Interest Coupon	4,045,000	-	4,045,000
	\$ 8,455,000	\$ 14,175,529	\$ 22,630,529

According to the Trustee, the insufficiency of funds from the District to pay the Bonds is in and of itself not an Event of Default under Section 6.01 of the Amended and Restated Indenture of Trust dated as of June 30, 2006.

Due to the uncertainty in the timing of payments of principal and interest, a schedule of the timing of these payments is not presented.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Liabilities (continued)

Supplemental District Contract Funding and Reimbursement Agreements.

The District and the original developer of the project, Conifer Town Center, LLC (“CTC”), entered into a series of Supplemental District Contract Funding and Reimbursement Agreements that set forth certain covenants between the parties concerning the funding of certain public improvements. The agreements provided that CTC agreed to timely remit payments as may be required by the referenced agreements. The District agreed to repay any amounts advanced to the extent it had funds available from bond proceeds and the imposition of system development fees, but only after the payment of its annual debt service obligations and annual operations and maintenance expenses. On September 1, 2014, CTC transferred and assigned all payments due from the District pursuant to the Reimbursement Agreement to Mountain Rising Development LLC. The balance due Mountain Rising Development LLC at December 31, 2022, was \$5,795,724 which is not accruing interest since satisfaction of this amount is not expected.

The following is an analysis of changes in long-term debt for the period ending December 31, 2022:

	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2022</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds-					
Series 2005	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -
Series 2006	3,000,000	-	-	3,000,000	-
2006 Supplemental					
Interest Coupons	6,194,288	199,836	-	6,394,124	-
Subtotal	19,194,288	199,836	-	19,394,124	-
Developer Advances	5,795,724	-	-	5,795,724	-
	<u>\$ 24,990,012</u>	<u>\$ 199,836</u>	<u>\$ -</u>	<u>\$ 25,189,848</u>	<u>\$ -</u>

Debt Authorization

As of December 31, 2022, the District had no remaining voted debt authorization. The District does not intend to issue any debt in 2023.

6. Other Agreements

Order Granting Unopposed Verified Motion for Ex Parte Appointment of Receiver

On January 5, 2016, the District Court of Jefferson County, Colorado, issued an Order appointing Edward B. Cordes as Receiver for the District (the “Order Appointing Receiver”). The Receiver was ordered to take physical possession of, manage, operate, and protect the District and its assets until terminated or modified further by Order of the Court.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

6. Other Agreements (continued)

This Order was Amended on June 7, 2016, and these two documents set forth the authority, responsibilities and obligations of the Receiver on behalf of the District. On August 22, 2019, the District Court of Jefferson County, Colorado, issued an Order appointing Michael L. Staheli as Receiver for the District and removing and releasing Edward B. Cordes as the Receiver and Custodian.

Specified in these orders is the authority of the Receiver to apply fees, revenues, income and profits collected in connection with the management, operation and protection of the Receivership estate as follows: first, to the Receiver's compensation; second, to other costs and expenses of the receivership; third, to the costs of operating, maintaining and repairing the Receivership Estate as limited by the Second Amended and Restated Indenture of Trust; fourth, to payment of expenses of the Receivership Estate; fifth, to repay all sums borrowed by the Receiver as evidenced by Receiver's certificates; sixth, whenever sufficient funds are available for such purpose, the Receiver shall make payments toward any obligations to the Plaintiff or other claimants pursuant to the Second Amended and Restated Indenture of Trust; and seventh, to a fund to be held by the Receiver in an interest-bearing account, pending further order of the Court.

7. Tax, Spending and Debt Limitations

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

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

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

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.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

7. Tax, Spending and Debt Limitations (continued)

On November 2, 2004, 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 Article X, Section 20 of the Colorado Constitution.

Noncompliance with Laws and Regulations

According to the Indenture of Trust for the Series 2005 and Series 2006 General Obligation Bonds, the District shall deposit all Pledged revenues (required mill levy, capital fees, specific ownerships taxes, and any other legally available moneys) with the Trustee as soon as may be practicable upon receipt thereof.

For the year ended December 31, 2022, the District collected property and specific ownership taxes of \$321,850 and deposited \$284,000 with the Trustee in 2022 for purposes of payment of interest (See Note 5). The District is required to deposit Pledged Revenues with the Trustee; however, under the Receivership, the order of distribution is such that other payments take priority and only funds remaining are used for debt service purposes. In 2022, the Bondholder consented to a transfer for Receivership costs and costs for operating and maintaining the system, which the District transferred from the Debt Service Fund to the General Fund. (See note 6 and note 9).

8. Risk Management

Except as provided in the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

Conifer Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

9. Interfund and Operating Transfers

The transfer of \$25,550 from the Debt Service Fund to the General Fund was transferred for the purpose of paying Receivership costs and costs for operating and maintaining the system. The transfer of \$34,465 from the Water Fund to the General Fund was transferred for the purpose of paying additional administrative costs.

Supplementary Information

Conifer Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Budget and Actual—Debt Service Fund
For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Property taxes	\$ 311,395	\$ 300,968	\$ 300,968	\$ -
Ownership taxes	18,000	20,882	20,882	-
Interest income	-	1,655	1,655	-
Total revenue	<u>329,395</u>	<u>323,505</u>	<u>323,505</u>	<u>-</u>
Expenditures:				
Treasurer's fees	5,000	4,539	4,539	-
Trustee fees	3,650	3,650	3,051	599
Bond interest	248,000	284,000	284,000	-
Other	745	-	-	-
Total expenditures	<u>257,395</u>	<u>292,189</u>	<u>291,590</u>	<u>599</u>
Excess of revenues over expenditures	<u>72,000</u>	<u>31,316</u>	<u>31,915</u>	<u>599</u>
Other financing sources (uses):				
Transfers in (out)	<u>(72,000)</u>	<u>(72,000)</u>	<u>(25,550)</u>	<u>46,450</u>
Total other financing sources (uses)	<u>(72,000)</u>	<u>(72,000)</u>	<u>(25,550)</u>	<u>46,450</u>
Excess of revenues and other financing sources over expenditures and other uses	-	(40,684)	6,365	47,049
Fund balance—beginning of year	<u>673,343</u>	<u>673,343</u>	<u>503,430</u>	<u>(169,913)</u>
Fund balance—end of year	<u>673,343</u>	<u>632,659</u>	<u>509,795</u>	<u>(122,864)</u>

Conifer Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Budget and Actual—Proprietary Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:				
Program revenue	\$ 478,700	\$ 459,190	\$ 469,915	\$ 10,725
Total revenues	478,700	459,190	469,915	10,725
Operating Expenditures:				
Operations, Repair, and Maintenance				
Water/well monitoring	22,300	21,655	21,655	-
Legal fees - Water rights	-	7,522	-	7,522
Insurance	29,700	32,465	32,465	-
Supplies	7,800	3,513	3,513	-
Chemical fees	16,300	12,680	15,015	(2,335)
Operations Contract/K Services	70,000	75,311	75,312	(1)
Maintenance and repair parts	20,000	33,935	33,934	1
Sludge Haul	24,800	38,903	38,903	-
Snow removal	3,500	-	-	-
Lab test	12,100	11,240	11,240	-
Consulting services	12,500	16,134	16,134	-
Water right expense	8,000	2,473	2,473	-
Durable equipment purchases	-	-	95,179	(95,179)
Utilities	87,600	59,750	59,750	-
Trash	1,000	893	893	-
Telephone	2,500	2,874	2,874	-
Fees/permits	4,500	1,443	1,443	-
Reimbursed expenses	5,000	2,688	2,180	508
Capital outlay	92,500	83,238	-	83,238
Miscellaneous / Bad debts	18,000	-	11,108	(11,108)
Total Expenditures	438,100	406,717	424,071	(17,354)
Excess (deficiency) non-GAAP basis	40,600	52,473	45,844	5,244
Other financing sources (uses)				
Miscellaneous income	1,000	-	-	-
Transfers in (out)	(41,000)	(41,000)	(34,465)	6,535
Total other financing sources (uses)	(40,000)	(41,000)	(34,465)	6,535
Excess of revenues and other sources over expenditures and other uses	600	11,473	11,379	(94)
Reconciling differences between budgetary basis and generally accepted accounting principles (GAAP):				
Excess of revenues and other sources over expenditures and and other uses			\$ 11,379	
Depreciation expense			(324,885)	
Change in net position per Statement of Revenues Expenses and Changes in Net Position			\$ (313,506)	