



## ICENOGLE SEAVER POGUE

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September 27, 2023

Town of Monument  
Town Council  
645 Beacon Lite Road  
Monument, CO 80132

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203  
*Via E-Filing*

State of Colorado  
Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203  
*Via E-Filing*

El Paso County Clerk and Recorder  
1675 W. Garden of the Gods Road, Suite  
2201  
Colorado Springs, CO 80907  
*Via Email: [steveschleiker@elpasoco.com](mailto:steveschleiker@elpasoco.com)*

**Re: Wagons West Metropolitan District**  
Filing of 2022 Annual Report

Dear Sir or Madam:

Enclosed for your information and records is a copy of the 2022 Annual Report for Wagons West Metropolitan District.

Should you have any questions regarding the enclosed, please do not hesitate to contact our office.

Sincerely,

ICENOGLE SEAVER POGUE  
A Professional Corporation

*Alexandra L. Mejia*

Alexandra L. Mejia

*Alexandra L. Mejia* | [AMEjia@isp-law.com](mailto:AMEjia@isp-law.com) | Direct 303.867.3016

4725 S. Monaco St., Suite 360 | Denver, CO 80237 | 303.292.9100 | fax 303.292.9101 | [www.isp-law.com](http://www.isp-law.com)

## **WAGONS WEST METROPOLITAN DISTRICT**

### **ANNUAL REPORT PURSUANT TO SECTION 32-1-207(3)(c), C.R.S.**

Pursuant to Section 32-1-207(3)(c), C.R.S., the Wagons West Metropolitan District (the “District”) is required to submit an annual report for the preceding calendar year commencing in 2023 for the 2022 calendar year to the Board of Trustees of the Town of Monument, the Division of Local Government, the state auditor, and the El Paso County Clerk and Recorder. The District hereby submits this annual report pursuant to Section 32-1-207(3)(c), C.R.S. to satisfy the reporting requirement for the year 2022.

For the year ending December 31, 2022, the District makes the following report:

**(A) Boundary changes made.**

The District made no changes to its boundaries in 2022.

**(B) Intergovernmental agreements entered into or terminated with other governmental entities.**

The District did not enter into or terminate any intergovernmental agreements with other governmental entities in 2022.

**(C) Access information to obtain a copy of rules and regulations adopted by the board.**

For information concerning rules and regulations adopted by the District please contact the District’s General Counsel:

Jennifer L. Ivey  
Icenogle Seaver Pogue, P.C.  
4725 S. Monaco Street, Suite 360  
Denver, CO 80237  
Phone: (303) 292-9100  
Email: JIvey@ISP-law.com

**(D) A summary of litigation involving public improvements owned by the special district.**

As of December 31, 2022, the District is not involved in any litigation involving public improvements owned by the District.

**(E) The status of the construction of public improvements by the special district.**

There were no public improvements constructed by the District in 2022.

**(F) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.**

As of December 31, 2022, no facilities or improvements were constructed by the District and conveyed or dedicated to the Town of Monument.

**(G) The final assessed valuation of the special district as of December 31 of the reporting year.**

\$2,813,630

**(H) A copy of the current year's budget.**

A copy of the District's 2022 Budget Amendment and 2023 Budget is attached hereto as **Exhibit A**.

**(I) A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

A copy of the District's 2022 audited financial statements are attached hereto as **Exhibit B**.

**(J) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.**

As of December 31, 2022, General Counsel for the District is not aware of any notice of uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

**(K) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.**

As of December 31, 2022, General Counsel for the District is not aware of any inability of the District to pay its obligations as they come due in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

**EXHIBIT A**

**2022 BUDGET AMENDMENT AND 2023 BUDGET**

## RESOLUTION TO AMEND 2022 BUDGET

**COMES NOW**, M. Vincent Paul, the President of the Wagons West Metropolitan District (the “District”), and certifies that at a special meeting of the Board of Directors of the District held, Thursday, the 3rd day of November, 2022, at 12:00 P.M., via video conference at <https://us06web.zoom.us/j/82430133685?pwd=QklyT256U1o0eTJwL0NyY3I0R0wvQT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558 the following Resolution was adopted by affirmative vote of a majority of the Board of Directors, to-wit:

WHEREAS, the Board of Directors of the District appropriated funds for the fiscal year 2022 as follows:

General Fund	\$ 135,000
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and;

WHEREAS, the necessity has arisen for additional expenditures and transfers by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for the fiscal year 2022; and

WHEREAS, funds are available for such an expenditure and transfer from surplus revenue funds of the District; and

WHEREAS, due and proper notice was published on Wednesday, October 26, 2022 in the *Tri-Lakes Tribune*, indicating (i) the date and time of the hearing at which the adoption of the proposed 2022 budget amendment will be considered; (ii) that the proposed budget amendment is available for inspection by the public at a designated place; and (iii) that any interested persons may file any objections to the proposed budget amendment at any time prior to the final adoption of the budget by the District, as shown on the publisher’s Affidavit of Publication attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget amendment was open for inspection by the public at a designated place; and

WHEREAS, a public hearing was held on Thursday, November 3, 2022 and interested persons were given the opportunity to file or register any objections to said proposed budget amendment and any such objections were considered by the Board of Directors; and

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the District shall and hereby does amend the budget for the fiscal year 2022 as follows:

General Fund	\$ 156,000
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**BE IT FURTHER RESOLVED**, that such sums are hereby appropriated from the revenues of the District to the General Fund for the purpose stated, and that any ending fund balances shall be reserved for purposes of Article X, Section 20 of the Colorado Constitution.

Whereupon, a motion was made by Director Paul and seconded by Director Zanchuk, and upon a unanimous vote this Resolution was approved by the Board of Directors.

**APPROVED AND ADOPTED THIS 3RD DAY OF NOVEMBER, 2022.**

WAGONS WEST METROPOLITAN DISTRICT

DocuSigned by:

*M. Vincent Paul*

222D6FDE8428479...

By: M. Vincent Paul, President

ATTEST:

DocuSigned by:

*John M. Zanchuk*

25F7B4215A0B478...

By: John M. Zanchuk, Secretary

**WAGONS WEST METROPOLITAN DISTRICT  
GENERAL FUND  
2022 AMENDED BUDGET**

	ORIGINAL BUDGET 2022	AMENDED BUDGET 2022
BEGINNING FUND BALANCE	\$ 2,362	\$ 21,435
REVENUE		
Property taxes	40,399	40,417
Specific ownership taxes	4,040	4,049
Developer advance	50,800	40,000
Maintenance fees	40,000	53,128
Total revenue	135,239	137,594
Total funds available	137,601	159,029
EXPENDITURES		
General and Administrative		
Accounting	16,500	15,000
Auditing	3,850	3,850
Contingency	16,944	10,968
County Treasurer's fees	606	606
Dues and licenses	600	380
Election expense	10,000	3,451
Insurance and bonds	3,500	2,993
Legal services	25,000	15,000
Operations and Maintenance		
District management	14,000	11,997
Electricity	7,000	2,936
Reserve for alley repair general maintaina	-	3,287
General maintenance	-	3,130
Snow removal	2,000	2,000
Landscape maintenance	25,000	22,630
Water	-	12,300
Irrigation repairs	10,000	-
Water - District	-	12,783
Electricity - District	-	2,822
Landscape maintenance - District	-	29,667
Miscellaneous	-	200
Total expenditures	135,000	156,000
Total expenditures and transfers out requiring appropriation	135,000	156,000
ENDING FUND BALANCE	\$ 2,601	\$ 3,029

**EXHIBIT A**

Notice of Special Meeting  
Affidavit of Publication  
Notice as to Proposed 2022 Budget Amendment



**NOTICE OF SPECIAL MEETING**  
**WAGONS WEST METROPOLITAN DISTRICT**  
**Thursday, November 3, 2022**

NOTICE IS HEREBY GIVEN that the Board of Directors (the “Board”) of the **WAGONS WEST METROPOLITAN DISTRICT**, County of El Paso, Town of Monument, State of Colorado (the “District”), will hold a special meeting at 12:00 p.m. on Thursday, November 3, 2022, via video conference at <https://us06web.zoom.us/j/82430133685?pwd=QklyT256U1o0eTJwL0NyY3I0R0wvQT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558. This meeting will be held for the purpose of conducting such business as may come before the Board. This meeting is open to the public.

**Agenda**

1. Call To Order/Declaration of Quorum
2. Directors Matters/Disclosure Matters
  - a. Consider Appointment to Vacancies
  - b. Consider Election of Officers
3. Approval of/Additions To/Deletions From the Agenda
4. Public Comment For Matters Not on Agenda (limited to 3 minutes, per person)
5. Approval of Minutes
  - a. Consider Approval of September 12, 2022 Special Meeting Minutes
6. Legal Matters
  - a. Consider Adoption of Annual Resolution
    - i. Election of Officers
    - ii. Regular Meeting Date/Location
  - b. Consider Approval of Election Resolution
    - i. Consider Approval of Engagement of Community Resource Services of Colorado, LLC
  - c. Consider Approval of Resolution Determining Not to Provide Workers’ Compensation Insurance Coverage for Uncompensated Members of the Board of Directors
  - d. Consider Approval of Updated Outstanding Advance and Reimbursement Agreement Obligation Form
  - e. Discuss and consider action related to Maintenance Obligations Agreement between Wagons West Metropolitan District and Wagons West Paired Homes Association, Inc. and Maintenance Obligations Agreement between Wagons West Metropolitan District and Wagons West Townhomes Association, Inc.
  - f. Ratify Approval of Streamline Platform – Subscription Agreement
  - g. Legislative Report

- i. 2022 Legislative Memorandum
  - ii. Update regarding SB 21-262 Website Compliance
- 7. Financial Matters
  - a. Consider Approval/Ratification of Claims
  - b. Consider Acceptance of September 30, 2022 Financial Statements
  - c. Public Hearing on Proposed 2022 Budget Amendment
    - i. Consider Approval of Resolution Approving Proposed 2022 Budget Amendment and Appropriate Sums of Money
  - d. Public Hearing on Proposed 2023 Budget
    - i. Consider Approval of Resolution Approving Proposed 2023 Budget, Certification of Mill Levy, and Appropriate Sums of Money
    - ii. Appointment of Board member to sign the DLG-70 Certification of Tax Levies
  - e. Consider Approval of Engagement Letter for 2022 Audit
  - f. Consider Approval of Master Services Agreement and Statement(s) of Work with CliftonLarsonAllen LLP
  - g. Other
- 8. Other Business
- 9. Adjournment

BY ORDER OF THE BOARD OF DIRECTORS:  
WAGONS WEST METROPOLITAN DISTRICT

By: /s/ ICENOGL SEAVER POGUE  
A Professional Corporation  
General Counsel to the District

154268

# AFFIDAVIT OF PUBLICATION

STATE OF COLORADO  
COUNTY OF El Paso

I, Lorre Cosgrove, being first duly sworn, deposes and says that she is the Legal Sales Representative of The Tri Lakes Tribune, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Tri Lakes Tribune; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper 1 time(s) to wit 10/26/2022

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.



Lorre Cosgrove  
Sales Center Agent

Subscribed and sworn to me this 10/27/2022, at said City of Colorado Springs, El Paso County, Colorado.  
My commission expires June 23, 2026.



Karen Hogan  
Notary Public

1 **KAREN HOGAN**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
NOTARY ID 20224024441  
MY COMMISSION EXPIRES 06/23/2026

**Public Notice**

**NOTICE AS TO PROPOSED AMENDED 2022 BUDGET AND HEARING**  
**WAGONS WEST METROPOLITAN DISTRICT**

**NOTICE IS HEREBY GIVEN** that a proposed amended budget will be submitted to the **WAGONS WEST METROPOLITAN DISTRICT** for the year of 2022. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Wagons West Metropolitan District to be held at 12:00 P.M., on Thursday, November 3, 2022. The meeting will be held via video conference at <https://us06web.zoom.us/j/82430133685?pwd=Ok1kYTZ56Ulo0eTjwL0NyY3l0R0wvOT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558. Any interested elector within Wagons West Metropolitan District may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2022 budget.

**BY ORDER OF THE BOARD OF DIRECTORS:**  
**WAGONS WEST METROPOLITAN DISTRICT**

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

Published in the Tri-Lakes Tribune October 26, 2022.

**NOTICE AS TO PROPOSED AMENDED 2022 BUDGET AND HEARING  
WAGONS WEST METROPOLITAN DISTRICT**

**NOTICE IS HEREBY GIVEN** that a proposed amended budget will be submitted to the **WAGONS WEST METROPOLITAN DISTRICT** for the year of 2022. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Wagons West Metropolitan District to be held at 12:00 P.M., on Thursday, November 3, 2022. The meeting will be held via video conference at <https://us06web.zoom.us/j/82430133685?pwd=QklYT256U1o0eTJwL0NyY3I0R0wvQT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558. Any interested elector within Wagons West Metropolitan District may inspect the proposed amended budget and file or register any objections at any time prior to the final adoption of the amended 2022 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
WAGONS WEST METROPOLITAN DISTRICT

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

Publish In: *Tri-Lakes Tribune*  
Publish On: Wednesday, October 26, 2022

STATE OF COLORADO  
COUNTY OF EL PASO  
WAGONS WEST METROPOLITAN DISTRICT  
2023 BUDGET RESOLUTION

The Board of Directors of the Wagons West Metropolitan District, El Paso County, Colorado held a special meeting on Thursday, November 3, 2022, at the hour of 12:00 P.M., held via video conference at <https://us06web.zoom.us/j/82430133685?pwd=QklYT256U1o0eTJwL0NyY3I0R0wvQT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558.

The following members of the Board of Directors were present:

President: M. Vincent Paul  
Treasurer: Kris Lewis  
Secretary: John M. Zanchuk  
Assistant Secretary: Ron Batzel

Also present were: Jennifer L. Ivey and Alicia J. Corley, Icenogle Seaver Pogue, P.C.; Seef LeRoux and Carrie Bartow, CliftonLarsonAllen LLP; Tamrin Apaydin, member of the public; Ron Batzel, member of the public; LJ Wozmy, member of the public; and Megan Lansford, member of the public.

Ms. Ivey reported that proper notice was made to allow the Board of Directors of the Wagons West Metropolitan District to conduct a public hearing on the 2023 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted at the corner fence post at Old Denver Road and Private Drive at 16340 Older Denver Road, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

Thereupon, Director Paul introduced and moved the adoption of the following Resolution:

RESOLUTION

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

WHEREAS, the Board of Directors (the "Board") of the Wagons West Metropolitan District (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2022; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Wednesday, October 19, 2022, in the *Tri-Lakes Tribune*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Thursday, November 3, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WAGONS WEST METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2023. In the event the final assessed valuation provided by the El Paso County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by John M. Zanchuk, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2023 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$40,803 and that the 2022 valuation for assessment, as certified by the El Paso County Assessor, is \$2,813,630 That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 14.502 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 6. 2023 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$104,574 and that the 2022 valuation for assessment, as certified by the El Paso County Assessor, is \$2,813,630. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 37.167 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 7. 2023 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Section 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of El Paso County on or before December 15, 2022, for collection in 2023.

Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Douglas County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**



The foregoing Resolution was seconded by Director Zanchuk.

RESOLUTION APPROVED AND ADOPTED THIS 3RD DAY OF NOVEMBER 2022.

WAGONS WEST METROPOLITAN DISTRICT

DocuSigned by:

*M. Vincent Paul*

222D6FDE8428479...

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By: M. Vincent Paul  
Its: President

ATTEST:

DocuSigned by:

*John M. Zanchuk*

25F7B4215A0B478...

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By: John M. Zanchuk  
Its: Secretary

STATE OF COLORADO  
COUNTY OF EL PASO  
WAGONS WEST METROPOLITAN DISTRICT

I, John M. Zanchuk, hereby certify that I am a director and the duly elected and qualified Secretary of the Wagons West Metropolitan District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Wagons West Metropolitan District held on Thursday, November 3, 2022, via video conference at <https://us06web.zoom.us/j/82430133685?pwd=QkIYT256U1o0eTJwL0NyY3I0R0wvQT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 3rd day of November 2022.

DocuSigned by:  
*John M. Zanchuk*  
25E7B4215A0B478

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John M. Zanchuk, Secretary

[SEAL]



**EXHIBIT A**

Affidavit  
Notice as to Proposed 2023 Budget

154013

# AFFIDAVIT OF PUBLICATION

STATE OF COLORADO  
COUNTY OF El Paso

I, Lorre Cosgrove, being first duly sworn, deposes and says that she is the Legal Sales Representative of The Tri Lakes Tribune, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Tri Lakes Tribune; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper 1 time(s) to wit 10/19/2022

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.



Lorre Cosgrove  
Sales Center Agent

Subscribed and sworn to me this 10/19/2022, at said City of Colorado Springs, El Paso County, Colorado.  
My commission expires June 23, 2026.



Karen Hogan  
Notary Public

1 **KAREN HOGAN**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
NOTARY ID 20224024441  
MY COMMISSION EXPIRES 06/23/2026

**PUBLIC NOTICE**  
**NOTICE AS TO PROPOSED 2023 BUDGET AND HEARING**  
**WAGONS WEST METROPOLITAN DISTRICT**  
**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **WAGONS WEST METROPOLITAN DISTRICT** for the ensuing year of 2023. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, 80111, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Wagons West Metropolitan District to be held at 12:00 P.M., on Thursday, November 3, 2022. The meeting will be held via video conference at <https://us06web.zoom.us/j/82430133685?pwd=Ok1YT256Ulo0eTJwL0NyY3l0R0wvOT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558. Any interested elector within the Wagons West Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2023 budget.  
**BY ORDER OF THE BOARD OF DIRECTORS:**  
**WAGONS WEST METROPOLITAN DISTRICT**  
By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation  
Published in the Tri-Lakes Tribune October 19, 2022.

**NOTICE AS TO PROPOSED 2023 BUDGET AND HEARING  
WAGONS WEST METROPOLITAN DISTRICT**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **WAGONS WEST METROPOLITAN DISTRICT** for the ensuing year of 2023. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, 80111, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Wagons West Metropolitan District to be held at 12:00 P.M., on Thursday, November 3, 2022. The meeting will be held via video conference at <https://us06web.zoom.us/j/82430133685?pwd=QklyT256U1o0eTJwL0NyY3I0R0wvQT09> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 824 3013 3685, Passcode: 382558. Any interested elector within the Wagons West Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2023 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
WAGONS WEST METROPOLITAN DISTRICT

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

Publish In: *Tri-Lakes Tribune*  
Publish On: Wednesday, October 19, 2022

**EXHIBIT B**

Budget Document  
Budget Message

**WAGONS WEST METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2023**

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

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 329,134	\$ 270,683	\$ 245,661
REVENUE			
Property taxes	41,163	115,664	145,377
Specific ownership taxes	4,843	11,587	14,537
Developer advance	61,932	30,000	68,000
Interest income	119	2,010	3,550
Maintenance fees	24,628	53,128	62,041
Total revenue	<u>132,685</u>	<u>212,389</u>	<u>293,505</u>
TRANSFERS IN	<u>6,642</u>	-	-
Total funds available	<u>468,461</u>	<u>483,072</u>	<u>539,166</u>
EXPENDITURES			
General Fund	98,751	145,032	141,000
Debt Service Fund	91,269	92,379	95,000
Capital Projects Fund	1,116	-	36,469
Total expenditures	<u>191,136</u>	<u>237,411</u>	<u>272,469</u>
TRANSFERS OUT	<u>6,642</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>197,778</u>	<u>237,411</u>	<u>272,469</u>
ENDING FUND BALANCES	<u>\$ 270,683</u>	<u>\$ 245,661</u>	<u>\$ 266,697</u>
EMERGENCY RESERVE	\$ 2,100	\$ 2,900	\$ 3,300
CAPITALIZE INTEREST	106,015	21,765	-
SURPLUS FUND	6,574	83,230	128,526
RESERVE FUND	133,250	133,250	133,250
TOTAL RESERVE	<u>\$ 247,939</u>	<u>\$ 241,145</u>	<u>\$ 265,076</u>



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

1/6/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
----------------	-------------------	----------------

**ASSESSED VALUATION**

Residential - single family	\$ 69,500	\$ 968,110	\$ 2,611,580
Commercial	-	-	3,010
State assessed	18,780	42,810	40,280
Vacant land	730,910	1,066,060	158,760
Certified Assessed Value	\$ 819,190	\$ 2,076,980	\$ 2,813,630

**MILL LEVY**

General	48.829	19.451	14.502
Debt Service	1.520	36.213	37.167
Total mill levy	50.349	55.664	51.669

**PROPERTY TAXES**

General	\$ 40,000	\$ 40,399	\$ 40,803
Debt Service	1,245	75,214	104,574
Levied property taxes	41,245	115,613	145,377
Adjustments to actual/rounding	(82)	51	-
Budgeted property taxes	\$ 41,163	\$ 115,664	\$ 145,377

**BUDGETED PROPERTY TAXES**

General	\$ 39,920	\$ 40,417	\$ 40,803
Debt Service	1,243	75,247	104,574
	\$ 41,163	\$ 115,664	\$ 145,377

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

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,049	\$ 21,435	\$ 3,997
REVENUE			
Property taxes	39,920	40,417	40,803
Specific ownership taxes	4,697	4,049	4,080
Developer advance	56,534	30,000	35,000
Maintenance fees	24,628	53,128	62,041
Total revenue	<u>125,779</u>	<u>127,594</u>	<u>141,924</u>
Total funds available	<u>126,828</u>	<u>149,029</u>	<u>145,921</u>
EXPENDITURES			
General and Administrative			
Accounting	17,428	15,000	17,500
Auditing	4,700	3,850	4,500
Contingency	-	-	3,247
County Treasurer's fees	599	606	612
Dues and licenses	360	380	600
Election expense	-	3,451	5,000
Insurance and bonds	3,091	2,993	3,500
Legal services	15,436	15,000	17,500
Operations and Maintenance			
District management	449	11,997	11,997
Electricity	3,224	2,936	3,000
Reserve for alley repair general maintenance	-	3,287	3,287
General maintenance	-	3,130	2,250
Snow removal	106	2,000	9,563
Landscape maintenance	38,129	22,630	19,584
Water	12,478	12,300	12,360
Irrigation repairs	2,586	-	-
Water - District	-	12,783	13,000
Electricity - District	-	2,822	3,500
Landscape maintenance - District	-	29,667	10,000
Miscellaneous	165	200	-
Total expenditures	<u>98,751</u>	<u>145,032</u>	<u>141,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>6,642</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>105,393</u>	<u>145,032</u>	<u>141,000</u>
ENDING FUND BALANCE	<u>\$ 21,435</u>	<u>\$ 3,997</u>	<u>\$ 4,921</u>
EMERGENCY RESERVE	<u>\$ 2,100</u>	<u>\$ 2,900</u>	<u>\$ 3,300</u>
TOTAL RESERVE	<u>\$ 2,100</u>	<u>\$ 2,900</u>	<u>\$ 3,300</u>

No assurance provided. See summary of significant assumptions.

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

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 328,958	\$ 245,839	\$ 238,245
REVENUE			
Property taxes	1,243	75,247	104,574
Specific ownership taxes	146	7,538	10,457
Interest income	119	2,000	3,500
Total revenue	<u>1,508</u>	<u>84,785</u>	<u>118,531</u>
TRANSFERS IN			
Transfers from other funds	<u>6,642</u>	-	-
Total funds available	<u>337,108</u>	<u>330,624</u>	<u>356,776</u>
EXPENDITURES			
General and Administration			
County Treasurer's fees	19	1,129	1,569
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	2,181
Debt Service			
Bond interest	<u>84,250</u>	<u>84,250</u>	<u>84,250</u>
Total expenditures	<u>91,269</u>	<u>92,379</u>	<u>95,000</u>
Total expenditures and transfers out requiring appropriation	<u>91,269</u>	<u>92,379</u>	<u>95,000</u>
ENDING FUND BALANCE	<u>\$ 245,839</u>	<u>\$ 238,245</u>	<u>\$ 261,776</u>
CAPITALIZE INTEREST	\$ 106,015	\$ 21,765	\$ -
SURPLUS FUND	6,574	83,230	128,526
RESERVE FUND	133,250	133,250	133,250
TOTAL RESERVE	<u>\$ 245,839</u>	<u>\$ 238,245</u>	<u>\$ 261,776</u>

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

1/6/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (873)	\$ 3,409	\$ 3,419
REVENUE			
Interest income	-	10	50
Developer advance	5,398	-	33,000
Total revenue	<u>5,398</u>	<u>10</u>	<u>33,050</u>
Total funds available	<u>4,525</u>	<u>3,419</u>	<u>36,469</u>
EXPENDITURES			
Capital Projects			
Engineering	1,116	-	3,469
Capital outlay	-	-	33,000
Total expenditures	<u>1,116</u>	<u>-</u>	<u>36,469</u>
Total expenditures and transfers out requiring appropriation	<u>1,116</u>	<u>-</u>	<u>36,469</u>
ENDING FUND BALANCE	<u>\$ 3,409</u>	<u>\$ 3,419</u>	<u>\$ -</u>

**WAGONS WEST METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for El Paso County on November 30, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan submitted to the Board of Trustees on June 18, 2018. The District's service area is located entirely within the Town of Monument, El Paso County, Colorado (the "Town").

The District was established to provide a part or all of the Public Improvements for the use and benefit of all anticipated constituents and taxpayers of the District. The primary purpose of the District is to finance the construction of the Public Improvements, including water, storm sewer, sanitation, street and roadway improvement, traffic and safety control, parks and recreation, transportation, television relay and translator, mosquito and pest elimination and control, solid waste disposal and covenant enforcement.

At an election held on November 6, 2018, the voters approved general indebtedness of \$5,000,000 at a maximum interest rate of 18% for each of the following improvement services: water, sanitation, streets, safety protection, parks and recreation, transportation, television relay and translation, mosquito control and fire protection. The election authorized indebtedness of \$5,000,000 each for operations and maintenance, intergovernmental agreements, reimbursement agreements, construction management agreement and refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

Pursuant to the District's Service Plan, the maximum mill levy is 50 mills, as adjusted.

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

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

**Revenues**

**Property Taxes**

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

**WAGONS WEST METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Property Taxes (Continued)**

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

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

**Developer Advances**

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

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**Maintenance Fees**

The District has entered a Maintenance Obligations Agreement with Wagons West Paired Homes Association, Inc (The Association). The Association will perform maintenance obligations on behalf of the District. In order to fund this obligation, the District will impose a fee of \$35.91/month for each Villa homeowner and \$41.96/month for each Town Home owner.

**Expenditures**

**County Treasurer's Fees**

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

**WAGONS WEST METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**General, Administrative, and Operations Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included in the budget.

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020A Bonds.

**Capital Outlay**

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

**Debt and Leases**

**2020A and 2020B Bonds**

In March 2020, the District issued \$1,685,000 in Series 2020A General Obligation Bonds and \$553,000 in Series 2020B Subordinate General Obligation Bonds. The Bonds are special limited obligations of the District secured by and payable from the pledged revenues, consisting of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the development, and revenues generated from the commercial and residential facilities fees imposed by the District. The Series 2020A Bonds are term bonds maturing as follows: \$10,515,000 due December 1, 2049 at an interest rate of 5.00%. The Series 2020B Bonds of \$553,000 are term bonds due December 15, 2049 at an interest rate of 8.50%.

**Developer Advances**

The District entered into an Operations Reimbursement Agreement (Operations Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advance were made to the date of repayment. The Operations Agreement does not constitute a multiple-fiscal year obligation.

The District entered into a Facilities Funding and Acquisition Agreement (Facilities Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advance were made to the date of repayment. The Facilities Agreement does not constitute a multiple-fiscal year obligation.

**WAGONS WEST METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

	Balance - December 31, 2021	Additions	Deletions	Balance - December 31, 2022
Series 2020A Bonds - Principal	\$ 1,685,000	\$ -	\$ -	\$ 1,685,000
Series 2020B Bonds - Principal	553,000	-	-	553,000
Series 2020A Bonds - Premium	51,496	-	2,591	48,905
Series 2020B Bonds - Accrued Interest	89,231	47,005	-	136,236
Developer Advances - Capital	577,143	-	-	577,143
Developer Advances - Capital Accrued Interest	82,575	46,171	-	128,746
Developer Advances - Operations	128,002	30,000	-	158,002
Developer Advances - Operations Accrued Interest	12,020	11,440	-	23,460
<b>Total Long Term Obligations</b>	<b>\$ 3,178,467</b>	<b>\$ 134,617</b>	<b>\$ 2,591</b>	<b>\$ 3,310,492</b>
	Balance - December 31, 2022	Estimated Additions	Deletions	Balance - December 31, 2023
Series 2020A Bonds - Principal	\$ 1,685,000	\$ -	\$ -	\$ 1,685,000
Series 2020B Bonds - Principal	553,000	-	-	553,000
Series 2020A Bonds - Premium	48,905	-	2,591	46,313
Series 2020B Bonds - Accrued Interest	136,236	47,005	-	183,241
Developer Advances - Capital	577,143	33,000	-	610,143
Developer Advances - Capital Accrued Interest	128,746	47,491	-	176,238
Developer Advances - Operations	158,002	35,000	-	193,002
Developer Advances - Operations Accrued Interest	23,460	14,040	-	37,500
<b>Total Long Term Obligations</b>	<b>\$ 3,310,492</b>	<b>\$ 176,537</b>	<b>\$ 2,591</b>	<b>\$ 3,484,438</b>

The District has no operating or capital leases.



**WAGONS WEST METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserves**

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

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

**WAGONS WEST METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICES  
REQUIREMENTS TO MATURITY**

**\$1,685,000 General Obligation Bonds**

**Series 2020A**

**Dated March 4, 2020**

**Interest Rate of 5.00%**

**Payable June 1 and December 1**

<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ -	\$ 84,250	\$ 84,250
2024	20,000	84,250	104,250
2025	20,000	83,250	103,250
2026	25,000	82,250	107,250
2027	25,000	81,000	106,000
2028	30,000	79,750	109,750
2029	30,000	78,250	108,250
2030	35,000	76,750	111,750
2031	35,000	75,000	110,000
2032	40,000	73,250	113,250
2033	40,000	71,250	111,250
2034	45,000	69,250	114,250
2035	50,000	67,000	117,000
2036	55,000	64,500	119,500
2037	55,000	61,750	116,750
2038	60,000	59,000	119,000
2039	65,000	56,000	121,000
2040	70,000	52,750	122,750
2041	70,000	49,250	119,250
2042	80,000	45,750	125,750
2043	80,000	41,750	121,750
2044	90,000	37,750	127,750
2045	95,000	33,250	128,250
2046	100,000	28,500	128,500
2047	105,000	23,500	128,500
2048	115,000	18,250	133,250
2049	250,000	12,500	262,500
	<b>\$ 1,685,000</b>	<b>\$ 1,590,000</b>	<b>3,275,000</b>

No assurance provided. See summary of significant assumptions.

**EXHIBIT C**

Certification of Tax Levy

## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of EL PASO COUNTY, Colorado.

On behalf of the WAGONS WEST METROPOLITAN DISTRICT,  
 (taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
 (governing body)<sup>B</sup>

of the WAGONS WEST METROPOLITAN DISTRICT  
 (local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,813,630 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 2,813,630 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/06/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>14.502</u> mills	<u>\$ 40,803</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>14.502</u> mills</b>	<b><u>\$ 40,803</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>37.167</u> mills	<u>\$ 104,574</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b><u>51.669</u> mills</b>	<b><u>\$ 145,377</u></b>

Contact person: Kris Lewis Daytime phone: (719) 635-0330  
(print) (signed by:)

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

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

**CERTIFICATION OF TAX LEVIES, continued****THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).**

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

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:****BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | Public Infrastructure                  |
|    | Series:           | General Obligation Bonds, Series 2020A |
|    | Date of Issue:    | March 4, 2020                          |
|    | Coupon Rate:      | 5.00%                                  |
|    | Maturity Date:    | December 1, 2049                       |
|    | Levy:             | 37.167                                 |
|    | Revenue:          | \$104,574                              |
|    |                   |  |
| 2. | Purpose of Issue: | _____                                  |
|    | Series:           | _____                                  |
|    | Date of Issue:    | _____                                  |
|    | Coupon Rate:      | _____                                  |
|    | Maturity Date:    | _____                                  |
|    | Levy:             | _____                                  |
|    | Revenue:          | _____                                  |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Wagons West Metropolitan District of El Paso County, Colorado on this 3rd day of November 2022.

DocuSigned by:  
*John M. Zanchuk*  
25F7B4215A3B476...  
\_\_\_\_\_  
John M. Zanchuk, Secretary

S E A L



**EXHIBIT B**  
**2022 AUDITED FINANCIAL STATEMENTS**

**WAGONS WEST METROPOLITAN DISTRICT  
El Paso County, Colorado**

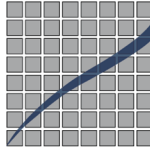
**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**



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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
**Wagons West Metropolitan District**  
El Paso County, Colorado

### Opinions

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

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

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the 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 within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

## **Other Matters**

### *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 which 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 purposes of additional analysis 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 22, 2023

## **BASIC FINANCIAL STATEMENTS**

**WAGONS WEST METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 694
Cash and Investments - Restricted	245,964
Accounts Receivable	16,962
Prepaid Expenses	3,044
Receivable from County Treasurer	982
Receivable from Management	25,474
Property Taxes Receivable	145,377
Capital Assets, Net	<u>2,232,238</u>
Total Assets	<u>2,670,735</u>
<b>LIABILITIES</b>	
Accounts Payable	35,934
Accrued Interest Payable	7,021
Noncurrent Liabilities:	
Due in More Than One Year	<u>3,308,865</u>
Total Liabilities	<u>3,351,820</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>145,377</u>
Total Deferred Inflows of Resources	<u>145,377</u>
<b>NET POSITION</b>	
Restricted For:	
Emergency Reserves	3,400
Capital Projects	2,398
Unrestricted	<u>(832,260)</u>
Total Net Position	<u><u>\$ (826,462)</u></u>

See accompanying Notes to Basic Financial Statements.

**WAGONS WEST METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenues		Net Revenue (Expense) and Change in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 139,003	\$ 65,924	\$ -	\$ -	\$ (73,079)
Interest and Related Costs on Long-Term Debt	<u>201,777</u>	-	-	-	<u>(201,777)</u>
Total Governmental Activities	<u>\$ 340,780</u>	<u>\$ 65,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(274,856)</u>
<b>GENERAL REVENUES</b>					
Property Taxes				115,664	
Specific Ownership Taxes				12,022	
Net Investment Income				3,275	
Total General Revenues				<u>130,961</u>	
<b>CHANGE IN NET POSITION</b>					<u>(143,895)</u>
Net Position - Beginning of Year					<u>(682,567)</u>
<b>NET POSITION - END OF YEAR</b>					<u><u>\$ (826,462)</u></u>

See accompanying Notes to Basic Financial Statements.

**WAGONS WEST METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 694	\$ -	\$ -	\$ 694
Cash and Investments - Restricted	3,400	239,138	3,426	245,964
Accounts Receivable	16,962	-	-	16,962
Prepaid Expenses	3,044	-	-	3,044
Receivable from County Treasurer	343	639	-	982
Receivable from Management	25,474	-	-	25,474
Property Taxes Receivable	40,803	104,574	-	145,377
	<u>\$ 90,720</u>	<u>\$ 344,351</u>	<u>\$ 3,426</u>	<u>\$ 438,497</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 35,934	\$ -	\$ -	\$ 35,934
Total Liabilities	35,934	-	-	35,934
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	40,803	104,574	-	145,377
Total Deferred Inflows of Resources	40,803	104,574	-	145,377
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenditures	3,044	-	-	3,044
Restricted For:				
Emergency Reserves	3,400	-	-	3,400
Debt Service	-	239,777	-	239,777
Capital Projects	-	-	3,426	3,426
Unassigned	7,539	-	-	7,539
Total Fund Balances	<u>13,983</u>	<u>239,777</u>	<u>3,426</u>	<u>257,186</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 90,720</u>	<u>\$ 344,351</u>	<u>\$ 3,426</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 as assets in the funds.

Capital Assets, Net	2,232,238
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Bonds Payable	(2,238,000)
Bond Premium	(48,905)
Accrued Interest on Bonds Payable	(150,842)
Developer Advance Payable	(726,145)
Accrued Interest on Developer Advance Payable	(151,994)
	<u>(3,315,886)</u>

Net Position of Governmental Activities

	<u>\$ (826,462)</u>
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See accompanying Notes to Basic Financial Statements.



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

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 40,417	\$ 75,247	\$ -	\$ 115,664
Specific Ownership Taxes	4,201	7,821	-	12,022
Maintenance Fees	65,924	-	-	65,924
Net Investment Income	9	3,249	17	3,275
Total Revenues	<u>110,551</u>	<u>86,317</u>	<u>17</u>	<u>196,885</u>
<b>EXPENDITURES</b>				
General and Administration:				
Accounting	21,569	-	-	21,569
Audit	3,850	-	-	3,850
County Treasurer's Fees	606	-	-	606
District Management	12,000	-	-	12,000
Dues and License	380	-	-	380
Election Expense	3,644	-	-	3,644
Insurance	2,993	-	-	2,993
Landscape Maintenance	51,129	-	-	51,129
Water	17,286	-	-	17,286
Legal	22,050	-	-	22,050
Contingency	450	-	-	450
Street Lights	3,046	-	-	3,046
Debt Service:				
Bond Interest	-	84,250	-	84,250
County Treasurer's Fees	-	1,129	-	1,129
Paying Agent Fees	-	7,000	-	7,000
Total Expenditures	<u>139,003</u>	<u>92,379</u>	<u>-</u>	<u>231,382</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(28,452)	(6,062)	17	(34,497)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	21,000	-	-	21,000
Total Other Financing Sources (Uses)	<u>21,000</u>	<u>-</u>	<u>-</u>	<u>21,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(7,452)	(6,062)	17	(13,497)
Fund Balances - Beginning of Year	<u>21,435</u>	<u>245,839</u>	<u>3,409</u>	<u>270,683</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 13,983</u>	<u>\$ 239,777</u>	<u>\$ 3,426</u>	<u>\$ 257,186</u>

See accompanying Notes to Basic Financial Statements.

**WAGONS WEST METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds	\$ (13,497)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Developer Advance	(21,000)
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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.

Current Year Amortization of Bond Premium	2,591
Accrued Interest on Developer Advance - Change in Liability	(57,399)
Accrued Interest on Bonds Payable - Change in Liability	(54,590)
	(109,398)

Changes in Net Position of Governmental Activities	\$ (143,895)
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**WAGONS WEST METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 40,399	\$ 40,417	\$ 40,417	\$ -
Specific Ownership Taxes	4,040	4,049	4,201	152
Maintenance Fees	40,000	53,128	65,924	12,796
Net Investment Income	-	-	9	9
Total Revenues	<u>84,439</u>	<u>97,594</u>	<u>110,551</u>	<u>12,957</u>
<b>EXPENDITURES</b>				
Accounting	16,500	15,000	21,569	(6,569)
Audit	3,850	3,850	3,850	-
Contingency	16,944	10,966	450	10,516
County Treasurer's Fees	606	606	606	-
District Management	14,000	11,997	12,000	(3)
Dues and Licenses	600	380	380	-
Election Expense	10,000	3,451	3,644	(193)
Electricity	2,000	2,936	-	2,936
Insurance	3,500	2,993	2,993	-
Irrigation Repairs	10,000	-	-	-
Landscape Maintenance	25,000	58,714	51,129	7,585
Water	-	25,085	17,286	7,799
Legal	25,000	15,000	22,050	(7,050)
Snow Removal	2,000	2,000	-	2,000
Street Lights	5,000	2,822	3,046	(224)
Miscellaneous	-	200	-	200
Total Expenditures	<u>135,000</u>	<u>156,000</u>	<u>139,003</u>	<u>16,997</u>
<b>NET CHANGE IN FUND BALANCES</b>	(50,561)	(58,406)	(28,452)	29,954
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	50,800	40,000	21,000	(19,000)
Total Other Financing Sources (Uses)	<u>50,800</u>	<u>40,000</u>	<u>21,000</u>	<u>(19,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	239	(18,406)	(7,452)	10,954
Fund Balance - Beginning of Year	<u>2,362</u>	<u>21,435</u>	<u>21,435</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,601</u>	<u>\$ 3,029</u>	<u>\$ 13,983</u>	<u>\$ 10,954</u>

See accompanying Notes to Basic Financial Statements.

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Wagons West Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court for El Paso County (the County) on November 30, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Board of Trustees of the Town of Monument, El Paso County, Colorado (the Town) by resolution 23-2018 on August 6, 2018. The District's service area is located entirely within the Town.

The District was established to provide a part or all of the Public Improvements for the use and benefit of all anticipated constituents and taxpayers of the District. The primary purpose of the District is to finance the construction of the Public Improvements, including water, storm sewer, sanitation, street and roadway improvement, traffic and safety control, parks and recreation, transportation, television relay and translator, mosquito and pest elimination and control, solid waste disposal and covenant enforcement.

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Government-Wide and Fund Financial Statements (Continued)**

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Budgets**

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

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

**Pooled Cash and Investments**

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

**Property Taxes**

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

**Capital Assets**

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

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

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Capital Assets (Continued)**

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

**Amortization**

**Original Issue Premium**

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

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Deferred Inflows of Resources**

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

**Equity**

**Net Position**

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

**Fund Balance**

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

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

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Equity (Continued)**

**Fund Balance (Continued)**

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

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

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

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

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

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Assets:

Cash and Investments	\$ 694
Cash and Investments - Restricted	<u>245,964</u>
Total Cash and Investments	<u><u>\$ 246,658</u></u>

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

Deposits with Financial Institutions	\$ 82,002
Investments	<u>164,656</u>
Total Cash and Investments	<u><u>\$ 246,658</u></u>



**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Deposits with Financial Institutions**

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

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

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$82,002.

**Investments**

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

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

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

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

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

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Investments (Continued)**

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>\$ 164,656</u>

**COLOTRUST**

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 CAPITAL ASSETS**

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

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 2,232,238	\$ -	\$ -	\$ 2,232,238
Capital Assets, Net	<u>\$ 2,232,238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232,238</u>

Upon completion and acceptance, a significant portion of capital assets will be conveyed by the District to other local governments. The District will not be responsible for the maintenance of those assets. Upon acceptance of the improvements, the District will remove the cost of construction for its capital assets.

**NOTE 5 LONG-TERM OBLIGATIONS**

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

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
<b>Bonds Payable:</b>					
Series 2020A G.O. Bonds	\$ 1,685,000	\$ -	\$ -	\$ 1,685,000	\$ -
Bond Premium - Series 2020A G.O. Bonds	51,496	-	2,591	48,905	-
Series 2020B G.O. Bonds	553,000	-	-	553,000	-
Accrued Interest on Series 2020B G.O. Bonds	89,231	54,590	-	143,821	-
<b>Subtotal of Bonds Payable</b>	<u>2,378,727</u>	<u>54,590</u>	<u>2,591</u>	<u>2,430,726</u>	<u>-</u>
<b>Developer Advances:</b>					
Developer Advance - Operations	128,002	21,000	-	149,002	-
Developer Advance - Capital	577,143	-	-	577,143	-
Accrued Interest on Developer Advances - Operations	12,020	11,228	-	23,248	-
Accrued Interest on Developer Advances - Capital	82,575	46,171	-	128,746	-
<b>Subtotal of Developer Advances</b>	<u>799,740</u>	<u>78,399</u>	<u>-</u>	<u>878,139</u>	<u>-</u>
<b>Total Long-Term Obligations</b>	<u>\$ 3,178,467</u>	<u>\$ 132,989</u>	<u>\$ 2,591</u>	<u>\$ 3,308,865</u>	<u>\$ -</u>

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

The details of the District's long-term obligations are as follows:

**General Obligation Bonds, Series 2020A and Subordinate General Obligation Bonds, Series 2020B**

On March 4, 2020, the District issued General Obligation Bonds, Series 2020A (Series 2020A Bonds) in the par amounts of \$1,685,000 and Subordinate General Obligation Bonds, Series 2020B (Series 2020B Bonds) in the par amount of \$553,000. Proceeds from the sale of the Bonds were used to: (a) finance public improvements; (b) pay capitalized interest on the 2020A Senior Bonds; (c) fund the Senior Reserve Fund; and (d) pay costs of issuance of the Bonds.

The Series 2020A Bonds bear interest at 5.000% per annum and are payable semi-annually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The 2020A Senior Bonds mature on December 1, 2049.

To the extent principal of any the Series 2020A Bonds are not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Series 2020A Bonds are not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the Series 2020A Bonds. The District shall not be obligated to pay more than the amount permitted by law and the election held on November 6, 2018 (the Election) in repayment of the Series 2020A Bonds. In the event the amount permitted by law and the Election has been repaid, any amounts remaining due on the Series 2020A Bonds shall be deemed defeased and shall no longer be due and outstanding.

The Series 2020B Bonds bear interest at 8.500% per annum and are payable annually on December 15, beginning December 15, 2020 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049.

The Series 2020B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Series 2020B Bonds compounds annually on each December 15. All of the Series 2020B Bonds and interest thereon are to be deemed to be paid and discharged after the application of all available Subordinate Pledged Revenue available on December 15, 2059, regardless of the amount of principal and interest paid prior to that date. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Series 2020B Bonds.

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**General Obligation Bonds, Series 2020A and Subordinate General Obligation Bonds, Series 2020B (Continued)**

Optional Redemption

The Series 2020A Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and Thereafter	0.00

The Series 2020B Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and Thereafter	0.00

Security for the Series 2020A Bonds

The Series 2020A Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, which includes: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. "Senior Property Tax Revenues" means all moneys derived from imposition by the District of the Senior Required Mill Levy, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. "Senior Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**General Obligation Bonds, Series 2020A and Subordinate General Obligation Bonds,  
Series 2020B (Continued)**

**Security for the Series 2020A Bonds (Continued)**

The Senior Required Mill Levy is defined as, subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due, and if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (i) not in excess of 50 mills less the amount of the Operations Mill Levy, and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills less the amount of the Operations Mill Levy, or such lesser mill levy which will fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due, will replenish the Reserve Fund to the amount of the Required Reserve, and will fund the Surplus Fund up to the Maximum Surplus Amount; provided however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2018, the minimum and maximum mill levies provided herein shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

**Series 2020A Bonds Reserve Fund**

The Series 2020A Bonds are also secured by amounts on deposit in the Senior Reserve Fund which was funded from proceeds of the Series 2020A Bonds in the amount of the Senior Reserve Requirement of \$133,250.

**Series 2020A Bonds Surplus Fund**

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Series 2020A Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$168,500.

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**General Obligation Bonds, Series 2020A and Subordinate General Obligation Bonds, Series 2020B (Continued)**

Security for the Series 2020B Bonds

The Series 2020B Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, which includes; (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. "Subordinate Property Tax Revenues" means all moneys derived from imposition by the District of the Subordinate Required Mill Levy, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. "Subordinate Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

Events of Default for the Bonds

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an event of default under the Indenture:

- i. The District fails or refuses to impose the required mill levy or to apply the pledged revenue as provided in the bond resolution;
- ii. The District defaults in the performance or observance of any other of the covenants in the bond resolution, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the Owner.
- iii. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the bonds.

It is acknowledged that due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on the bonds when due shall not, of itself, constitute an event of Default under the Indenture.

Remedies on Occurrence of Event of Default for the Revenue Bonds

Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

- i. Receivership: Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Senior Indenture Trustee and of the Owners of the Series 2020A Senior Bonds, the Senior Indenture Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Senior Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Senior Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Senior Indenture to, the Senior Indenture Trustee.

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

Remedies on Occurrence of Event of Default for the Revenue Bonds (Continued)

- ii. Suit for Judgment: The Senior Indenture Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Series 2020A Senior Bonds under the Special Direct Acts, the Series 2020A Senior Bonds, the Authorizing Resolution, the senior Indenture and any provision of law by such suit, action or special proceedings as the Senior Indenture Trustee, being advised by Counsel, shall deem appropriate.
  
- iii. Mandamus or Other Suit: The Owner may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce its rights.

No Acceleration

Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

As of December 31, 2022, the District was not in default.

The District's long-term obligations of the Series 2020A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 84,250	\$ 84,250
2024	20,000	84,250	104,250
2025	20,000	83,250	103,250
2026	25,000	82,250	107,250
2027	25,000	81,000	106,000
2028 - 2032	170,000	383,000	553,000
2033 - 2037	245,000	333,750	578,750
2038 - 2042	345,000	262,750	607,750
2043 - 2047	470,000	164,750	634,750
2048 - 2049	365,000	30,750	395,750
Total	<u>\$ 1,685,000</u>	<u>\$ 1,590,000</u>	<u>\$ 3,275,000</u>

The annual debt service requirements on the Series 2020B Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Developer Advances

The District has entered into Funding and Reimbursement Agreements with ProTerra Properties, LLC (the Developer) as follows:



**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Developer Advances (Continued)**

**Advance and Reimbursement and Facilities Acquisition Agreement**

The District entered into the Advance and Reimbursement and Facilities Acquisition Agreement (Advance and Reimbursement Agreement) with the Developer on November 7, 2019 pursuant to which the Developer has agreed under certain circumstances to advance funds to the District for operations and maintenance costs that cannot otherwise be paid by the District. Pursuant to the Advance and Reimbursement Agreement, the District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advance were made to the date of repayment. The Advance and Reimbursement Agreement does not constitute a multiple-fiscal year obligation. As of December 31, 2022, the amount outstanding under the aggregate of Advance and Reimbursement Agreement for operations and maintenance costs totaled \$172,250, comprised of principal of \$149,002 and accrued interest of \$23,248.

The Advance and Reimbursement Agreement also sets forth the terms under which the Developer may advance funds to the District or expend money on behalf of the District for organizational costs and public improvements and the conditions pursuant to which such advances may be reimbursed by the District. The District agrees to repay the Developer along with accrued interest, at a rate of 8% beginning on the date the advances were made to the date of repayment. The Advance and Reimbursement Agreement does not constitute a multiple-fiscal year obligation. As of December 31, 2022, the amount outstanding under the aggregate of Advance and Reimbursement Agreement for public improvements totaled \$705,889, comprised of principal of \$577,143 and accrued interest of \$128,746.

**Authorized Debt**

On November 6, 2018, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$70,000,000 at an interest rate not to exceed 18% per annum, in the following amounts for the following purposes:

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Authorized Debt (Continued)**

	Amount Authorized on November 6, 2018	Authorization Used by Series 2020A Bonds	Authorization Used by Series 2020B Bonds	Authorized But Unissued as of December 31, 2022
Street Improvements	\$ 5,000,000	\$ 295,886	\$ 97,107	\$ 4,607,007
Parks and Recreation	5,000,000	118,624	38,931	4,842,445
Water System	5,000,000	310,208	101,807	4,587,985
Storm and Sanitary Sewer System	5,000,000	960,282	315,155	3,724,563
Public Transportation	5,000,000	-	-	5,000,000
Mosquito Control	5,000,000	-	-	5,000,000
Safety Protection	5,000,000	-	-	5,000,000
Fire Protection	5,000,000	-	-	5,000,000
TV Relay and Translation	5,000,000	-	-	5,000,000
Debt Refunding	5,000,000	-	-	5,000,000
Reimbursement Agreements	5,000,000	-	-	5,000,000
Construction Management Agreements	5,000,000	-	-	5,000,000
Operations and Maintenance	5,000,000	-	-	5,000,000
District Intergovernmental Agreements	5,000,000	-	-	5,000,000
Security Services	5,000,000	-	-	5,000,000
IGAs for Public Improvements	5,000,000	-	-	5,000,000
Total	<u>\$ 80,000,000</u>	<u>\$ 1,685,000</u>	<u>\$ 553,000</u>	<u>\$ 77,762,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$5,000,000.

**NOTE 6 NET POSITION**

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

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

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	\$ 3,400
Capital Projects	2,398
Total	<u>\$ 5,798</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued to construct public improvements for the benefit of other governmental entities, and which costs have not been recorded on the District's financial records.

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 RELATED PARTY**

The members of the Board of Directors of the District are employees of, owners of, or otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

**NOTE 8 RISK MANAGEMENT**

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

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

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

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

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that 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. As of December 31, 2022, the District had provided but did not fund an Emergency Reserve, which may be a violation of the Constitutional Amendment.

On November 6, 2018, 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 contained in Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S.

**WAGONS WEST METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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

## **SUPPLEMENTARY INFORMATION**

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

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 75,214	\$ 75,247	\$ 33
Specific Ownership Taxes	7,521	7,821	300
Net Investment Income	800	3,249	2,449
Total Revenues	<u>83,535</u>	<u>86,317</u>	<u>2,782</u>
<b>EXPENDITURES</b>			
Bond Interest	84,250	84,250	-
Contingency	7,622	-	7,622
County Treasurer's Fees	1,128	1,129	(1)
Paying Agent Fees	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Total Expenditures	<u>100,000</u>	<u>92,379</u>	<u>7,621</u>
<b>NET CHANGE IN FUND BALANCE</b>	(16,465)	(6,062)	10,403
Fund Balance - Beginning of Year	<u>245,139</u>	<u>245,839</u>	<u>700</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 228,674</u></u>	<u><u>\$ 239,777</u></u>	<u><u>\$ 11,103</u></u>

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

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Total Revenues	\$ -	\$ 17	\$ 17
<b>EXPENDITURES</b>			
Engineering	3,409	-	3,409
Landscaping Installation	33,000	-	33,000
Total Expenditures	<u>36,409</u>	<u>-</u>	<u>36,409</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(36,409)	17	36,426
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	<u>33,000</u>	<u>-</u>	<u>(33,000)</u>
Total Other Financing Sources (Uses)	<u>33,000</u>	<u>-</u>	<u>(33,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,409)	17	3,426
Fund Balance - Beginning of Year	<u>3,409</u>	<u>3,409</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 3,426</u></u>	<u><u>\$ 3,426</u></u>

## **OTHER INFORMATION**



**WAGONS WEST METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2022**

\$1,685,000  
General Obligation Bonds, Series 2020A  
Dated March 4, 2020  
Interest Rate of 5.00%  
Payable June 1 and December 1  
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 84,250	\$ 84,250
2024	20,000	84,250	104,250
2025	20,000	83,250	103,250
2026	25,000	82,250	107,250
2027	25,000	81,000	106,000
2028	30,000	79,750	109,750
2029	30,000	78,250	108,250
2030	35,000	76,750	111,750
2031	35,000	75,000	110,000
2032	40,000	73,250	113,250
2033	40,000	71,250	111,250
2034	45,000	69,250	114,250
2035	50,000	67,000	117,000
2036	55,000	64,500	119,500
2037	55,000	61,750	116,750
2038	60,000	59,000	119,000
2039	65,000	56,000	121,000
2040	70,000	52,750	122,750
2041	70,000	49,250	119,250
2042	80,000	45,750	125,750
2043	80,000	41,750	121,750
2044	90,000	37,750	127,750
2045	95,000	33,250	128,250
2046	100,000	28,500	128,500
2047	105,000	23,500	128,500
2048	115,000	18,250	133,250
2049	250,000	12,500	262,500
Total	<u>\$ 1,685,000</u>	<u>\$ 1,590,000</u>	<u>\$ 3,275,000</u>

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

Levy Year/ Collection Year	Prior Year Assessed Valuation for Current Year Tax Levy	Percent Change	Mills Levied		Total Property Taxes		Percent Collected to Levied
			General	Debt Service	Levied	Collected	
			Fund	Fund			
2019/2020	\$ 90,100	100%	10.000	40.000	\$ 4,505	\$ 4,505	100.00 %
2020/2021	819,190	809%	48.829	1.520	41,245	41,163	99.80
2021/2022	2,076,980	1396%	19.451	36.213	115,613	115,664	100.04
Estimated 2022/2023	\$ 2,813,630	90%	14.502	37.167	\$ 145,377		

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