

Willow Bend Metropolitan District

2023 Annual Report

**WILLOW BEND METROPOLITAN DISTRICT
CITY OF THORNTON, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2023

Pursuant to §32-1-207(3)(c) Willow Bend Metropolitan District (the “**District**”), the District is required to provide an annual report to the with regard to the following matters:

For the year ending December 31, 2023, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made

There were no boundary changes made or proposed to the District’s boundaries in 2023.

2. Intergovernmental Agreements entered into or terminated.

The District neither entered into nor proposed any Intergovernmental Agreements with other governmental entities as of December 31 of the prior year.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2023, the District had not yet adopted rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2023.

5. Status of the construction of public improvements by the District.

The District did not construct any public improvements in 2023.

6. A list of facilities or improvements constructed by the District there were conveyed or dedicated to the county or municipality.

The facilities and improvements within the District are being constructed by the Developer of the project. The City accepts improvements upon completion of a given phase. The District has not constructed any facilities or improvements.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The final assessed valuation of the District as of December 31, 2023 is attached hereto as **Exhibit A.**

8. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit B**.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

A copy of the 2023 Audit is attached hereto as **Exhibit C**.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

There are no uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, the District has been able to pay its obligations as they come due.

Service Plan Requirements

Pursuant to the Service Plan for Willow Bend Metropolitan District (the "**District**"), the District is required to provide an annual report to the City of Thornton (the "**City**") with regard to the following matters:

To the best of our actual knowledge, for the year ending December 31, 2023, the District makes the following report:

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

There were no boundary changes made or proposed to the District's boundaries in 2023.

2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.

The District neither entered into nor proposed any Intergovernmental Agreements with other governmental entities as of December 31 of the prior year.

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

As of December 31, 2023, the District had not yet adopted rules and regulations.

4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District Public Improvements as of December 31, 2023.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

The District did not construct any public improvements in 2023.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

The facilities and improvements within the District are being constructed by the Developer of the project. The City accepts improvements upon completion of a given phase. The District has not constructed any facilities or improvements.

7. The assessed valuation of the District for the current year.

The final assessed valuation of the District as of December 31, 2023 is attached hereto as **Exhibit A**.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

A copy of the 2024 Budget is attached hereto as **Exhibit B**. The District does not plan to construct any public improvements during 2024, as all public improvements within the District are being constructed by the developer of the project.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The 2023 Audit is in process and will be submitted in a Supplemental Annual Report.

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

There are no uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

11. 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.

To our actual knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
2023 Final Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **408 - WILLOW BEND METRO DISTRICT**

IN ADAMS COUNTY ON 12/11/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO

| | |
|--------------------------------------------------------------------------------------------------------------------|--------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$11,439,510 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: * | \$20,541,040 |
| 3. LESS TIF DISTRICT INCREMENT, IF ANY: | \$0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$20,541,040 |
| 5. NEW CONSTRUCTION: ** | \$0 |
| 6. INCREASED PRODUCTION OF PRODUCING MINES: # | \$0 |
| 7. ANNEXATIONS/INCLUSIONS: | \$0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: # | \$0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ## | \$0 |
| 10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.): | \$0.00 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2023

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @ | \$254,073,900 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: ! | \$0 |
| 3. ANNEXATIONS/INCLUSIONS: | \$0 |
| 4. INCREASED MINING PRODUCTION: % | \$0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | \$0 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | \$0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: | \$0 |
| (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.) | |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | \$0 |
| 9. DISCONNECTIONS/EXCLUSION: | \$0 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | \$0 |

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:-----> | \$0 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** | |
| ** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S. | |

EXHIBIT B
2024 Budget

LETTER OF BUDGET TRANSMITTAL


Date: January 30, 2024

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget and budget message for WILLOW BEND METROPOLITAN DISTRICT in Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 7, 2023. If there are any questions on the budget, please contact

Stephanie Odewumi, District Manager
CliftonLarsonAllen LLP
8390 E. Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710

I, Stephanie Odewumi, District Manager, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: 
Stephanie Odewumi, District

Manager

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Willow Bend Metropolitan District (the “**Board**”), City of Thornton, Adams County, Colorado (the “**District**”), held a regular meeting, via teleconference on Tuesday, November 7, 2023, at the hour of 2:00 p.m.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2024 BUDGET

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Public Notice

NOTICE OF PUBLIC HEARING ON
THE AMENDED 2023 BUDGET
AND
NOTICE OF PUBLIC HEARING ON
THE PROPOSED 2024 BUDGET

Willow Bend Metro Dist **
c/o CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300
Greenwood Village CO 80111

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the WILLOW BEND METROPOLITAN DISTRICT (the "District"), will hold a meeting via teleconference on Tuesday, November 7, 2023 at 2:00 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2024 proposed budget (the "Proposed Budget") and, if necessary, the 2023 amended budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

https://teams.microsoft.com/join/meetup-join/19%3ameeting_YTE0OTkxMTA2ZTBIZS00OWVlVWFjNjMxYU42Zjg2ODMxZjEy%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%229bf4c29b-a9c8-46b4-a6c0-c1ed7c8a4824%22%7d

Conference ID: 689 798 648#,
Phone Number: 1-720-547-5281

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Adams } ss

NOTICE IS FURTHER GIVEN that the Proposed Budget and the Amended Budget have been submitted to the District. A copy of the Proposed Budget and the Amended Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Ste. 300, Greenwood Village, Colorado 80111, where the same are open for public inspection.

This Affidavit of Publication for the Northglenn-Thornton Sentinel, a weekly newspaper, printed and published for the County of Adams, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 10/26/2023, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

Any interested elector of the District may file any objections to the Proposed Budget and the Amended Budget at any time prior to final adoption of the Proposed Budget and the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
WILLOW BEND METROPOLITAN DISTRICT

/s/ WHITE BEAR ANKELE TANAKA &
WALDRON
Attorneys at Law

Legal Notice No. NTS3070
First Publication: October 26, 2023
Last Publication: October 26, 2023
Publisher: Northglenn-Thornton Sentinel



For the Northglenn-Thornton Sentinel

State of Colorado }
County of Adams } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/26/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-100563

Carla Bethke
Notary Public
My commission ends April 11, 2026

CARLA BETHKE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20004025550
MY COMMISSION EXPIRES APRIL 11, 2026

**NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the “**Board**”) of the WILLOW BEND METROPOLITAN DISTRICT (the “**District**”), will hold a meeting via teleconference on Tuesday, November 7, 2023 at 2:00 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2024 proposed budget (the “**Proposed Budget**”) and, if necessary, the 2023 amended budget (the “**Amended Budget**”). The public hearing may be joined using the following teleconference information:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_YTE0OTkxMTAtZTBIZS00OWVILWFINjMtYTU4Zjg2ODMxZjEy%40t_hread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%229bf4c29b-a9c8-46b4-a6c0-c1ed7cba4824%22%7d

Conference ID: 689 798 648#, Phone Number: 1-720-547-5281

NOTICE IS FURTHER GIVEN that the Proposed Budget and the Amended Budget have been submitted to the District. A copy of the Proposed Budget and the Amended Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Ste. 300, Greenwood Village, Colorado 80111, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Proposed Budget and the Amended Budget at any time prior to final adoption of the Proposed Budget and the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
WILLOW BEND METROPOLITAN DISTRICT

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 6.314 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 63.141 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Adams County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of Page Intentionally Left Blank]

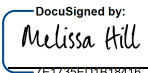
ADOPTED NOVEMBER 7, 2023.

DISTRICT:

WILLOW BEND METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

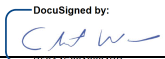
By:  _____
Officer of the District

Attest:

By:  _____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

 _____
General Counsel to the District

STATE OF COLORADO
COUNTY OF ADAMS
WILLOW BEND METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Tuesday, November 7, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 14 day of November, 2023.


 _____
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

WILLOW BEND METRO DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**WILLOW BEND METRO DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2 2024 |
|-----------------------------------------------------------------|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 1,877,326 | \$ 1,618,084 | \$ 1,547,002 |
| REVENUES | | | |
| Property taxes | 535,685 | 728,514 | 1,426,678 |
| Specific ownership taxes | 33,768 | 51,968 | 99,868 |
| Interest income | 32,662 | 72,500 | 70,000 |
| Developer advance | 35,881 | - | - |
| Total revenues | <u>637,996</u> | <u>852,982</u> | <u>1,596,546</u> |
| Total funds available | <u>2,515,322</u> | <u>2,471,066</u> | <u>3,143,548</u> |
| EXPENDITURES | | | |
| General Fund | 63,587 | 75,345 | 100,000 |
| Debt Service Fund | 833,651 | 848,719 | 987,000 |
| Total expenditures | <u>897,238</u> | <u>924,064</u> | <u>1,087,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>897,238</u> | <u>924,064</u> | <u>1,087,000</u> |
| ENDING FUND BALANCES | <u>\$ 1,618,084</u> | <u>\$ 1,547,002</u> | <u>\$ 2,056,548</u> |
| EMERGENCY RESERVE | \$ 1,500 | \$ 3,300 | \$ 4,300 |
| AVAILABLE FOR OPERATIONS | (3,896) | 26,474 | 66,249 |
| RESERVE FUND | 1,294,000 | 1,294,000 | 1,294,000 |
| SURPLUS FUND (Maximum \$1,645,500) | 326,480 | 223,228 | 691,999 |
| TOTAL RESERVE | <u>\$ 1,618,084</u> | <u>\$ 1,547,002</u> | <u>\$ 2,056,548</u> |

**WILLOW BEND METRO DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

| ACTUAL | ESTIMATED | BUDGET 2 |
|--------|-----------|----------|
| 2022 | 2023 | 2024 |

ASSESSED VALUATION

| | | | |
|--------------------------|--------------|---------------|---------------|
| Residential | \$ 5,842,060 | \$ 8,162,500 | \$ 15,999,960 |
| Commercial | 23,610 | 20,100 | - |
| State assessed | 51,640 | 151,350 | 5,460 |
| Vacant land | 1,998,600 | 3,088,100 | 4,255,590 |
| Personal property | - | - | 280,030 |
| Oil & Gas | 15,860 | 17,460 | - |
| Certified Assessed Value | \$ 7,931,770 | \$ 11,439,510 | \$ 20,541,040 |

MILL LEVY

| | | | |
|-----------------|--------|--------|--------|
| General | 5.000 | 8.500 | 6.314 |
| Debt Service | 55.664 | 55.184 | 63.141 |
| Total mill levy | 60.664 | 63.684 | 69.455 |

PROPERTY TAXES

| | | | |
|--------------------------------|------------|------------|--------------|
| General | \$ 39,659 | \$ 97,236 | \$ 129,696 |
| Debt Service | 441,514 | 631,278 | 1,296,982 |
| Levied property taxes | 481,173 | 728,514 | 1,426,678 |
| Adjustments to actual/rounding | 54,512 | - | - |
| Budgeted property taxes | \$ 535,685 | \$ 728,514 | \$ 1,426,678 |

BUDGETED PROPERTY TAXES

| | | | |
|--------------|------------|------------|--------------|
| General | \$ 44,152 | \$ 97,236 | \$ 129,696 |
| Debt Service | 491,533 | 631,278 | 1,296,982 |
| | \$ 535,685 | \$ 728,514 | \$ 1,426,678 |

**WILLOW BEND METRO DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2 2024 |
|-----------------------------------------------------------------|-------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ (22,058) | \$ (2,396) | \$ 29,774 |
| REVENUES | | | |
| Property taxes | 44,152 | 97,236 | 129,696 |
| Specific ownership taxes | 2,783 | 7,779 | 9,079 |
| Interest income | 433 | 2,500 | 2,000 |
| Developer advance | 35,881 | - | - |
| Total revenues | <u>83,249</u> | <u>107,515</u> | <u>140,775</u> |
| Total funds available | <u>61,191</u> | <u>105,119</u> | <u>170,549</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 16,055 | 26,000 | 29,000 |
| Auditing | 4,700 | 4,700 | 5,000 |
| County Treasurer's fee | 665 | 1,459 | 1,945 |
| Dues and membership | 333 | - | 1,000 |
| Insurance | 2,779 | 2,911 | 3,500 |
| District management | 7,433 | 13,800 | 15,000 |
| Legal | 25,542 | 20,000 | 30,000 |
| Miscellaneous | 823 | 500 | 1,000 |
| Election | 5,257 | 5,975 | 10,000 |
| Contingency | - | - | 3,555 |
| Total expenditures | <u>63,587</u> | <u>75,345</u> | <u>100,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>63,587</u> | <u>75,345</u> | <u>100,000</u> |
| ENDING FUND BALANCES | <u>\$ (2,396)</u> | <u>\$ 29,774</u> | <u>\$ 70,549</u> |
| EMERGENCY RESERVE | \$ 1,500 | \$ 3,300 | \$ 4,300 |
| AVAILABLE FOR OPERATIONS | <u>(3,896)</u> | <u>26,474</u> | <u>66,249</u> |
| TOTAL RESERVE | <u>\$ (2,396)</u> | <u>\$ 29,774</u> | <u>\$ 70,549</u> |

No assurance provided. See summary of significant assumptions.

**WILLOW BEND METRO DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2 2024 |
|-----------------------------------------------------------------|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 1,899,384 | \$ 1,620,480 | \$ 1,517,228 |
| REVENUES | | | |
| Property taxes | 491,533 | 631,278 | 1,296,982 |
| Specific ownership taxes | 30,985 | 44,189 | 90,789 |
| Interest income | 32,229 | 70,000 | 68,000 |
| Total revenues | <u>554,747</u> | <u>745,467</u> | <u>1,455,771</u> |
| Total funds available | <u>2,454,131</u> | <u>2,365,947</u> | <u>2,972,999</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 7,401 | 9,469 | 19,455 |
| Paying agent fees | 3,500 | 16,500 | 9,500 |
| Contingency | - | - | 295 |
| Debt Service | | | |
| Bond interest | 822,750 | 822,750 | 822,750 |
| Bond principal | - | - | 135,000 |
| Total expenditures | <u>833,651</u> | <u>848,719</u> | <u>987,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>833,651</u> | <u>848,719</u> | <u>987,000</u> |
| ENDING FUND BALANCES | <u>\$ 1,620,480</u> | <u>\$ 1,517,228</u> | <u>\$ 1,985,999</u> |
| RESERVE FUND | \$ 1,294,000 | \$ 1,294,000 | \$ 1,294,000 |
| SURPLUS FUND (Maximum \$1,645,500) | 326,480 | 223,228 | 691,999 |
| TOTAL RESERVE | <u>\$ 1,620,480</u> | <u>\$ 1,517,228</u> | <u>\$ 1,985,999</u> |

**WILLOW BEND METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Willow Bend Metropolitan District organization was approved by eligible electors of the District at an election held on November 5, 2013. The District was organized by order of the District Court in and for Adams County on November 26, 2013. The formation of the District was approved by the City of Thornton, Colorado in conjunction with the approval by the City Council of a Service Plan for the District on August 27, 2013. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S.)

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, subject to the limitations on fire protection, television relay and transmission and telecommunication facilities.

On November 5, 2013, the District's voters authorized general obligation indebtedness of \$148,500,000 for District improvements, \$16,500,000 for the purpose of refunding debt, \$16,500,000 in intergovernmental agreements, and \$16,500,000 for operations and maintenance debt. The service plan has a limitation on the issuance of debt to \$22,000,000. The full amount has been issued.

Additionally, on November 5, 2013, the election also approved an annual increase in property taxes of \$500,000 without limitation of rate, to pay the District's operation and maintenance costs and \$16,500,000 for multiple fiscal year IGA mill levy.

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

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.

**WILLOW BEND METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

| Category | Rate | | Category | Rate | | Actual Value Reduction | Amount |
|---------------------------|-------------|--|-----------------------|-------------|--|-------------------------------|---------------|
| Single-Family Residential | 6.70% | | Agricultural Land | 26.40% | | Single-Family Residential | \$55,000 |
| Multi-Family Residential | 6.70% | | Renewable Energy Land | 26.40% | | Multi-Family Residential | \$55,000 |
| Commercial | 27.90% | | Vacant Land | 27.90% | | Commercial | \$30,000 |
| Industrial | 27.90% | | Personal Property | 27.90% | | Industrial | \$30,000 |
| Lodging | 27.90% | | State Assessed | 27.90% | | Lodging | \$30,000 |
| | | | Oil & Gas Production | 87.50% | | | |

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 7% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be partially 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 4%.

Expenditures

Administrative Expenditures

Administrative expenditures for the project have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, audit, accounting, insurance, management and other administrative expenses.

**WILLOW BEND METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

County Treasurer’s Fees

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

Debt Service

The principal and interest payments are provided based on the debt amortization schedules from the General Obligation Bonds, Series 2019A (discussed under Debt and Leases).

Debt and Leases

On July 31, 2019, the District issued its Series 2019A Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds in the amount of \$16,455,000 and the Series 2019B Subordinate Limited Tax General Obligation Bonds in the amount of \$2,266,000. Proceeds from the sale of the Senior Bonds were used to: (a) finance public improvements; (b) pay capitalized interest on the Senior Bonds; (c) fund the Senior Reserve Fund; and (d) pay costs of issuance of the Bonds. Proceeds from the sale of the Subordinate Bonds will be used to finance additional public improvements related to the Development.

The district also authorized the issuance from time to time of its Taxable Junior Lien Limited Tax General Obligation Bonds, Series 201C in the amount up to \$3,279,000. One January 4, 2022, the district took a permitted draw of \$3,279,000 payable to the Developer for public improvements. The 2019C Taxable Junior Lien Bonds are payable from the same sources comprising the 2019A Pledged Revenues and the 2019B Pledged Revenues but no payments of either principal or interest may be made on the 2019C Taxable Junior Lien Bonds until the 2019 B Subordinate Bonds are paid in full.

The primary source of revenue or cash receipts will be ad valorem property taxes. Property taxes are levied by the Board of Directors of the District. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is expressed in terms of mills. A mill is equal to 1/10 of one cent per dollar of assessed valuation. 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 Series 2019A Bonds bear interest at a rate of 5.00%. The bond interest is payable semi-annually on June 1 and December 1, beginning on December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning on December 1, 2024. The Series 2019A Bonds mature on December 1, 2049.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge of the Senior Bonds on December 1, 2059 (the “Senior Bonds Discharge Date”). To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Senior Bonds. In the event any amounts due on the Senior Bonds remain unpaid after the application of all Senior Pledged Revenue available therefor on the Senior Bonds Discharge Date, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**WILLOW BEND METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Subordinate Bonds will bear interest at the rate of 7.625% per annum and are payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate 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 Subordinate Bonds compounds annually on each December 15. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Subordinate Bonds. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged after the application of all available Subordinate Pledged Revenue on December 15, 2059 (the "Subordinate Bonds Discharge Date"), regardless of the amount of principal and interest paid prior to the Subordinate Bonds Discharge Date.

The Senior 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;
- (c) all Capital Fees; and
- (d) 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 and excludes Senior Specific Ownership Tax Revenues. Senior Property Tax Revenues are 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.

"Capital Fees" means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) now or hereafter imposed by the District pledged to the payment of the Senior Bonds. The District does not currently impose Capital Fees and does not currently have plans to impose them.

The Senior Bonds are additionally secured by capitalized interest which will be funded from the proceeds of the Senior Bonds, by the Senior Reserve Fund which will be funded from the proceeds of the Senior Bonds, and by amounts, if any, in the Senior Surplus Fund. The Senior Surplus Fund will not be funded as of the date of issuance of the Senior Bonds.

The Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund. The Senior Reserve Fund was funded from proceeds of the Senior Bonds in the amount of \$1,294,000. If a withdrawal from the Senior Reserve Fund is made that reduces the balance in such fund below the Reserve Requirement for the Senior Bonds, the District shall include in the computation of its next mill levy certification the amount necessary to replenish the Senior Reserve Fund to the Reserve Requirement (subject to the limitations of the Senior Required Mill Levy).

**WILLOW BEND METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,645,500. The Senior Surplus Fund shall be maintained until the Conversion Date, at which time the Senior Surplus Fund will be terminated and all amounts on deposit shall be released to the District for application to any lawful purpose.

Pursuant to the Subordinate Indenture, amounts released from the Senior Surplus Fund are pledged to the repayment of the Subordinate Bonds.

The District has acknowledged that State Law places certain restrictions on the use of money derived from the Required Mill Levies.

The Subordinate 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) all Subordinate Capital Fees;
- (d) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the Senior Indenture;
- (e) 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 and excludes Subordinate Specific Ownership Tax Revenues. Subordinate Property Tax Revenues are 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.

“Subordinate Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. The District does not currently impose Capital Fees and does not currently have plans to impose them.

The Investor understands that the Bonds and terms and conditions of the Bonds are as set forth in the Indenture of Trust (Junior Lien) dated as of August 1, 2019 (the “Indenture”), between the District and UMB Bank, n.a., as trustee. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as set forth in the Indenture.

**WILLOW BEND METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Investor understands that the Bonds are payable solely from and only to the extent of revenues resulting from the imposition of the Junior Lien Required Mill Levy by the District and the other Junior Lien Pledged Revenue. The Investor further understands that such Junior Lien Pledged Revenue will not be available for the payment of the Bonds until the payment in full or defeasance of the District's Subordinate Limited Tax General Obligation Bonds, Series 2019B, issued in the aggregate principal amount of \$2,266,000 (and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations issued by the District) and, thereafter, payments on the Bonds are to be made from available Junior Lien Pledged Revenue annually only after the funding of annual payments and fund accumulations required with respect to the Senior/Subordinate Obligations (including the District's Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A, issued in the aggregate principal amount of \$16,455,000). Further, in no event may the Investor require the District to impose ad valorem property taxes for the payment of the Bonds in excess of 50 mills *less the Senior/Subordinate Required Mill Levy* (subject to adjustment as provided in the definition of Junior Lien Required Mill Levy).

The District has no operating or capital leases.

The District has outstanding developer advances and anticipated activity as follows:

| | Balance - | | | | Balance - |
|--------------------------------|----------------------|-------------------|--|----------------------------|----------------------|
| | December 31, | | | Retirements/ Reductions | December 31, |
| | 2022 | Additions | | | 2023 |
| Developer Advances - Operating | \$ 48,957 | \$ - | | \$ - | \$ 48,957 |
| Developer Advances - Capital | 10,566,410 | - | | - | 10,566,410 |
| 2019B Bond - Principal | 2,266,000 | - | | - | 2,266,000 |
| Accrued Interest - Operating | 3,558 | 3,475 | | - | 7,033 |
| Accrued Interest - Capital | 1,068,301 | 739,649 | | - | 1,807,950 |
| Accrued Interest - 2019B Bond | 644,693 | 221,940 | | - | 866,633 |
| Total | \$ 14,597,919 | \$ 965,064 | | \$ - | \$ 15,562,983 |
| | Balance - | | | | Balance - |
| | December 31, | | | Retirements/ Reductions | December 31, |
| | 2023 | Additions | | | 2024 |
| Developer Advances - Operating | \$ 48,957 | \$ - | | \$ - | \$ 48,957 |
| Developer Advances - Capital | 10,566,410 | - | | - | 10,566,410 |
| 2019B Bond - Principal | 2,266,000 | - | | - | 2,266,000 |
| Accrued Interest - Operating | 7,033 | 3,484 | | - | 10,517 |
| Accrued Interest - Capital | 1,807,950 | 739,649 | | - | 2,547,599 |
| Accrued Interest - 2019B Bond | 866,633 | 238,864 | | - | 1,105,497 |
| Total | \$ 15,562,983 | \$ 981,997 | | \$ - | \$ 15,439,483 |

**WILLOW BEND METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Emergency Reserve

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.

**WILLOW BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$16,455,000 Limited Tax (Convertible to Unlimited Tax)
General Obligation Bonds, Series 2019A**

Dated July 31, 2019

**Principal due December 1
Interest Rate 5.000% Payable**

| Year Ended December 31, | June 1 and December 1 | | |
|------------------------------------|------------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2024 | \$ 135,000 | \$ 822,750 | \$ 957,750 |
| 2025 | 205,000 | 816,000 | 1,021,000 |
| 2026 | 235,000 | 805,750 | 1,040,750 |
| 2027 | 250,000 | 794,000 | 1,044,000 |
| 2028 | 280,000 | 781,500 | 1,061,500 |
| 2029 | 295,000 | 767,500 | 1,062,500 |
| 2030 | 330,000 | 752,750 | 1,082,750 |
| 2031 | 350,000 | 736,250 | 1,086,250 |
| 2032 | 390,000 | 718,750 | 1,108,750 |
| 2033 | 405,000 | 699,250 | 1,104,250 |
| 2034 | 450,000 | 679,000 | 1,129,000 |
| 2035 | 470,000 | 656,500 | 1,126,500 |
| 2036 | 520,000 | 633,000 | 1,153,000 |
| 2037 | 545,000 | 607,000 | 1,152,000 |
| 2038 | 595,000 | 579,750 | 1,174,750 |
| 2039 | 625,000 | 550,000 | 1,175,000 |
| 2040 | 680,000 | 518,750 | 1,198,750 |
| 2041 | 710,000 | 484,750 | 1,194,750 |
| 2042 | 770,000 | 449,250 | 1,219,250 |
| 2043 | 810,000 | 410,750 | 1,220,750 |
| 2044 | 875,000 | 370,250 | 1,245,250 |
| 2045 | 920,000 | 326,500 | 1,246,500 |
| 2046 | 990,000 | 280,500 | 1,270,500 |
| 2047 | 1,040,000 | 231,000 | 1,271,000 |
| 2048 | 1,115,000 | 179,000 | 1,294,000 |
| 2049 | 2,465,000 | 123,250 | 2,588,250 |
| | <u>\$ 16,455,000</u> | <u>\$ 14,773,750</u> | <u>\$ 31,228,750</u> |

No assurance provided. See summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ADAMS COUNTY, Colorado.

On behalf of the WILLOW BEND METROPOLITAN DISTRICT,

the BOARD OF DIRECTORS (taxing entity)^A

of the WILLOW BEND METROPOLITAN DISTRICT (governing body)^B


(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 20,541,040
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F 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: \$ 20,541,040
(NET^G 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: 12/18/23 for budget/fiscal year 2024
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples) | LEVY ² | REVENUE ² |
|------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| 1. General Operating Expenses ^H | <u>6.314</u> mills | \$ <u>129,696</u> |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < <u> </u> > mills | \$ < <u> </u> > |
| SUBTOTAL FOR GENERAL OPERATING: | <u>6.314</u> mills | \$ <u>129,696</u> |
| 3. General Obligation Bonds and Interest ^J | <u>63.141</u> mills | \$ <u>1,296,982</u> |
| 4. Contractual Obligations ^K | <u> </u> mills | \$ <u> </u> |
| 5. Capital Expenditures ^L | <u> </u> mills | \$ <u> </u> |
| 6. Refunds/Abatements ^M | <u> </u> mills | \$ <u> </u> |
| 7. Other ^N (specify): <u> </u> | <u> </u> mills | \$ <u> </u> |
| | <u> </u> mills | \$ <u> </u> |
| TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] | <u>69.455</u> mills | \$ <u>1,426,678</u> |

Contact person: Jason Carroll Phone: (303)779-5710
Signed:  Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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.

¹ 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.
² 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^J:**

| | | |
|----|-------------------|---------------------------------------------------|
| 1. | Purpose of Issue: | Financing for Public Improvements |
| | Series: | Series 2019A General Obligation Limited Tax Bonds |
| | Date of Issue: | 08/08/2019 |
| | Coupon Rate: | 5.000% |
| | Maturity Date: | 12/01/2049 |
| | Levy: | 63.141 |
| | Revenue: | \$ 1,296,982 |

| | | |
|----|-------------------|---------------------------------------------------------------|
| 2. | Purpose of Issue: | Financing for Public Improvements |
| | Series: | Subordinate Series 2019B General Obligation Limited Tax Bonds |
| | Date of Issue: | 08/08/2019 |
| | Coupon Rate: | 7.625% |
| | Maturity Date: | 12/15/2049 |
| | Levy: | 0.000 |
| | Revenue: | \$ 0 |

| | | |
|----|-------------------|------------------------------------------------------------------------|
| 3. | Purpose of Issue: | Financing for Public Improvements |
| | Series: | Taxable Junior Lien Limited Tax General Obligation Bonds, Series 2019C |
| | Date of Issue: | 01/04/2022 |
| | Coupon Rate: | 7.000% |
| | Maturity Date: | 12/15/2049 |
| | Levy: | 0.000 |
| | Revenue: | \$ 0 |

CONTRACTS^K:

| | | |
|----|----------------------|-------|
| 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.

EXHIBIT C

2023 AUDIT

**WILLOW BEND METROPOLITAN
DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**WILLOW BEND METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| INDEPENDENT AUDITOR’S REPORT | 1 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| STATEMENT OF NET POSITION | 1 |
| STATEMENT OF ACTIVITIES | 2 |
| FUND FINANCIAL STATEMENTS | |
| BALANCE SHEET – GOVERNMENTAL FUNDS | 3 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS | 4 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES | 5 |
| GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 6 |
| NOTES TO BASIC FINANCIAL STATEMENTS | 7 |
| SUPPLEMENTARY INFORMATION | |
| DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 25 |
| OTHER INFORMATION | |
| SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY | 27 |
| CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION | |
| SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED | 29 |
| VALUATIONS OF CLASSES OF PROPERTY IN THE DISTRICT | 30 |



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Willow Bend Metropolitan District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Willow Bend Metropolitan District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our 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 our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The Other Information and the Continuing Disclosure Annual Financial Information (the Other Information), as listed in the table of contents, 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 any form of 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.

Daggio & Associates, P.C.

May 1, 2024

BASIC FINANCIAL STATEMENTS

**WILLOW BEND METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

| | <u>Governmental Activities</u> |
|--------------------------------------|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 29,553 |
| Cash and Investments - Restricted | 1,518,979 |
| Prepaid Insurance | 2,671 |
| Receivable from County Treasurer | 4,081 |
| Property Tax Receivable | <u>1,426,678</u> |
| Total Assets | <u>2,981,962</u> |
| LIABILITIES | |
| Accounts Payable | 5,077 |
| Accrued Bond Interest | 68,563 |
| Noncurrent Liabilities: | |
| Due Within One Year | 169,546 |
| Due in More Than One Year | <u>32,476,487</u> |
| Total Liabilities | <u>32,719,673</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Property Tax | <u>1,426,678</u> |
| Total Deferred Inflows of Resources | <u>1,426,678</u> |
| NET POSITION | |
| Restricted for: | |
| Emergency Reserve | 3,100 |
| Debt Service | 156,852 |
| Net Position - Unrestricted | <u>(31,324,341)</u> |
| Total Net Position | <u><u>\$ (31,164,389)</u></u> |

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

| | | Program Revenues | | | Net Revenues (Expenses) and Changes in Net Position |
|----------------------------------------------------------|---------------|----------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------|
| FUNCTIONS/PROGRAMS | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 70,755 | \$ - | \$ - | \$ - | \$ (70,755) |
| Transfer of Public Improvements to Another Government | 8,698,128 | - | - | - | (8,698,128) |
| Interest on Long-Term Debt and Related Costs | 1,779,047 | - | - | - | (1,779,047) |
| Total Governmental Activities | \$ 10,547,930 | \$ - | \$ - | \$ - | (10,547,930) |
| GENERAL REVENUES | | | | | |
| Property Taxes | | | | | 712,695 |
| Specific Ownership Taxes | | | | | 48,822 |
| Interest Income | | | | | 89,891 |
| Total General Revenues and Transfers | | | | | 851,408 |
| CHANGES IN NET POSITION | | | | | (9,696,522) |
| Net Position - Beginning of Year, as Restated | | | | | (21,467,867) |
| NET POSITION - END OF YEAR | | | | | \$ (31,164,389) |

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

| ASSETS | General | Debt Service | Total Governmental Funds |
|--------------------------------------------------------------------------|------------|-----------------|--------------------------------|
| Cash and Investments | \$ 29,553 | \$ - | \$ 29,553 |
| Cash and Investments - Restricted | 3,100 | 1,515,879 | 1,518,979 |
| Receivable from County Treasurer | 545 | 3,536 | 4,081 |
| Prepaid Insurance | 2,671 | - | 2,671 |
| Property Tax Receivable | 129,696 | 1,296,982 | 1,426,678 |
| Total Assets | \$ 165,565 | \$ 2,816,397 | \$ 2,981,962 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 5,077 | \$ - | \$ 5,077 |
| Total Liabilities | 5,077 | - | 5,077 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Property Tax | 129,696 | 1,296,982 | 1,426,678 |
| Total Deferred Inflows of Resources | 129,696 | 1,296,982 | 1,426,678 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid Expense | 2,671 | - | 2,671 |
| Restricted for: | | | |
| Emergency Reserves | 3,100 | - | 3,100 |
| Debt Service | - | 1,519,415 | 1,519,415 |
| Unassigned | 25,021 | - | 25,021 |
| Total Fund Balances | 30,792 | 1,519,415 | 1,550,207 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 165,565 | \$ 2,816,397 | |

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

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

| | |
|-------------------------------------|--------------|
| Accrued Interest Payable | (68,563) |
| Accrued Interest on Bonds Payable | (1,323,780) |
| Bonds Payable | (22,000,000) |
| Developer Advance Principal Payable | (7,336,367) |
| Developer Advance Interest Payable | (1,365,557) |
| Unamortized Bond Premium | (620,329) |

Net Position of Governmental Activities

\$ (31,164,389)

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

| | General | Debt Service | Total Governmental Funds |
|------------------------------------|-----------|-----------------|--------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 95,125 | \$ 617,570 | \$ 712,695 |
| Specific Ownership Taxes | 6,516 | 42,306 | 48,822 |
| Interest Income | 2,302 | 87,589 | 89,891 |
| Total Revenues | 103,943 | 747,465 | 851,408 |
| EXPENDITURES | | | |
| Current: | | | |
| Accounting | 24,644 | - | 24,644 |
| Auditing | 4,700 | - | 4,700 |
| County Treasurer's Fee | 1,429 | 9,279 | 10,708 |
| District Management | 17,873 | - | 17,873 |
| Election | 6,013 | - | 6,013 |
| Insurance | 2,911 | - | 2,911 |
| Legal | 13,144 | - | 13,144 |
| Miscellaneous | 41 | - | 41 |
| Debt Service: | | | |
| Bond Interest | - | 822,750 | 822,750 |
| Paying Agent Fees | - | 16,500 | 16,500 |
| Total Expenditures | 70,755 | 848,529 | 919,284 |
| NET CHANGE IN FUND BALANCES | 33,188 | (101,064) | (67,876) |
| Fund Balances - Beginning of Year | (2,396) | 1,620,479 | 1,618,083 |
| FUND BALANCES - END OF YEAR | \$ 30,792 | \$ 1,519,415 | \$ 1,550,207 |

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND 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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (67,876)

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Transfer of Public Improvements to Other Governments (8,698,128)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|------------------------------------------------------------------|---------------|
| Accrued Interest Payable - Change in Liability | (451,470) |
| Accrued Interest Payable Developer Advance - Change in Liability | (513,594) |
| Amortization of Bond Premium | 34,546 |
| | <u>34,546</u> |

Changes in Net Position of Governmental Activities \$ (9,696,522)

**WILLOW BEND METROPOLITAN DISTRICT
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------------------|-------------------|---------------------------------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 97,236 | \$ 95,125 | \$ (2,111) |
| Specific Ownership Taxes | 7,779 | 6,516 | (1,263) |
| Interest Income | 214 | 2,302 | 2,088 |
| Total Revenues | <u>105,229</u> | <u>103,943</u> | <u>(1,286)</u> |
| EXPENDITURES | | | |
| Accounting | 28,750 | 24,644 | 4,106 |
| Auditing | 5,000 | 4,700 | 300 |
| Contingency | 2,991 | - | 2,991 |
| County Treasurer's Fee | 1,459 | 1,429 | 30 |
| District Management | 13,800 | 17,873 | (4,073) |
| Dues and Membership | 1,000 | - | 1,000 |
| Election | 3,500 | 6,013 | (2,513) |
| Insurance | 3,500 | 2,911 | 589 |
| Legal | 32,000 | 13,144 | 18,856 |
| Miscellaneous | 1,000 | 41 | 959 |
| Total Expenditures | <u>93,000</u> | <u>70,755</u> | <u>22,245</u> |
| NET CHANGE IN FUND BALANCE | 12,229 | 33,188 | 20,959 |
| Fund Balance - Beginning of Year | <u>4,704</u> | <u>(2,396)</u> | <u>(7,100)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 16,933</u> | <u>\$ 30,792</u> | <u>\$ 13,859</u> |

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Willow Bend 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 Adams County (the County) on November 22, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The formation of the District was approved by the City of Thornton, Colorado (the City) in conjunction with the approval by the City Council of a Service Plan for the District on August 27, 2013, and as amended on February 27, 2018.

The District entered into an intergovernmental agreement with the City of Thornton, amended on August 27th, 2019. The agreement states that the District shall dedicate Public Improvements to the City or other appropriate jurisdiction and shall not be authorized to operate and maintain any part or all of the Public Improvements without the consent of the City except for some park and recreation improvements of which the District may own.

The District's service area is located entirely within the City. The District was established to provide for the design, acquisition, completion, installation, and operation and maintenance of the following public improvements and services: water, sanitary sewer, storm drainage, streets, parks and recreation, safety protection, television relay and transmission facilities, transportation, and mosquito control.

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.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 in the debt service fund for the year ended December 31, 2023.

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.

Amortization

Original Issue Discount/Premium

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

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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. Bond premiums and discounts are amortized over the respective terms of the bonds using the interest method.

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 assets 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.

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.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|--------------|
| Cash and Investments | \$ 29,553 |
| Cash and Investments - Restricted | 1,518,979 |
| Total Cash and Investments | \$ 1,548,532 |

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

| | |
|--------------------------------------|--------------|
| Deposits with Financial Institutions | \$ 3,856 |
| Investments | 1,544,676 |
| Total Cash and Investments | \$ 1,548,532 |

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, 2023, the District’s cash deposits had a bank balance and a carrying balance of \$3,856.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

As of December 31, 2023, the District had the following investments:

| Investment | Maturity | Amount |
|----------------------------------------------|-----------------------------------|--------------|
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted-Average Under 60 Days | \$ 1,544,676 |
| | | \$ 1,544,676 |

CSAFE

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

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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

NOTE 4 CAPITAL ASSETS

During 2023, a significant portion of the capital assets acquired by the District were conveyed to the City of Thornton. The costs of all capital assets transferred to other governmental entities were removed from the District’s financial records.

| | Balance at December 31, 2022 | Increases | Decreases | Balance at December 31, 2023 |
|------------------------------------------------|------------------------------------|-------------|---------------------|------------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Construction in Progress | \$ 8,698,128 | \$ - | \$ 8,698,128 | \$ - |
| Total Capital Assets, Not Being Depreciated | <u>8,698,128</u> | <u>-</u> | <u>8,698,128</u> | <u>-</u> |
| Governmental Activities | | | | |
| Capital Assets, Net | <u>\$ 8,698,128</u> | <u>\$ -</u> | <u>\$ 8,698,128</u> | <u>\$ -</u> |

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023.

| | Balance at December 31, 2022 As restated | Additions | Reductions | Balance at December 31, 2023 | Due Within One Year |
|-------------------------------------------------|---------------------------------------------------|-------------------|------------------|------------------------------------|---------------------------|
| Bonds Payable | | | | | |
| General Obligation Bonds | | | | | |
| Series 2019A | \$ 16,455,000 | \$ - | \$ - | \$ 16,455,000 | \$ 135,000 |
| Sub. Limited Tax Supported Revenue Bonds | | | | | |
| Series 2019B | 2,266,000 | - | - | 2,266,000 | - |
| Accrued Interest | | | | | |
| Series 2019B | 644,693 | 221,940 | - | 866,633 | - |
| Junior Lien Limited Tax General Obligation Bond | | | | | |
| Series 2019C | 3,279,000 | - | - | 3,279,000 | - |
| Accrued Interest | | | | | |
| Series 2019C | 227,617 | 229,530 | - | 457,147 | - |
| Subtotal Bonds Payable | <u>22,872,310</u> | <u>451,470</u> | <u>-</u> | <u>23,323,780</u> | <u>135,000</u> |
| Other Debts | | | | | |
| Developer Advance - Operating | 48,957 | - | - | 48,957 | - |
| Developer Advance - Capital | 7,287,410 | - | - | 7,287,410 | - |
| Accrued Interest on: | | | | | |
| Developer Advance - Operating | 3,558 | 3,475 | - | 7,033 | - |
| Developer Advance - Capital | 848,405 | 510,119 | - | 1,358,524 | - |
| Subtotal Other Debts | <u>8,188,330</u> | <u>513,594</u> | <u>-</u> | <u>8,701,924</u> | <u>-</u> |
| Bond Premium/Discount | | | | | |
| Bond Premium - Series 2019A | 654,875 | - | 34,546 | 620,329 | 34,546 |
| Subtotal Bond Premium / Discount | <u>654,875</u> | <u>-</u> | <u>34,546</u> | <u>620,329</u> | <u>34,546</u> |
| Total Long-Term Obligations | <u>\$ 31,715,515</u> | <u>\$ 965,064</u> | <u>\$ 34,546</u> | <u>\$ 32,646,033</u> | <u>\$ 169,546</u> |

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

Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A (the 2019A Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2019B** (the 2019B Subordinate Bonds, and, with the 2019A Senior Bonds, the 2019 Bonds), and the Junior Lien Limited Tax General Obligation Bonds (the 2019C Junior Lien Bonds).

2019 Bonds Detail

The District issued the 2019 Bonds on August 8, 2019, in the par amounts of \$16,455,000 for the 2019A Senior Bonds and \$2,266,000 for the 2019B Subordinate Bonds. Proceeds from the sale of the 2019A Senior Bonds were used to: (a) finance public improvements in the residential development; (b) pay capitalized interest on the 2019A Senior Bonds; (c) fund the Senior Reserve Fund; and (d) pay costs of issuance of the 2019 Bonds. Proceeds from the sale of the 2019B Subordinate Bonds were used to finance additional public improvements related to the development.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2019 Bonds Detail (continued)

On January 4, 2022, the District issued the Taxable Junior Lien Limited Tax General Obligation Bonds, Series 2019C in the par amount of \$3,279,000, for the purpose of paying Project Costs, comprised of paying a portion of amounts due and payable to the Developer under the Acquisition Agreement.

The 2019A Senior Bonds were issued as two term bonds that bear interest at 5.000% per annum (5.0814% yield) and are payable semi-annually on June 1 and December 1, beginning on December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The 2019A Senior Bonds mature on December 1, 2049.

To the extent principal of any 2019A Senior Bond is not paid when due, such principal shall remain outstanding, subject to discharge of the 2019A Senior Bonds on December 1, 2059, and shall continue to bear interest at the rate then borne by the 2019A Senior Bond. To the extent interest on any 2019A Senior Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the 2019A Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and its election in repayment of the 2019A Senior Bonds.

The 2019B Subordinate Bonds were issued as a term bond that bears interest at 7.625% per annum and is payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and matures on December 15, 2049.

The 2019B Subordinate 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 2019B Subordinate Bonds compounds annually on each December 15. All of the 2019B Subordinate 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 its election in repayment of the 2019B Subordinate Bonds.

The 2019C Junior Lien Bonds were issued as a term bond that bears interest at 7.00% per annum and is payable annually on December 15, beginning December 15, 2022 from, and to the extent of Junior Lien Pledged Revenue available, if any, and matures on December 15, 2049.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2019 Bonds Detail (continued)

The 2019C Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. To the extent unpaid interest on the 2019C Junior Lien Bonds is not paid when due, such interest shall remain due and payable but shall not compound. Notwithstanding any of the foregoing, in no event shall any principal, interest or Mandatory Redemption Price be paid on the 2019C Junior Lien Bonds until such time as there has been paid in full or defeased the 2019B Subordinate Bonds, and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations issued by the District. All of the 2019C Junior Lien Bonds and interest thereon are to be deemed to be paid and discharged after the application of all available Junior Lien 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 its election in repayment of the 2019C Junior Lien Bonds.

Optional Redemption

The 2019A Senior Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2024, 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> |
|--------------------------------------|-------------------------------|
| September 1, 2024 to August 31, 2025 | 3.00% |
| September 1, 2025 to August 31, 2026 | 2.00 |
| September 1, 2026 to August 31, 2027 | 1.00 |
| September 1, 2027 and Thereafter | 0.00 |

The 2019B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2024, 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> |
|--------------------------------------|-------------------------------|
| September 1, 2024 to August 31, 2025 | 3.00% |
| September 1, 2025 to August 31, 2026 | 2.00 |
| September 1, 2026 to August 31, 2027 | 1.00 |
| September 1, 2027 and Thereafter | 0.00 |

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Optional Redemption (continued)

The 2019C Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2024, 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> |
|----------------------------------------|-------------------------------|
| December 15, 2024 to December 15, 2025 | 103.00% |
| December 15, 2025 to December 15, 2026 | 102.00 |
| December 15, 2026 to December 15, 2027 | 101.00 |
| December 15, 2027, and thereafter | 100.00 |

Security for the 2019A Senior Bonds

The 2019A Senior 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; (c) all Capital Fees, if any; and (d) 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.

Senior Reserve Fund

The 2019A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund which was funded from proceeds of the 2019A Senior Bonds in the amount of the Senior Reserve Requirement of \$1,294,000. Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the 2019A Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,645,500. The Senior Surplus Fund is to be maintained until the Conversion Date, at which time the Senior Surplus Fund will be terminated and all amounts on deposit shall be released to the District for application to any lawful purpose. Pursuant to the Subordinate Indenture, amounts released from the Senior Surplus Fund are pledged to the repayment of the 2019B Subordinate Bonds.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Security for the 2019B Subordinate Bonds

The 2019B Subordinate 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) all Subordinate Capital Fees, if any; (d) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the Senior Indenture; (e) 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.

Security for the 2019C Junior Lien Bonds

The 2019C Junior Lien Bonds are secured by and payable solely from and to the extent of Junior Lien Pledged Revenue, net of any costs of collection, which includes; (a) all Junior Lien Property Tax Revenues; (b) all Junior Lien Specific Ownership Tax Revenues; (c) all Junior Lien Capital Fees, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

“Junior Lien Property Tax Revenues” means all moneys derived from imposition by the District of the Junior Lien Required Mill Levy, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

“Junior Lien Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Junior Lien Required Mill Levy.

Senior Required Mill Levy

Prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount necessary to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2019A Senior Bonds when due and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 50 mills (subject to adjustment), and for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment).

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Required Mill Levy (Continued)

In the event that the method of calculating assessed valuation is changed after January 1, 2004, the minimum and maximum mill levies of 50 mills will be increased or decreased 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 to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation).

The District imposed an adjusted mill levy of 55.184 mills for collection in 2023.

The Conversion Date is the first date on which all of the following conditions are met: (a) the Debt to Assessed Ratio is 50% or less; (b) no amounts of principal or interest on the 2019A Senior Bonds are due but unpaid; and (c) the amount on deposit in the Senior Reserve Fund is not less than the Senior Reserve Requirement.

Subordinate Required Mill Levy

The District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in an amount equal to (i) 50 mills (as adjusted) less the Senior Obligation Mill levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2019B Subordinate Bonds in full in the year such levy is collected.

The Subordinate Required Mill Levy will equal zero at any time that the payment of the Senior Obligations requires the imposition of at least 50 mills, as adjusted, in any year.

Junior Lien Required Mill Levy

The District has covenanted to impose a Junior Lien Required Mill Levy upon all taxable property in the District each year in an amount equal to (i) 50 mills (as adjusted) less the Senior/Subordinate Required Mill levy, or (ii) such lesser amount that will generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the 2019C Junior Lien Bonds in full in the year such levy is collected.

The Junior Lien Required Mill Levy will equal zero at any time that the payment of the Senior or Subordinate Obligations requires the imposition of at least 50 mills, as adjusted, in any year.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Service

The District's long-term obligations of the 2019A Senior Bonds will mature as follows:

| <u>Year Ending December 31,</u> | <u>Bonded Debt</u> | | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2024 | \$ 135,000 | \$ 822,750 | \$ 957,750 |
| 2025 | 205,000 | 816,000 | 1,021,000 |
| 2026 | 235,000 | 805,750 | 1,040,750 |
| 2027 | 250,000 | 794,000 | 1,044,000 |
| 2028 | 280,000 | 781,500 | 1,061,500 |
| 2029-2033 | 1,770,000 | 3,674,500 | 5,444,500 |
| 2034-2038 | 2,580,000 | 3,155,250 | 5,735,250 |
| 2039-2043 | 3,595,000 | 2,413,500 | 6,008,500 |
| 2044-2048 | 4,940,000 | 1,387,250 | 6,327,250 |
| 2049 | 2,465,000 | 123,250 | 2,588,250 |
| Total | <u>\$ 16,455,000</u> | <u>\$ 14,773,750</u> | <u>\$ 31,228,750</u> |

The annual debt service requirements on the 2019B Subordinate Bonds or the 2019C Junior Lien Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Authorized Debt

On November 5, 2013, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$165,000,000 at an interest rate not to exceed 18% per annum, in the following amounts for the following purposes:

| | <u>Amount Authorized on November 5, 2013</u> | <u>Authorization Used by Series 2019A Bonds</u> | <u>Authorization Used by Series 2019B Bonds</u> | <u>Authorization Used by Series 2019C Bonds</u> | <u>Authorized but Unissued as of December 31, 2023</u> |
|---------------------------------|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------|
| Street Improvements | \$ 16,500,000 | \$ 10,007,000 | \$ 1,378,000 | \$ 3,279,000 | \$ 1,836,000 |
| Parks and Recreation | 16,500,000 | - | - | - | 16,500,000 |
| Water System | 16,500,000 | 1,878,000 | 259,000 | - | 14,363,000 |
| Storm and Sanitary Sewer System | 16,500,000 | 4,570,000 | 629,000 | - | 11,301,000 |
| Public Transportation | 16,500,000 | - | - | - | 16,500,000 |
| Mosquito Control | 16,500,000 | - | - | - | 16,500,000 |
| Safety Protection | 16,500,000 | - | - | - | 16,500,000 |
| Fire Protection | 16,500,000 | - | - | - | 16,500,000 |
| TV Relay and Translation | 16,500,000 | - | - | - | 16,500,000 |
| Debt Refunding | 16,500,000 | - | - | - | 16,500,000 |
| Total | <u>\$ 165,000,000</u> | <u>\$ 16,455,000</u> | <u>\$ 2,266,000</u> | <u>\$ 3,279,000</u> | <u>\$ 143,000,000</u> |

The District issued the 2019A Senior Bonds, 2019B Subordinate Bonds and the 2019C Junior Lien Bonds in the aggregate principal amount of \$22,000,000. As of December 31, 2023, the District had authorized but unissued indebtedness of \$126,500,000 for capital improvements and \$16,500,000 for debt refunding. Pursuant to the Service Plan, as Amended and Restated, the District is permitted to issue bond indebtedness of up to \$22,000,000.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had no net investment in capital assets.

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, 2023 as follows:

| | Governmental Activities |
|-------------------------------|----------------------------|
| Restricted Net Position: | |
| Emergencies | \$ 3,100 |
| Debt Service Reserve | 156,852 |
| Total Restricted Net Position | \$ 159,952 |

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.

NOTE 7 RELATED PARTY

The Developer of the property which constitutes the District is Lennar Colorado, LLC (Lennar). Some members of the Board of Directors are employees, owners or are otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

Funding and Reimbursement Agreement (Operation and Maintenance)

The District and Lennar are parties to a Funding and Reimbursement Agreement (Operations and Maintenance) dated July 17, 2019 (the Operations Agreement). Pursuant to the Operations Agreement, Lennar agrees to loan to the District amounts not to exceed \$50,000 per annum for three years, up to \$150,000 through December 31, 2022 to fund operations and maintenance costs of the District. Loaned amounts are required to be reimbursed to Lennar with simple interest at 7% per annum. After 20 years from the date of this agreement, any principal and accrued interest outstanding is forgiven in its entirety and will be deemed a contribution to the District by Lennar and there will be no further obligation on the District to pay or reimburse Lennar. At December 31, 2023, outstanding advances under the Operations Agreement totaled \$48,957 and accrued interest totaled \$7,033.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 RELATED PARTY (CONTINUED)

Infrastructure Acquisition Agreement

The District and Lennar entered into an Amended and Restated Infrastructure Acquisition and Reimbursement Agreement dated as of July 17, 2019 (the Acquisition Agreement), whereby the Developer may construct and install certain public improvements within the District and the District will acquire such improvements. The District agrees to reimburse certified costs plus simple interest at 7% from the date such costs are accepted. Repayment of advances shall be at all times subject to annual appropriation by the District. After 20 years from the date of this agreement, any principal and accrued interest outstanding is forgiven in its entirety and will be deemed a contribution to the District by Lennar and there will be no further obligation on the District to pay or reimburse Lennar. As of December 31, 2023, the District had \$7,287,410 of principal outstanding and accrued interest of \$1,358,524 outstanding under this Agreement.

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 (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.

**WILLOW BEND METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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.

On November 5, 2013, a majority of the District's electors approved a mill levy increase of \$500,000 annually, without limitation of rate, for collection in 2014 and for each year thereafter, to pay the District's administration and operations and maintenance expenses. The District voters also authorized the District to collect and spend all taxes, fees and any other income of the District without regard to any limitations under TABOR.

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

NOTE 10 PRIOR PERIOD RESTATEMENT

During the year ended December 31, 2023, the District determined that the 2019C Junior Lien Bonds issued in the prior year in the amount of \$3,279,000 were not reported (see Note 5), the proceeds of which were used to reimburse the Developer under the Infrastructure Acquisition Agreement (see Note 7).

A retroactive adjustment of \$7,721 was applied to the December 31, 2022 beginning balances of net position (government-wide) to record the 2019C Junior Lien Bonds and the payment made under the Infrastructure Acquisition Agreement.

| | Governmental Activities |
|------------------------------------------------------|----------------------------|
| 12/31/2022, as previously reported | \$ (21,460,146) |
| Change to Bonds Payable Principal | (3,279,000) |
| Change to Bonds Payable Accrued Interest | (227,617) |
| Change to Developer Advance Capital | 3,279,000 |
| Change to Developer Advance Capital Accrued Interest | 219,896 |
| 12/31/2022, as restated | \$ (21,467,867) |

SUPPLEMENTARY INFORMATION

**WILLOW BEND METROPOLITAN DISTRICT
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

| | Budget | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 631,278 | \$ 631,278 | \$ 617,570 | \$ (13,708) |
| Specific Ownership Taxes | 44,189 | 44,189 | 42,306 | (1,883) |
| Interest Income | 29,546 | 65,000 | 87,588 | 22,588 |
| Total Revenues | <u>705,013</u> | <u>740,467</u> | <u>747,464</u> | <u>6,997</u> |
| EXPENDITURES | | | | |
| County Treasurer's Fee | 9,469 | 9,469 | 9,279 | 190 |
| Paying Agent Fees | 3,500 | 16,500 | 16,500 | - |
| Bond Interest | 822,750 | 822,750 | 822,750 | - |
| Contingency | 4,281 | 1,281 | - | 1,281 |
| Total Expenditures | <u>840,000</u> | <u>850,000</u> | <u>848,529</u> | <u>1,471</u> |
| NET CHANGE IN FUND BALANCE | (134,987) | (109,533) | (101,065) | 8,468 |
| Fund Balance - Beginning of Year | <u>1,559,562</u> | <u>1,620,480</u> | <u>1,620,480</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 1,424,575</u> | <u>\$ 1,510,947</u> | <u>\$ 1,519,415</u> | <u>\$ 8,468</u> |

OTHER INFORMATION

**WILLOW BEND METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

\$16,455,000
Limited Tax (Convertible to Unlimited Tax)
General Obligation Bonds, Series 2019A
Dated August 8, 2019
Interest Rate of 5.00% (5.0814% yield)
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> |
|---------------------------------|----------------------|----------------------|----------------------|
| 2024 | \$ 135,000 | \$ 822,750 | \$ 957,750 |
| 2025 | 205,000 | 816,000 | 1,021,000 |
| 2026 | 235,000 | 805,750 | 1,040,750 |
| 2027 | 250,000 | 794,000 | 1,044,000 |
| 2028 | 280,000 | 781,500 | 1,061,500 |
| 2029 | 295,000 | 767,500 | 1,062,500 |
| 2030 | 330,000 | 752,750 | 1,082,750 |
| 2031 | 350,000 | 736,250 | 1,086,250 |
| 2032 | 390,000 | 718,750 | 1,108,750 |
| 2033 | 405,000 | 699,250 | 1,104,250 |
| 2034 | 450,000 | 679,000 | 1,129,000 |
| 2035 | 470,000 | 656,500 | 1,126,500 |
| 2036 | 520,000 | 633,000 | 1,153,000 |
| 2037 | 545,000 | 607,000 | 1,152,000 |
| 2038 | 595,000 | 579,750 | 1,174,750 |
| 2039 | 625,000 | 550,000 | 1,175,000 |
| 2040 | 680,000 | 518,750 | 1,198,750 |
| 2041 | 710,000 | 484,750 | 1,194,750 |
| 2042 | 770,000 | 449,250 | 1,219,250 |
| 2043 | 810,000 | 410,750 | 1,220,750 |
| 2044 | 875,000 | 370,250 | 1,245,250 |
| 2045 | 920,000 | 326,500 | 1,246,500 |
| 2046 | 990,000 | 280,500 | 1,270,500 |
| 2047 | 1,040,000 | 231,000 | 1,271,000 |
| 2048 | 1,115,000 | 179,000 | 1,294,000 |
| 2049 | 2,465,000 | 123,250 | 2,588,250 |
| Total | <u>\$ 16,455,000</u> | <u>\$ 14,773,750</u> | <u>\$ 31,228,750</u> |

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION

**WILLOW BEND METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

| Year Ended December 31 | Prior Year Assessed Valuation for Current Year Tax Levy | Percent Change | Mills Levied | | | Total Property Taxes | | Percent Collected to Levied |
|---------------------------|---------------------------------------------------------------------|-------------------|-----------------|----------------------|--------|----------------------|------------|-----------------------------------|
| | | | General Fund | Debt Service Fund | Total | Levied | Collected | |
| 2019 | \$ 2,126,170 | - | 65.278 | 0.000 | 65.278 | \$ 138,792 | \$ 138,793 | 100.00 |
| 2020 | 3,411,270 | 60.44 | 5.000 | 55.663 | 60.663 | 206,938 | 206,940 | 100.00 |
| 2021 | 6,482,750 | 90.04 | 5.000 | 55.664 | 60.664 | 393,270 | 380,708 | 96.81 |
| 2022 | 7,931,770 | 22.35 | 5.000 | 55.664 | 60.664 | 481,173 | 535,685 | 111.33 |
| 2023 | 11,439,510 | 44.22 | 8.500 | 55.184 | 63.684 | 728,514 | 712,695 | 97.83 |
| Estimated 2024 | \$ 20,541,040 | 79.56 % | 6.314 | 63.141 | 69.455 | \$ 1,426,678 | | |

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County Assessor and Treasurer.

**WILLOW BEND METROPOLITAN DISTRICT
VALUATIONS OF CLASSES OF PROPERTY IN THE DISTRICT
DECEMBER 31, 2023**

| <u>Property Class</u> | <u>Assessed Valuation</u> | <u>Percent of Total Assessed Valuation</u> |
|-----------------------|-------------------------------|----------------------------------------------------|
| Vacant | \$ 4,255,590 | 20.72 % |
| Residential | 15,999,960 | 77.9 |
| State Assessed | 5,460 | 0.0 |
| Personal Property | <u>280,030</u> | <u>1.4</u> |
| Total | <u><u>\$ 20,541,040</u></u> | <u><u>100.00 %</u></u> |