

**2023 ANNUAL REPORT
LAKE OF THE ROCKIES METROPOLITAN DISTRICT**

As required by Section 32-1-207(3)(c), C.R.S. and Section IX of the Service Plan for Lake of the Rockies Metropolitan District (the “District”) approved by the Board of Trustees of the Town of Monument, Colorado (the “Town”) on May 3, 2010, as amended on January 20, 2015 (collectively, the “Amended Service Plan”), the District submits the following Annual Report of the District’s activities from January 1, 2023 to December 31, 2023.

- A. Boundary changes made: *None.*
- B. Intergovernmental Agreements entered into or terminated: *None.*
- C. Access information to obtain a copy of rules and regulations adopted: *The District’s rules and regulations, including Design Guidelines and other covenant-enforcement related documents, as well as the District’s Resolutions, including those related to the imposition of Operations & Maintenance Fees, can be accessed on the District’s website, under the “Documents” tab:
<http://lakeoftherockies.org/documents.html>*
- D. Summary of litigation involving the District’s public improvements: *None*
- E. Status of the District’s construction of public improvements: *The District did not construct any public improvements; however, the former developer of the District completed the public improvements contemplated under the Service Plan in 2018 (see Section F., below, for additional information)*
- F. Conveyances or dedications of facilities or improvements, constructed by the District, to the Town: *The District did not construct, nor convey or dedicate, any public improvements to the Town. Prior to 2022, the former developer of the District constructed streets, sidewalks, curb and gutter, water, sewer, certain drainage, grading, and park improvements in three phases between 2014 and 2018 and dedicated the same to the Town in 2018. The District operates and maintains certain common area landscape, monument, and drainage/detention improvements.*
- G. Final assessed valuation of the District for the reporting year: *As noted in the District’s 2024 Budget, the final assessed valuation of the property in the District as of December 2023 was \$6,752,850.00.*
- H. Current year’s budget: *A copy of the District’s 2024 budget is attached hereto as **Exhibit A.***
- I. Audited financial statements for the reporting year (or application for exemption from audit): *As of the date of the Annual Report, the District’s 2023 Audit has not yet been completed. Once completed, the District’s 2023 Audit will be available on the District’s website, under the “Documents” tab:
<http://lakeoftherockies.org/documents.html>*

- J. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument: *To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.*
- K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period: *To our knowledge, the District has been able to pay its obligations as they come due.*

DATED: March 26, 2024

CC: Town of Monument (via email) – lhogan@tomgov.org
DOLA (via E-Filing Portal)
McGeady Becher P.C. (via email); Suzanne Meintzer, Catherine Will
Warren Management Group; Traci McDonald
State Auditor (via email) – osa.lg@state.co.us
El Paso County Clerk & Recorder (via email) –
specialdistrictnotices@elpaso.com

EXHIBIT A
2024 BUDGET

LAKE OF THE ROCKIES METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 414,436	\$ 538,265	\$ 548,272
REVENUES			
Property taxes	313,549	317,025	401,822
Specific ownership taxes	32,831	32,022	40,182
Interest income	8,457	34,600	39,000
Homeowner fees	184,140	183,000	183,000
Late fees / penalties	664	1,400	1,000
Total revenues	<u>539,641</u>	<u>568,047</u>	<u>665,004</u>
Total funds available	<u>954,077</u>	<u>1,106,312</u>	<u>1,213,276</u>
EXPENDITURES			
General Fund	241,077	286,773	295,000
Debt Service Fund	174,735	271,267	391,000
Total expenditures	<u>415,812</u>	<u>558,040</u>	<u>686,000</u>
Total expenditures and transfers out requiring appropriation	<u>415,812</u>	<u>558,040</u>	<u>686,000</u>
ENDING FUND BALANCES	<u>\$ 538,265</u>	<u>\$ 548,272</u>	<u>\$ 527,276</u>
EMERGENCY RESERVE	\$ 8,300	\$ 8,400	\$ 8,500
AVAILABLE FOR OPERATIONS	56,309	47,389	33,064
DEBT SERVICE RESERVE	209,000	209,000	209,000
SURPLUS RESERVE	264,656	271,500	271,500
TOTAL RESERVE	<u>\$ 538,265</u>	<u>\$ 536,289</u>	<u>\$ 522,064</u>

No assurance provided. See summary of significant assumptions.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 5,570,480	\$ 5,447,100	\$ 6,699,900
Residential Multi Family	-	6,790	8,620
Commercial	32,220	150	30
Agricultural	240	220	220
State assessed	69,520	72,190	44,080
Certified Assessed Value	\$ 5,672,460	\$ 5,526,450	\$ 6,752,850

MILL LEVY

General	14.419	14.948	12.355
Debt Service	41.245	42.417	47.149
Total mill levy	55.664	57.365	59.504

PROPERTY TAXES

General	\$ 81,791	\$ 82,609	\$ 83,432
Debt Service	233,961	234,415	318,390
Levied property taxes	315,752	317,024	401,822
Adjustments to actual/rounding	-	1	-
Budgeted property taxes	\$ 315,752	\$ 317,025	\$ 401,822

BUDGETED PROPERTY TAXES

General	\$ 81,791	\$ 82,609	\$ 83,432
Debt Service	233,961	234,416	318,390
	\$ 315,752	\$ 317,025	\$ 401,822

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 31,158	\$ 64,609	\$ 55,789
REVENUES			
Property taxes	81,220	82,609	83,432
Specific ownership taxes	8,504	8,344	8,343
Homeowner fees	184,140	183,000	183,000
Late fees / penalties	664	1,400	1,000
Interest income	-	2,600	5,000
Total revenues	<u>274,528</u>	<u>277,953</u>	<u>280,775</u>
Total funds available	<u>305,686</u>	<u>342,562</u>	<u>336,564</u>
EXPENDITURES			
General and administrative			
Accounting	32,823	37,500	37,500
Auditing	4,525	4,840	5,750
County Treasurer's fee	1,218	1,239	1,251
Dues and membership	432	516	600
Insurance	3,451	3,719	4,000
District management	48,941	60,000	48,000
Legal	36,309	39,000	45,000
Miscellaneous	1,062	200	1,000
Billing	21,746	19,500	19,500
Election	5,774	2,078	-
Contingency	-	-	6,499
Operations and maintenance			
Repairs and maintenance	15,107	500	2,000
Landscaping	10,644	59,200	70,000
Landscaping - Contingency	630	2,581	-
Snow removal	5,324	6,000	6,000
Fence and sign maintenance	180	-	-
Streets repairs and maintenance	-	-	-
Utilities	4,203	4,000	4,400
Trash Collection	37,001	30,000	27,900
Water	-	-	-
Website	900	900	600
Covenant Enforcement	10,807	15,000	15,000
Total expenditures	<u>241,077</u>	<u>286,773</u>	<u>295,000</u>
Total expenditures and transfers out requiring appropriation	<u>241,077</u>	<u>286,773</u>	<u>295,000</u>
ENDING FUND BALANCES	<u>\$ 64,609</u>	<u>\$ 55,789</u>	<u>\$ 41,564</u>
EMERGENCY RESERVE	\$ 8,300	\$ 8,400	\$ 8,500
AVAILABLE FOR OPERATIONS	56,309	47,389	33,064
TOTAL RESERVE	<u>\$ 64,609</u>	<u>\$ 55,789</u>	<u>\$ 41,564</u>

No assurance provided. See summary of significant assumptions.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 383,278	\$ 473,656	\$ 492,483
REVENUES			
Property taxes	232,329	234,416	318,390
Specific ownership taxes	24,327	23,678	31,839
Interest income	8,457	32,000	34,000
Total revenues	<u>265,113</u>	<u>290,094</u>	<u>384,229</u>
Total funds available	<u>648,391</u>	<u>763,750</u>	<u>876,712</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,485	3,517	4,776
Paying agent fees	6,000	6,000	6,000
Contingency	-	-	58,580
Debt Service			
Bond interest	135,250	133,750	132,250
Bond interest - 2018B	-	98,000	154,394
Bond Principal	30,000	30,000	35,000
Total expenditures	<u>174,735</u>	<u>271,267</u>	<u>391,000</u>
Total expenditures and transfers out requiring appropriation	<u>174,735</u>	<u>271,267</u>	<u>391,000</u>
ENDING FUND BALANCES	<u>\$ 473,656</u>	<u>\$ 492,483</u>	<u>\$ 485,712</u>
DEBT SERVICE RESERVE	\$ 209,000	\$ 209,000	\$ 209,000
SURPLUS RESERVE	264,656	271,500	271,500
TOTAL RESERVE	<u>\$ 473,656</u>	<u>\$ 480,500</u>	<u>\$ 480,500</u>

No assurance provided. See summary of significant assumptions.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

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

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

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

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

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

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, 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.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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.

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 10% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Homeowner Fees

The District charges each homeowner a monthly operation and maintenance fee of \$99.00. The 2024 budgeted revenues are based on 155 homeowners.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, audit, insurance, meeting expenses, and other administrative costs.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

County Treasurer's Collection Fees

County Treasurer's collection fees have been computed at 1.50% of property taxes.

Debt Service

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

Debt and Leases

Series 2018 Bond Issuance

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

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

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

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

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

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

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

**Lake of the Rockies Metropolitan District
Schedule of Long Term Obligations**

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023*
Bonds Payable:				
Limited Tax General Obligation				
Bonds - Series 2018A	\$ 2,675,000	\$ -	\$ 30,000	\$ 2,645,000
Limited Tax General Obligation				
Subordinate Bonds - Series 2018B	439,000	-	-	439,000
Unpaid Interest on Series 2018B				
Bonds Payable	165,646	45,348	98,000	112,994
Total Long-Term Obligations	<u>\$ 3,279,646</u>	<u>\$- 45,348</u>	<u>\$ 128,000</u>	<u>\$ 3,196,994</u>
	Balance at	Additions*	Repayments*	Balance at
	December 31, 2023*			December 31, 2024*
Bonds Payable:				
Limited Tax General Obligation				
Bonds - Series 2018A	\$ 2,645,000	\$ -	\$ 35,000	\$ 2,610,000
Limited Tax General Obligation				
Subordinate Bonds - Series 2018B	439,000	-	-	439,000
Unpaid Interest on Series 2018B				
Bonds Payable	112,994	41,400	154,394	-
Total Long-Term Obligations	<u>\$ 3,196,994</u>	<u>\$- 41,400</u>	<u>\$ 189,394</u>	<u>\$ 3,049,000</u>

* Estimate

Leases

The District has no capital or operating leases.

Reserves

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

Debt Service Reserves

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

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves – (continued)

Surplus Fund

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

This information is an integral part of the accompanying budget.

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

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

Interest Rate 5.00%

Date: July 18, 2018

Interest Payable: June 1st and December 1st

Principal Payable: December 1st

Year Ending December 31,	Principal	Interest	Total
2024	35,000	132,250	167,250
2025	35,000	130,500	165,500
2026	40,000	128,750	168,750
2027	45,000	126,750	171,750
2028	50,000	124,500	174,500
2029	50,000	122,000	172,000
2030	60,000	119,500	179,500
2031	60,000	116,500	176,500
2032	70,000	113,500	183,500
2033	70,000	110,000	180,000
2034	80,000	106,500	186,500
2035	80,000	102,500	182,500
2036	90,000	98,500	188,500
2037	95,000	94,000	189,000
2038	105,000	89,250	194,250
2039	105,000	84,000	189,000
2040	115,000	78,750	193,750
2041	125,000	73,000	198,000
2042	135,000	66,750	201,750
2043	140,000	60,000	200,000
2044	150,000	53,000	203,000
2045	160,000	45,500	205,500
2046	170,000	37,500	207,500
2047	180,000	29,000	209,000
2048	400,000	13,333	413,333
Total	<u>2,645,000</u>	<u>2,255,833</u>	<u>4,900,833</u>