

**Conifer Metropolitan District
Jefferson County, Colorado**

FINANCIAL STATEMENTS

December 31, 2023

Conifer Metropolitan District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Conifer Metropolitan District
Jefferson County, Colorado

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable cash flows thereof, and the respective 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the 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 Responsibility 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 opinions. 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 GAAS 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 GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Parnters, LLC

Arvada, Colorado
September 30, 2024

BASIC FINANCIAL STATEMENTS

Conifer Metropolitan District
STATEMENT OF NET POSITION
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 859,867	\$ -	\$ 859,867
Cash and investments - restricted	29,696	-	29,696
Accounts receivable	-	62,660	62,660
Receivable from County Treasurer	2,726	-	2,726
Property taxes receivable	326,066	-	326,066
Prepaid expense	-	10,244	10,244
Due from other funds	44,671	-	44,671
Capital assets, not being depreciated	255,765	7,777,804	8,033,569
Capital assets, net of accumulated depreciation	1,684,983	5,801,645	7,486,628
Total assets	3,203,774	13,652,353	16,856,127
LIABILITIES			
Accounts payable	3,559	188,502	192,061
Deposits	-	5,000	5,000
Due to other funds	-	44,671	44,671
Accrued interest payable	16,050,046	-	16,050,046
Noncurrent liabilities			-
Due in more than one year	25,381,512	-	25,381,512
Total liabilities	41,435,117	238,173	41,673,290
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	326,066	-	326,066
Total deferred inflows of resources	326,066	-	326,066
NET POSITION			
Net investment in capital assets	(23,440,764)	13,579,449	(9,861,315)
Restricted for:			
Emergency reserves	4,400	-	4,400
Roads and bridges	467,576	-	467,576
Unrestricted	(15,588,621)	(165,269)	(15,753,890)
Total net position	\$ (38,557,409)	\$ 13,414,180	\$ (25,143,229)

The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
General government	\$ 224,424	\$ -	\$ -	\$ (224,424)	\$ -	\$ (224,424)
Interest on long-term debt and related costs	2,145,393	-	-	(2,145,393)	-	(2,145,393)
Total governmental activities	<u>\$ 2,369,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,369,817)</u>	<u>-</u>	<u>(2,369,817)</u>
Business-type Activities:						
Water and sewer activity enterprise	\$ 670,733	\$ 595,634	\$ -	-	(75,099)	(75,099)
Total business-type activities	<u>\$ 670,733</u>	<u>\$ 595,634</u>	<u>\$ -</u>	<u>-</u>	<u>(75,099)</u>	<u>(75,099)</u>
Primary government total						
General revenues:						
Property taxes				299,131	-	299,131
Specific ownership taxes				21,435	-	21,435
Transportation taxes				146,428	-	146,428
Transfers in (out)				20,902	(20,902)	-
Total general revenues and transfers				<u>487,896</u>	<u>(20,902)</u>	<u>466,994</u>
Change in net position				(1,881,921)	(96,001)	(1,977,922)
Net position - beginning				(36,675,488)	13,510,181	(23,165,307)
Net position - ending				<u>\$ (38,557,409)</u>	<u>\$ 13,414,180</u>	<u>\$ (25,143,229)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District

**BALANCE SHEET
GOVERNMENTAL FUNDS**

12/31/2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 859,867	\$ -	\$ 859,867
Cash and investments - restricted	4,400	25,296	29,696
Receivable from county treasurer	-	2,726	2,726
Property taxes receivable	-	326,066	326,066
Due from other funds	-	489,603	489,603
Total assets	<u>\$ 864,267</u>	<u>\$ 843,691</u>	<u>\$ 1,707,958</u>
LIABILITIES			
Accounts and retainage payable	\$ 3,559	\$ -	\$ 3,559
Due to other funds	444,932	-	444,932
Total liabilities	<u>448,491</u>	<u>-</u>	<u>448,491</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	-	326,066	326,066
Total deferred inflows of resources	<u>-</u>	<u>326,066</u>	<u>326,066</u>
FUND BALANCES			
Restricted for:			
Emergencies	4,400	-	4,400
Debt service		517,625	517,625
Roads and bridges	467,576	-	467,576
Unassigned	(56,200)	-	(56,200)
Total fund balances	<u>415,776</u>	<u>517,625</u>	<u>933,401</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 864,267</u>	<u>\$ 843,691</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, net	1,940,748
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(19,585,788)
Developer advances payable	(5,795,724)
Accrued interest payable	(16,050,046)
Net position of governmental activities	<u>\$ (38,557,409)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ -	\$ 299,131	\$ 299,131
Specific ownership taxes	-	21,435	21,435
Transportation tax	146,428	-	146,428
Total revenues	<u>146,428</u>	<u>320,566</u>	<u>466,994</u>
Expenditures			
General government			
Accounting and audit fees	8,200	-	8,200
Admin supplies/dues and subscriptions	1,751	-	1,751
Legal fees	18,053	-	18,053
Management fees (including receiver)	64,947	-	64,947
Transportation expenses	35,606	-	35,606
Treasurer's fees	-	4,487	4,487
Debt service			
Bond interest	-	229,000	229,000
Trustee fees	-	4,249	4,249
Total expenditures	<u>128,557</u>	<u>237,736</u>	<u>366,293</u>
Excess of revenues over (under) expenditures	<u>17,871</u>	<u>82,830</u>	<u>100,701</u>
Other financing sources (uses)			
Transfers from / (to) other funds	95,902	(75,000)	20,902
Total other financing sources and (uses)	<u>95,902</u>	<u>(75,000)</u>	<u>20,902</u>
Net change in fund balances	113,773	7,830	121,603
Fund balances - beginning	<u>302,003</u>	<u>509,795</u>	<u>811,798</u>
Fund balances - ending	<u>\$ 415,776</u>	<u>\$ 517,625</u>	<u>\$ 933,401</u>

The accompanying Notes to the Financial Statements are an integral part of these 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 Year Ended December 31, 2023

Net change in fund balances - governmental funds: \$ 121,603

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation (95,867)

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 (1,715,993)

Accretion of Supplemental Coupon Interest (191,664)

Change in net position of governmental activities \$ (1,881,921)

The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Transportation tax	\$ 110,000	\$ 142,683	\$ 146,428	\$ 3,745
Total revenues	<u>110,000</u>	<u>142,683</u>	<u>146,428</u>	<u>3,745</u>
EXPENDITURES				
Accounting and audit fees	9,000	9,000	8,200	800
Admin supplies/dues and subscriptions	2,000	2,000	1,751	249
Legal fees	27,000	28,385	18,053	10,332
Management fees (including receiver)	82,000	75,108	64,947	10,161
Transportation expenses	25,000	17,030	35,606	(18,576)
Transportation reserve	85,000	125,653	-	125,653
Miscellaneous	-	600	-	600
Total expenditures	<u>230,000</u>	<u>257,776</u>	<u>128,557</u>	<u>129,219</u>
Excess of revenues over expenditures	<u>(120,000)</u>	<u>(115,093)</u>	<u>17,871</u>	<u>132,964</u>
Other financing sources (uses)				
Transfers (to) from other funds	120,000	120,000	95,902	(24,098)
Total other financing sources (uses)	<u>120,000</u>	<u>120,000</u>	<u>95,902</u>	<u>(24,098)</u>
Change in fund balance	-	4,907	113,773	108,866
Fund balances - beginning	<u>357,757</u>	<u>302,003</u>	<u>302,003</u>	<u>-</u>
Fund balances - ending	<u>\$ 357,757</u>	<u>\$ 306,910</u>	<u>\$ 415,776</u>	<u>\$ 108,866</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2023

ASSETS

Current assets

Accounts receivable (net of allowance for doubtful accounts)	\$ 62,660	
Prepaid expenses	10,244	
Total current assets	<u>72,904</u>	

Capital assets

Capital assets, not being depreciated	7,777,804	
Capital assets, net of accumulated depreciation	5,801,645	
Total capital assets	<u>13,579,449</u>	

Total assets	\$ 13,652,353	
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LIABILITIES

Current liabilities

Accounts payable	\$ 188,502	
Due to other funds	44,671	
Deposits	5,000	
Total current liabilities	<u>238,173</u>	

Total liabilities	<u>238,173</u>	
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NET POSITION

Net investment in capital assets	13,579,449	
Unrestricted	(165,269)	
Total net position	<u>\$ 13,414,180</u>	

The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND

For the Year Ended December 31, 2023

OPERATING REVENUES

Water usage charges	\$	107,710
Sewer usage charges		341,944
Administrative fee		18,162
Pro rata ELC monitoring		8,532
Reserve replacement fees		110,611
Reimbursable expenses		555
Miscellaneous income		8,120
Total operating revenues		595,634

OPERATING EXPENSES

Water/well monitoring		24,330
Legal fees - water rights		9,732
Insurance		39,423
Supplies		7,430
Chemical fees		21,508
Service operations		129,571
Maintenance and repairs		42,524
Sludge haul		50,341
Lab test		12,304
Consulting services		19,438
Water right expense		2,364
Utilities		63,533
Trash		999
Telephone		2,297
Fees/permits		1,443
Reimbursable expenses		555
Fire alarm monitoring		444
Bad debts		2,108
Depreciation expense		240,389
Total operating expenses		670,733

Income (loss) from operations		(75,099)
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NONOPERATING REVENUES (EXPENSES)

Transfer in (out)		(20,902)
Total nonoperating revenues (expenses)		(20,902)

Change in net position		(96,001)
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NET POSITION - BEGINNING		13,510,181
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NET POSITION - ENDING		\$ 13,414,180
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The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 581,944
Payments to suppliers for goods and services	(523,020)
Net cash provided (used) by operating activities	<u>58,924</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(38,022)
Net cash provided (used) by capital and related financing activities	<u>(38,022)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers (to) from other funds	(20,902)
Net cash provided (used) by investing activities	<u>(20,902)</u>
NET INCREASE (DECREASE) 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 OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Income (loss) from operations	\$ (75,099)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	240,389
Changes in assets and liabilities	
(Increase) decrease in:	
Accounts receivable	(6,055)
Prepaid expenses	(504)
Increase (decrease) in:	
Accounts payable	35,096
Due to general fund	(127,268)
Deposits	(7,635)
Total adjustments	<u>134,023</u>
Net cash provided (used) by operating activities	<u><u>\$ 58,924</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1 – DEFINITION OF REPORTING ENTITY

Conifer Metropolitan District (the “District”) was organized on November 8, 2004, and is governed pursuant to provisions set forth in 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 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 benefits or burdens and fiscal dependency.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and 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.

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

The statement of net position reports all financial resources of the District. The difference between the assets, deferred outflows of resources, 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 customer or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayment of developer advances are recorded as a reduction in liabilities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 revenue to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and intergovernmental revenues. 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.

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

The District reports the following major governmental funds:

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.

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 fund:

Proprietary Fund - The Water and Wastewater Enterprise Fund accounts for the activities associated with providing water and wastewater services to the citizens of the District. The Proprietary Fund accounts for the 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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.

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

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

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments purchased with a maturity of three months or less from the date of acquisition to be cash equivalents.

Accounts receivable, allowance for doubtful accounts

User fees and system development fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

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.

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 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 inflows of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Budgetary information

In accordance with the Colorado State Budget Law, the District 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 and other financing uses level and lapses at year end. The Receiver can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon

Conifer Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2023.

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 cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated 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.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated.

Deferred inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows or 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 government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

Fund balances

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

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

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. 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 above criteria.

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.

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.

Conifer Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 859,867
Cash and investments - Restricted	29,696
Total cash and investments	<u>\$ 889,563</u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 889,563
Total cash and investments	<u>\$ 889,563</u>

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 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.

At December 31, 2023, the District's cash deposits had a bank balance of \$978,905 and carrying balance of \$889,563. Amounts in excess of FDIC limits were fully collateralized.

Investments

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

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

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

Colorado revised statutes limit investment maturities to three or five years or less (depending upon the type of investment) 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 and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2023, the District had no investments.

Fair value measurement and application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PF Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized costs.

The District has the following recurring fair value measurements as of December 31, 2023:

- Certificates of deposit of \$625,000 are valued using third-party quotations (Level 2 inputs).

Conifer Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

	Balance at December 31, 2022	Additions	Deletions	Balance at December 31, 2023
Governmental Activities:				
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	<u>3,227,793</u>	<u>-</u>	<u>-</u>	<u>3,227,793</u>
Less accumulated depreciation	<u>1,446,943</u>	<u>95,867</u>	<u>-</u>	<u>1,542,810</u>
Net capital assets being depreciated	<u>1,780,850</u>	<u>(95,867)</u>	<u>-</u>	<u>1,684,983</u>
Governmental activities capital assets, net	<u>\$ 2,036,615</u>	<u>\$ (95,867)</u>	<u>\$ -</u>	<u>\$ 1,940,748</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land and improvement	\$ 6,512,846	\$ -	\$ -	\$ 6,512,846
Water rights	1,264,958	-	-	1,264,958
Total capital assets not being depreciated	<u>7,777,804</u>	<u>-</u>	<u>-</u>	<u>7,777,804</u>
Capital assets being depreciated:				
Building and improvements	6,543,285	-	-	6,543,285
Utility lines	2,541,367	-	-	2,541,367
Wells	367,167	-	-	367,167
Machinery and equipment	1,542,167	38,022	-	1,580,189
Total capital assets being depreciated	<u>10,993,986</u>	<u>38,022</u>	<u>-</u>	<u>11,032,008</u>
Less accumulated depreciation	<u>4,989,974</u>	<u>240,389</u>	<u>-</u>	<u>5,230,363</u>
Net capital assets being depreciated	<u>6,004,012</u>	<u>(202,367)</u>	<u>-</u>	<u>5,801,645</u>
Business-type activities capital assets, net	<u>\$ 13,781,816</u>	<u>\$ (202,367)</u>	<u>\$ -</u>	<u>\$ 13,579,449</u>
Total Net Capital Assets	<u>\$ 15,818,431</u>	<u>\$ (298,234)</u>	<u>\$ -</u>	<u>\$ 15,520,197</u>

Depreciation expense was charged to District functions as follows:

General government	\$ 95,867
Water and wastewater operations	\$240,389

Conifer Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

NOTE 5 – LONG-TERM OBLIGATIONS

Following is an analysis of changes in long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
General Obligation Bonds:					
Series 2005	\$10,000,000	\$ -	\$ -	\$10,000,000	\$ -
Series 2006	3,000,000	-	-	3,000,000	-
2006 Supplemental Interest Coupons	6,394,124	191,664	-	6,585,788	-
Subtotal	19,394,124	191,664	-	19,585,788	-
Developer advances	5,795,724	-	-	5,795,724	-
	<u>\$25,189,848</u>	<u>\$ 191,664</u>	<u>\$ -</u>	<u>\$25,381,512</u>	<u>\$ -</u>

A description of the long-term obligations as of December 31, 2023, 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.

The Series 2005 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 Series 2006 Bonds bear interest at the rate of

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

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, 2023, was \$6,585,789.

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.

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

Conifer Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

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 of 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, 2023, on the Series 2005 and Series 2006 Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005 GO Bonds	\$ 4,940,000	\$ 12,186,933	\$ 17,126,933
2006 GO Bonds	-	3,694,637	3,694,637
Supplemental Interest Coupon	4,345,000	-	4,345,000
	<u>\$ 9,285,000</u>	<u>\$ 15,881,570</u>	<u>\$ 25,166,570</u>

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.

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, 2023, was \$5,795,724 which is not accruing interest since satisfaction of this amount is not expected.

Conifer Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

Debt Authorization

As of December 31, 2023, the District had no remaining voted debt authorization. The District does not intend to issue any debt in 2024.

NOTE 6 – NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, developer advances, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets in the amount of \$(9,861,315).

Restricted assets include net position that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. At December 31, 2023, the District had restricted net position of \$4,400 for Emergency Reserves and \$467,576 for roads and bridges.

The District had has a deficit in unrestricted net position at December 31, 2023 for governmental activities. The deficit amount in the governmental activities is a result of the District being responsible for repayment of bonds issued for public improvements and insufficient revenues for repayment of those bonds.

NOTE 7 – 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.

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,

Conifer Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

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.

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 personnel, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (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 auto, liability, property, public officials' liability and worker's compensation 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, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local

Conifer Metropolitan District

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2023

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.

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 ownership 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, 2023, the District collected property and specific ownership taxes (net of fees) of \$316,079 and deposited \$233,249 with the Trustee in 2023 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 2023, 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 7 and Note 10).

NOTE 10 – INTERFUND AND OPERATING TRANSFERS

The transfer 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 from the Water Fund to the General Fund was transferred for the purpose of paying additional administrative costs.

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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, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 299,506	\$ 299,506	\$ 299,131	\$ (375)
Specific ownership taxes	14,000	15,877	21,435	5,558
Total revenues	<u>313,506</u>	<u>315,383</u>	<u>320,566</u>	<u>5,183</u>
EXPENDITURES				
Treasurer's fees	5,000	5,000	4,487	513
Trustee fees	3,500	3,650	4,249	(599)
Bond interest	229,000	229,000	229,000	-
Other	1,000	1,000	-	1,000
Total expenditures	<u>238,500</u>	<u>238,650</u>	<u>237,736</u>	<u>914</u>
Excess of expenditures over (under) revenues	75,006	76,733	82,830	6,097
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balances	<u>6</u>	<u>1,733</u>	<u>7,830</u>	<u>6,097</u>
Fund balances - beginning	<u>462,746</u>	<u>503,431</u>	<u>509,795</u>	<u>6,364</u>
Fund balances - ending	<u>\$ 462,752</u>	<u>\$ 505,164</u>	<u>\$ 517,625</u>	<u>\$ 12,461</u>

Conifer Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGETARY BASIS
BUDGET AND ACTUAL

For the year ended December 31, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Water usage charges	\$ 51,900	\$ 59,057	\$ 107,710	\$ 48,653
Sewer usage charges	281,100	322,023	341,944	19,921
Administrative fee	60,200	60,200	18,162	(42,038)
Pro rata ELC monitoring	9,000	9,000	8,532	(468)
Reserve replacement fees	91,800	104,774	110,611	5,837
Reimbursable expenses	5,000	3,385	555	(2,830)
Miscellaneous income	1,000	553	8,120	7,567
Total revenues	<u>500,000</u>	<u>558,992</u>	<u>595,634</u>	<u>36,642</u>
EXPENDITURES				
Water/well monitoring	24,500	24,500	24,330	170
Legal fees - water rights	10,000	11,997	9,732	2,265
Insurance	31,900	31,900	39,423	(7,523)
Supplies	4,100	7,993	7,430	563
Chemical fees	16,700	21,231	21,508	(277)
Service operations	82,200	105,794	129,571	(23,777)
Maintenance and repairs	25,000	19,367	42,524	(23,157)
Sludge haul	40,000	48,569	50,341	(1,772)
Lab test	12,000	13,482	12,304	1,178
Consulting services	15,000	19,702	19,438	264
Water right expense	5,000	4,319	2,364	1,955
Utilities	70,000	64,313	63,533	780
Trash	1,200	993	999	(6)
Snow removal	3,500	3,500	-	3,500
Telephone	3,000	2,008	2,297	(289)
Fees/permits	4,000	4,000	1,443	2,557
Fire alarm monitoring	-	-	444	(444)
Reimbursed expenses	5,000	3,055	555	2,500
Miscellaneous/bad debts	10,000	5,000	2,108	2,892
Capital improvements	91,800	104,774	38,022	66,752
Total expenditures	<u>454,900</u>	<u>496,497</u>	<u>468,366</u>	<u>28,131</u>
Excess (Deficit) of revenues over (Under) expenditures	<u>45,100</u>	<u>62,495</u>	<u>127,268</u>	<u>64,773</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	<u>(45,000)</u>	<u>(45,000)</u>	<u>(20,902)</u>	<u>24,098</u>
Total other financing sources (uses)	<u>(45,000)</u>	<u>(45,000)</u>	<u>(20,902)</u>	<u>24,098</u>
Excess (Deficit) of revenues and other sources over (Under) expenditures and other uses	<u>100</u>	<u>17,495</u>	<u>106,366</u>	<u>88,871</u>
FUNDS AVAILABLE - beginning of year			<u>(271,635)</u>	
FUNDS AVAILABLE - end of year			<u>\$ (165,269)</u>	

Conifer Metropolitan District
RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT
OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ended December 31, 2023

Revenues (budgetary basis)	\$	595,634
Total revenues per Statement of Revenues, Expenses and Changes in Net Position		595,634
Expenditures (budgetary basis)		489,268
Depreciation and amortization		240,389
Capital outlay		(38,022)
Total expenses per Statement of Revenues, Expenses and Changes in Net Position		691,635
Change in net position per Statement of Revenues, Expenses and Changes in Net Position	\$	(96,001)