



## ICENOGLE SEAVER POGUE

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September 29, 2023

Office of the State Auditor  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, Colorado 80203  
(Via E-Portal)

Boulder County Clerk and Recorder  
1750 33<sup>Rd</sup> Street, Ste 200  
Boulder, Colorado 80301  
Via Email: [clerkandrecorder@bouldercounty.org](mailto:clerkandrecorder@bouldercounty.org)

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203  
(Via E-Portal)

Lydia Yecke, Town Clerk  
Town of Superior  
124 East Coal Creek Dr.  
Superior, Colorado 80027  
Via Email: [Lydiay@superiorcolorado.gov](mailto:Lydiay@superiorcolorado.gov)

**Re: Annual Report for Coalton Metropolitan District**

To Whom It May Concern:

Pursuant to the Service Plan enclosed please find the 2022 Annual Report for Coalton Metropolitan District and Subdistrict No. 1 of the Coalton Metropolitan District.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLE SEAVER POGUE  
A Professional Corporation

Stacie L. Pacheco  
Paralegal

Enclosure

Stacie L. Pacheco | [SPacheco@isp-law.com](mailto:SPacheco@isp-law.com) | Direct 303.867.3000

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

**COALTON METROPOLITAN DISTRICT  
SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT**

**2022 ANNUAL REPORT**

Pursuant to Section 32-1-1101(1)(f)(II), C.R.S., and Section VII.B of the Service Plan (the “Service Plan”) for the Coalton Metropolitan District (the “District”), the District and Subdistrict No. 1 of the Coalton Metropolitan District (the “Subdistrict”) (as of August 26, 2020) is responsible for promptly filing with the Town Clerk of the Town of Superior (the “Town”) the following documents:

1. Audited financial statements;
2. Budgets;
3. Architectural plans;
4. Bid documents evidencing compliance with Town public bidding procedures;
5. Construction contracts;
6. Intergovernmental Agreements;
7. Ballot questions;
8. Resolutions authorizing bonds or other financial obligations;
9. Financing documents;
10. Credit Agreements; and
11. Any official statements to pay such reasonable charges for services and reimbursements for expenses as the Town may require.

In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the District and the Subdistrict are required to submit an annual report for the preceding calendar year commencing in 2023 for the 2022 calendar year to the Town, the Division of Local Government, the state auditor, and the Boulder County Clerk and Recorder.

The District was organized following the recordation of an Order and Decree Organizing the District issued by the Boulder County District Court, which was recorded in the Boulder County Clerk and Recorder’s office on December 7, 2010 at Reception No. 03118200. The Board of Directors of the District (the “Board”) adopted a Resolution Concerning Inactive Status on December 14, 2010, at which time the Board declared the District to be inactive pursuant to Section 32-1-104(3)-(5), C.R.S. On June 7, 2017, the Board convened and adopted a Resolution Concerning Return to Active Status, and the District subsequently took such steps as necessary to return to active status in accordance with the requirements of Section 32-1-104(3), C.R.S. Documents relating to the District’s return to active status were previously submitted to the Town pursuant to Section 32-1-104(3), C.R.S.

On July 14, 2020, the District adopted a Resolution (“Subdistrict Resolution”) to organize the Subdistrict. On August 26, 2020, the Subdistrict Resolution was recorded in the records of the Clerk and Recorder of Boulder, County, at Reception No. 03810310.

**I. SERVICE PLAN – ANNUAL REPORT REQUIREMENTS**

For the year ending December 31, 2022, the District and the Subdistrict make the following report pursuant to Section VII.B of the Service Plan:

**1. Audited financial statements.**

A copy of the District's and the Subdistrict's 2022 Application for Exemption from Audit is attached hereto as **Exhibit A**.

**2. Budget.**

A copy of the District's and Subdistrict's Budget for fiscal year 2023 is attached as **Exhibit B**.

**3. Architectural plans.**

Neither the District nor the Subdistrict constructed or installed any public improvements in 2022.

**4. Bid documents evidencing compliance with Town public bidding procedures.**

Neither the District nor the Subdistrict have issued any requests for bids in 2022. In 2022, all public improvements for the District have been constructed and installed by the developer and may be acquired by the District.

**5. Construction contracts.**

Neither the District nor the Subdistrict entered into any construction contracts in 2022.

**6. Intergovernmental agreements.**

The District and the Subdistrict entered into an Intergovernmental Agreement Concerning Allocation of Debt Authorization and Mill Levy, dated April 27, 2022. A copy was submitted with the District's 2021 Annual Report.

**7. Ballot questions.**

The District held an election for the election of three directors in 2022. The election was subsequently cancelled by the Designated Election Official. A copy of the published Notice of Cancellation of Regular Special District Election by the Designated Election Official is attached hereto as **Exhibit C**.

**8. Resolutions authorizing bonds or other financial obligations.**

## **Bonds**

The District and the Subdistrict did not enter into any resolutions regarding the issuance of bonds in 2022.

## **Operations and Maintenance Obligations - District**

As previously reported, on October 15, 2019, the District adopted a resolution approving a 2020 Funding and Reimbursement Agreement with Rock Creek Development, Inc. (“Rock Creek”), dated January 1, 2020, pursuant to which Rock Creek agreed to advance funds to the District for costs associated with operation and maintenance and general operating expenditures of the District, and in connection therewith, approved the issuance of a subordinate promissory note to Rock Creek to evidence the District’s repayment obligation to Rock Creek (the “2020 Note”).

On December 10, 2020, the District adopted a resolution approving a First Amendment to the 2020 Funding & Reimbursement Agreement, dated December 31, 2020, and, in connection therewith, authorized the refunding of the 2020 Note and issuance of a new subordinate promissory note dated January 1, 2021 (the “2021 Note”).

## **Operations and Maintenance Obligations - Subdistrict**

On January 31, 2022, the Subdistrict approved a 2022 Funding and Reimbursement Agreement with Superior Shore Townhomes, LLC (“SST”), as amended by that certain First Amendment to 2022 Funding and Reimbursement Agreement dated December 15, 2022 (the “First Amendment to 2022 Funding and Reimbursement Agreement”), pursuant to which SST agreed to advance funds to the District for costs associated with operation and maintenance and general operating expenditures of the Subdistrict, and in connection therewith, approved the issuance of a subordinate promissory note to SST to evidence the District’s repayment obligation to SST on January 31, 2022, which subordinate promissory note was refunded and a new subordinate promissory note issued on December 15, 2022. A copy of the First Amendment to 2022 Funding and Reimbursement Agreement is attached hereto as **Exhibit D**.

## **Capital Obligations - District**

On April 27, 2022, the District and Rock Creek Development, Inc. (“Rock Creek”) entered into an Amended and Restated Improvement Acquisition and Reimbursement Agreement pursuant to which Rock Creek agreed to construct public improvements for the benefit of the District and the District would acquire the public improvements in an amount not to exceed \$4,000,000. To evidence the District’s reimbursement obligation, the District issued a subordinate promissory note to Rock Creek in an amount not to exceed \$4,000,000. Copies of the Agreement and Note were submitted with the District’s 2021 Annual Report.

## **Capital Obligations - Subdistrict**

On April 27, 2022, the Subdistrict and SST entered into an Improvement Acquisition and Reimbursement Agreement pursuant to which SST agreed to construct public improvements for the benefit of the Subdistrict and the Subdistrict would acquire the public improvements in an amount not to exceed \$1,000,000. A copy of the Agreement was submitted with the District's 2021 Annual Report.

### **9. Financing documents.**

See Section 8 above.

### **10. Credit Agreements.**

Other than the financing transactions described in Section 8 above, the District and the Subdistrict have no other credit agreements.

### **11. Any official statements to pay such reasonable charges for services and reimbursements for expenses as the Town may require.**

The District has not received any request from the Town for the payment of or reimbursement for expenses.

## **II. SPECIAL DISTRICT ACT (SECTION 32-1-207(3)(c), C.R.S.) ANNUAL REPORT REQUIREMENTS:**

For the year ending December 31, 2022, the District and the Subdistrict make the following report pursuant to Section 32-1-207(3)(c), C.R.S.:

### **A. Boundary changes made.**

Neither the District nor the Subdistrict had any boundary changes in 2022.

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

Please see Section I.6 above.

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

For information concerning rules and regulations adopted by the District or the Subdistrict please contact the District's and the Subdistrict's manager:

Teleos, LLC  
Angela N. Elliott  
191 University Blvd. #358

Denver, CO 80206  
(303) 818-9365  
Email: [angela@teleos-services.com](mailto:angela@teleos-services.com)

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

There was no litigation involving public improvements owned by the District or the Subdistrict in 2022.

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

No public improvements were constructed by the District or the Subdistrict in 2022.

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

No facilities or improvements constructed by the District were conveyed or dedicated to the Town in 2022.

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

|              |             |
|--------------|-------------|
| District:    | \$1,271,514 |
| Subdistrict: | \$717,269   |

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

Please see Section I.2 above.

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

Please see Section I.1 above.

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

As of December 31, 2022, the District and the Subdistrict did not receive any notice of uncured defaults existing for more than ninety (90) days under any debt instrument.

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

As of December 31, 2022, the District and the Subdistrict did not have any inability to pay its obligations as they come due under any obligation which continued beyond a ninety (90) day period.

*[Remainder of this page is intentionally blank.]*

**EXHIBIT A**

**APPLICATIONS FOR EXEMPTION FROM AUDIT**



# APPLICATION FOR EXEMPTION FROM AUDIT SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE **LONG FORM**.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

## EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

## READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END.

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS  
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.  
APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

## CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically?
  - If yes, have you read and understand the new Electronic Signature Policy? See new policy -> [here](#)
  - or--
  - If yes, have you included a resolution?
    - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
    - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
  - If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

## FILING METHODS

**NEW METHOD!** Register and submit your Applications at our new portal!

**WEB PORTAL:** <https://apps.leg.co.gov/osa/lq>

**MAIL:** Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203

**QUESTIONS?** Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) OR Phone: 303-869-3000

## IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT  
ADDRESS**

|                                     |
|-------------------------------------|
| Coalton Metropolitan District       |
| c/o Pinnacle Consulting Group, Inc. |
| 550 W Eisenhower Blvd               |
| Loveland, CO 80537                  |

For the Year Ended  
12/31/22  
or fiscal year ended:

**CONTACT PERSON  
PHONE  
EMAIL**

|                       |
|-----------------------|
| Brendan Campbell, CPA |
| 970-669-3611          |
| brendanc@pcgi.com     |

### PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED**

|                                          |
|------------------------------------------|
| Brendan Campbell, CPA                    |
| District Accountant                      |
| Pinnacle Consulting Group, Inc.          |
| 550 W Eisenhower Blvd, Loveland CO 80537 |
| 970-669-3611                             |
| 2/24/2022                                |

### PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

| GOVERNMENTAL<br><small>(MODIFIED ACCRUAL BASIS)</small> | PROPRIETARY<br><small>(CASH OR BUDGETARY BASIS)</small> |
|---------------------------------------------------------|---------------------------------------------------------|
| <input checked="" type="checkbox"/>                     | <input type="checkbox"/>                                |

## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line# | Description                                              | Round to nearest Dollar |                                                             |
|-------|----------------------------------------------------------|-------------------------|-------------------------------------------------------------|
| 2-1   | Taxes: Property (report mills levied in Question 10-6)   | \$ 88,055               | Please use this space to provide any necessary explanations |
| 2-2   | Specific ownership                                       | \$ 3,936                |                                                             |
| 2-3   | Sales and use                                            | \$ -                    |                                                             |
| 2-4   | Other (specify):                                         | \$ -                    |                                                             |
| 2-5   | Licenses and permits                                     | \$ -                    |                                                             |
| 2-6   | Intergovernmental: Grants                                | \$ -                    |                                                             |
| 2-7   | Conservation Trust Funds (Lottery)                       | \$ -                    |                                                             |
| 2-8   | Highway Users Tax Funds (HUTF)                           | \$ -                    |                                                             |
| 2-9   | Other (specify):                                         | \$ -                    |                                                             |
| 2-10  | Charges for services                                     | \$ -                    |                                                             |
| 2-11  | Fines and forfeits                                       | \$ -                    |                                                             |
| 2-12  | Special assessments                                      | \$ -                    |                                                             |
| 2-13  | Investment income                                        | \$ 7                    |                                                             |
| 2-14  | Charges for utility services                             | \$ -                    |                                                             |
| 2-15  | Debt proceeds (should agree with line 4-4, column 2)     | \$ -                    |                                                             |
| 2-16  | Lease proceeds                                           | \$ -                    |                                                             |
| 2-17  | Developer Advances received (should agree with line 4-4) | \$ -                    |                                                             |
| 2-18  | Proceeds from sale of capital assets                     | \$ -                    |                                                             |
| 2-19  | Fire and police pension                                  | \$ -                    |                                                             |
| 2-20  | Donations                                                | \$ -                    |                                                             |
| 2-21  | Other (specify):                                         | \$ -                    |                                                             |
| 2-22  |                                                          | \$ -                    |                                                             |
| 2-23  |                                                          | \$ -                    |                                                             |
| 2-24  | (add lines 2-1 through 2-23) TOTAL REVENUE               | \$ 91,998               |                                                             |

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line# | Description                                                             | Round to nearest Dollar |                                                             |
|-------|-------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|
| 3-1   | Administrative                                                          | \$ 6,192                | Please use this space to provide any necessary explanations |
| 3-2   | Salaries                                                                | \$ 1,000                |                                                             |
| 3-3   | Payroll taxes                                                           | \$ 61                   |                                                             |
| 3-4   | Contract services                                                       | \$ -                    |                                                             |
| 3-5   | Employee benefits                                                       | \$ -                    |                                                             |
| 3-6   | Insurance                                                               | \$ 4,418                |                                                             |
| 3-7   | Accounting and legal fees                                               | \$ 29,408               |                                                             |
| 3-8   | Repair and maintenance                                                  | \$ -                    |                                                             |
| 3-9   | Supplies                                                                | \$ -                    |                                                             |
| 3-10  | Utilities and telephone                                                 | \$ 471                  |                                                             |
| 3-11  | Fire/Police                                                             | \$ -                    |                                                             |
| 3-12  | Streets and highways                                                    | \$ -                    |                                                             |
| 3-13  | Public health                                                           | \$ -                    |                                                             |
| 3-14  | Capital outlay                                                          | \$ -                    |                                                             |
| 3-15  | Utility operations                                                      | \$ -                    |                                                             |
| 3-16  | Culture and recreation                                                  | \$ 8,053                |                                                             |
| 3-17  | Debt service principal (should agree with Part 4)                       | \$ -                    |                                                             |
| 3-18  | Debt service interest                                                   | \$ -                    |                                                             |
| 3-19  | Repayment of Developer Advance Principal (should agree with line 4-4)   | \$ -                    |                                                             |
| 3-20  | Repayment of Developer Advance Interest                                 | \$ -                    |                                                             |
| 3-21  | Contribution to pension plan (should agree to line 7-2)                 | \$ -                    |                                                             |
| 3-22  | Contribution to Fire & Police Pension Assoc. (should agree to line 7-2) | \$ -                    |                                                             |
| 3-23  | Other (specify): Treasurer Fees                                         | \$ 1,664                |                                                             |
| 3-24  | Other (specify): Office Dues & Other                                    | \$ 2,802                |                                                             |
|       | Other (specify): Election Expenses                                      | \$ 1,237                |                                                             |
| 3-25  | Other (specify): Abatement Expense                                      | \$ 36,104               |                                                             |
| 3-26  | (add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES                | \$ 91,410               |                                                             |

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

**PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED**

Please answer the following questions by marking the appropriate boxes.

|     |                                                                                                                                              | Yes                                 | No                                  |             |                     |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------|---------------------|
| 4-1 | Does the entity have outstanding debt?<br>If Yes, please attach a copy of the entity's Debt Repayment Schedule.                              | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |             |                     |
| 4-2 | Is the debt repayment schedule attached? If no, MUST explain:<br><b>To be repaid as funds are available.</b>                                 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |             |                     |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain:                                                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |             |                     |
| 4-4 | Please complete the following debt schedule, if applicable:<br>(please only include principal amounts)(enter all amount as positive numbers) |                                     |                                     |             |                     |
|     | General obligation bonds                                                                                                                     | \$ -                                | \$ -                                | \$ -        | \$ -                |
|     | Revenue bonds                                                                                                                                | \$ -                                | \$ -                                | \$ -        | \$ -                |
|     | Notes/Loans                                                                                                                                  | \$ -                                | \$ -                                | \$ -        | \$ -                |
|     | Lease Liabilities                                                                                                                            | \$ -                                | \$ -                                | \$ -        | \$ -                |
|     | Developer Advances                                                                                                                           | \$ 2,369,759                        | \$ -                                | \$ -        | \$ 2,369,759        |
|     | Other (specify):                                                                                                                             | \$ -                                | \$ -                                | \$ -        | \$ -                |
|     | <b>TOTAL</b>                                                                                                                                 | <b>\$ 2,369,759</b>                 | <b>\$ -</b>                         | <b>\$ -</b> | <b>\$ 2,369,759</b> |

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

|         |                                                                                      | Yes                                 | No                                  |
|---------|--------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 4-5     | Does the entity have any authorized, but unissued, debt?                             | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| If yes: | How much?                                                                            |                                     |                                     |
|         | \$ 5,000,000.00                                                                      |                                     |                                     |
|         | Date the debt was authorized:                                                        |                                     |                                     |
|         | 8/23/2010                                                                            |                                     |                                     |
| 4-6     | Does the entity intend to issue debt within the next calendar year?                  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| If yes: | How much?                                                                            |                                     |                                     |
|         | \$ -                                                                                 |                                     |                                     |
| 4-7     | Does the entity have debt that has been refinanced that it is still responsible for? | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| If yes: | What is the amount outstanding?                                                      |                                     |                                     |
|         | \$ -                                                                                 |                                     |                                     |
| 4-8     | Does the entity have any lease agreements?                                           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| If yes: | What is being leased?                                                                |                                     |                                     |
|         | What is the original date of the lease?                                              |                                     |                                     |
|         | Number of years of lease?                                                            |                                     |                                     |
|         | Is the lease subject to annual appropriation?                                        | <input type="checkbox"/>            | <input type="checkbox"/>            |
|         | What are the annual lease payments?                                                  |                                     |                                     |
|         | \$ -                                                                                 |                                     |                                     |

Please use this space to provide any explanations or comments:

**PART 5 - CASH AND INVESTMENTS**

Please provide the entity's cash deposit and investment balances.

|     |                                                                                   | Amount    | Total     |
|-----|-----------------------------------------------------------------------------------|-----------|-----------|
| 5-1 | YEAR-END Total of ALL Checking and Savings Accounts                               | \$ 77,118 |           |
| 5-2 | Certificates of deposit                                                           | \$ -      |           |
|     | <b>Total Cash Deposits</b>                                                        |           | \$ 77,118 |
|     | Investments (if investment is a mutual fund, please list underlying investments): |           |           |
|     |                                                                                   | \$ -      |           |
|     |                                                                                   | \$ -      |           |
| 5-3 |                                                                                   | \$ -      |           |
|     |                                                                                   | \$ -      |           |
|     | <b>Total Investments</b>                                                          |           | \$ -      |
|     | <b>Total Cash and Investments</b>                                                 |           | \$ 77,118 |

Please answer the following questions by marking in the appropriate boxes

|     |                                                                                                                                   | Yes                                 | No                       | N/A                      |
|-----|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------------------|
| 5-4 | Are the entity's Investments legal in accordance with Section 24-75-601, et seq., C.R.S.?                                         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5-5 | Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If no, MUST use this space to provide any explanations:

## PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 6-1 Does the entity have capital assets?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:  Yes       No

| Complete the following capital & right-to-use assets table:                            | Balance - beginning of the year* | Additions (Must be included in Part 3) | Deletions   | Year-End Balance    |
|----------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|-------------|---------------------|
| Land                                                                                   | \$ -                             | \$ -                                   | \$ -        | \$ -                |
| Buildings                                                                              | \$ -                             | \$ -                                   | \$ -        | \$ -                |
| Machinery and equipment                                                                | \$ -                             | \$ -                                   | \$ -        | \$ -                |
| Furniture and fixtures                                                                 | \$ -                             | \$ -                                   | \$ -        | \$ -                |
| Infrastructure                                                                         | \$ 2,210,734                     | \$ -                                   | \$ -        | \$ 2,210,734        |
| Construction In Progress (CIP)                                                         | \$ -                             | \$ -                                   | \$ -        | \$ -                |
| Leased Right-to-Use Assets                                                             | \$ -                             | \$ -                                   | \$ -        | \$ -                |
| Other (explain):                                                                       | \$ -                             | \$ -                                   | \$ -        | \$ -                |
| Accumulated Depreciation/Amortization<br>(Please enter a negative, or credit, balance) | \$ (351,682)                     | \$ (110,536)                           | \$ -        | \$ (462,218)        |
| <b>TOTAL</b>                                                                           | <b>\$ 1,859,052</b>              | <b>\$ (110,536)</b>                    | <b>\$ -</b> | <b>\$ 1,748,516</b> |

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No

If yes: Who administers the plan?

Indicate the contributions from:

|                                  |             |
|----------------------------------|-------------|
| Tax (property, SO, sales, etc.): | \$ -        |
| State contribution amount:       | \$ -        |
| Other (gifts, donations, etc.):  | \$ -        |
| <b>TOTAL</b>                     | <b>\$ -</b> |

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?  \$ -

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No                      N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?  Yes       No       N/A
- 
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes       No       N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

| Governmental/Proprietary Fund Name | Total Appropriations By Fund |
|------------------------------------|------------------------------|
| General Fund                       | \$ 77,570                    |
|                                    |                              |
|                                    |                              |

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

|            | Please answer the following question by marking in the appropriate box                                                                                                                                                                                                                                                                                                            | Yes                                 | No                       |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|
| <b>9-1</b> | <b>Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?</b><br><small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

|             | Please answer the following questions by marking in the appropriate boxes.                                                                                                                                                                    | Yes                                 | No                                                                      |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------|
| <b>10-1</b> | <b>Is this application for a newly formed governmental entity?</b>                                                                                                                                                                            | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| If yes:     | <b>Date of formation:</b> <input style="width: 450px; height: 15px;" type="text"/>                                                                                                                                                            |                                     |                                                                         |
| <b>10-2</b> | <b>Has the entity changed its name in the past or current year?</b>                                                                                                                                                                           | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| If yes:     | <b>Please list the NEW name &amp; PRIOR name:</b><br><input style="width: 600px; height: 15px;" type="text"/>                                                                                                                                 |                                     |                                                                         |
| <b>10-3</b> | <b>Is the entity a metropolitan district?</b><br><b>Please indicate what services the entity provides:</b><br><input style="width: 600px; height: 15px;" type="text"/>                                                                        | <input checked="" type="checkbox"/> | <input type="checkbox"/>                                                |
| <b>10-4</b> | <b>Does the entity have an agreement with another government to provide services?</b><br>If yes: <b>List the name of the other governmental entity and the services provided:</b><br><input style="width: 600px; height: 15px;" type="text"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| <b>10-5</b> | <b>Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during</b><br>If yes: <b>Date Filed:</b> <input style="width: 450px; height: 15px;" type="text"/>                                           | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| <b>10-6</b> | <b>Does the entity have a certified Mill Levy?</b><br>If yes: <b>Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):</b>                                                                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>                                                |
|             | <b>Bond Redemption mills</b>                                                                                                                                                                                                                  |                                     | <input style="width: 100px; height: 15px;" type="text" value="-"/>      |
|             | <b>General/Other mills</b>                                                                                                                                                                                                                    |                                     | <input style="width: 100px; height: 15px;" type="text" value="50.000"/> |
|             | <b>Total mills</b>                                                                                                                                                                                                                            |                                     | <input style="width: 100px; height: 15px;" type="text" value="50.000"/> |

**Please use this space to provide any explanations or comments:**

## PART 11 - GOVERNING BODY APPROVAL

| Please answer the following question by marking in the appropriate box |                                                                                                    | YES                                 | NO                       |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|
| 12-1                                                                   | If you plan to submit this form electronically, have you read the new Electronic Signature Policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

## Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.



| Print the names of ALL members of current governing body below.<br>Print Board Member's Name |                   | A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board Member 1                                                                               | Kristopher Barnes | I <u>Kristopher Barnes</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed <u>Kristopher Barnes</u><br>Date: _____<br>My term Expires: <u>May 2023</u> |
| Board Member 2                                                                               | Gary Rohr         | I <u>Gary Rohr</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: <u>May 2025</u>                            |
| Board Member 3                                                                               | James O'Malley    | I <u>James O'Malley</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: <u>May 2023</u>                       |
| Board Member 4                                                                               | Karen Bennett     | I <u>Karen Bennett</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: <u>May 2025</u>                        |
| Board Member 5                                                                               | Jonathan Rohr     | I <u>Jonathan Rohr</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed <u>JONATHAN ROHR</u><br>Date: _____<br>My term Expires: <u>May 2025</u>         |
| Board Member 6                                                                               |                   | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____                                                  |
| Board Member 7                                                                               |                   | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____                                                  |

## EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed; however you MUST draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

### RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 20XX FOR THE **(name of government)**, STATE OF COLORADO.

WHEREAS, the **(governing body)** of **(name of government)** wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

**[Choose 1 or 2 below, whichever is applicable]**

(1) WHEREAS, neither revenue nor expenditures for **(name of government)** exceeded \$100,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual)**, a person skilled in governmental accounting; and

**OR**

(2) WHEREAS, neither revenues nor expenditures for **(name of government)** exceeded \$750,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual or firm)**, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **(governing body)** of the **(name of government)** that the application for exemption from audit for **(name of government)** for the Fiscal Year ended \_\_\_\_\_, 20XX, has been personally reviewed and is hereby approved by a majority of the **(governing body)** of the **(name of government)**; that those members of the **(governing body)** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **(name of government)** for the fiscal year ended \_\_\_\_\_, 20XX.

ADOPTED THIS \_\_\_ day of \_\_\_\_\_, A.D. 20XX.

**EXAMPLE - DO NOT FILL OUT THIS PAGE**

\_\_\_\_\_  
Mayor/President/Chairman, etc.

ATTEST:

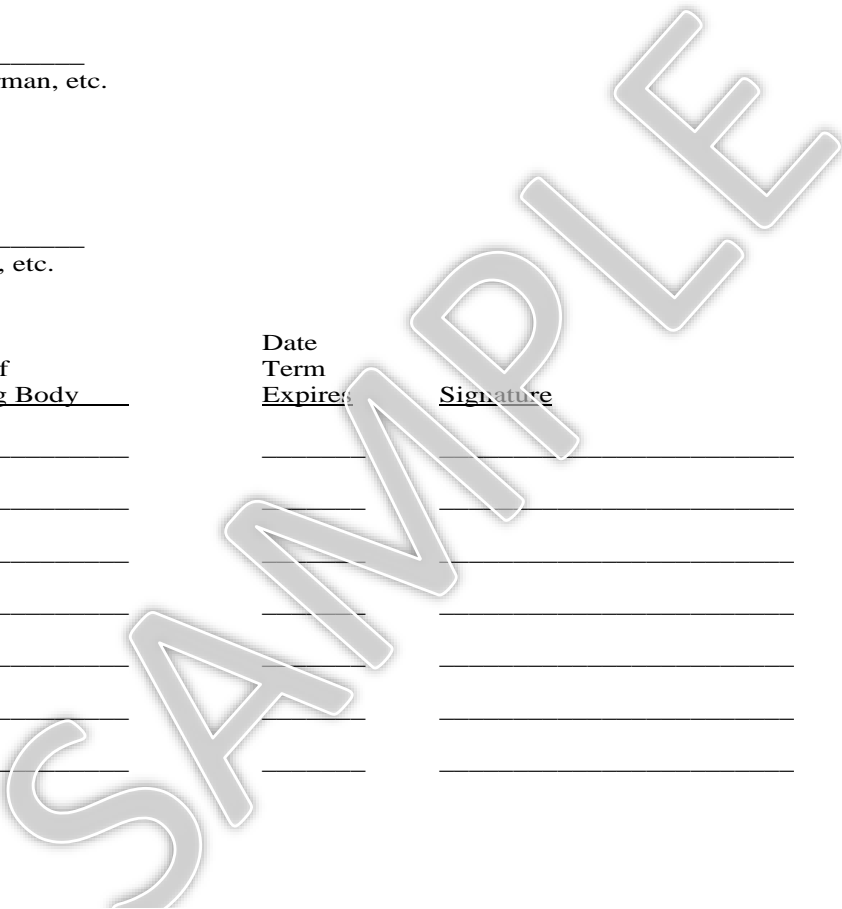
\_\_\_\_\_  
Town Clerk, Secretary, etc.

Type or Print Names of  
Members of Governing Body \_\_\_\_\_

Date  
Term  
Expires \_\_\_\_\_

Signature \_\_\_\_\_

|       |       |       |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |



# APPLICATION FOR EXEMPTION FROM AUDIT SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE **LONG FORM**.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

## EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

## READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END.

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS  
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.  
APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

## CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically?
  - If yes, have you read and understand the new Electronic Signature Policy? See new policy -> [here](#)
  - or--
  - If yes, have you included a resolution?
    - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
    - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
  - If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

## FILING METHODS

**NEW METHOD!** Register and submit your Applications at our new portal!

**WEB PORTAL:** <https://apps.leg.co.gov/osa/lq>

**MAIL:** Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203

**QUESTIONS?** Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) OR Phone: 303-869-3000

## IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT  
ADDRESS**

|                                                               |
|---------------------------------------------------------------|
| <b>Subdistrict No. 1 of the Coalton Metropolitan District</b> |
| <b>c/o Pinnacle Consulting Group, Inc.</b>                    |
| <b>550 W Eisenhower Blvd</b>                                  |
| <b>Loveland, CO 80537</b>                                     |
| <b>Brendan Campbell, CPA</b>                                  |
| <b>970-669-3611</b>                                           |
| <b>brendanc@pcgi.com</b>                                      |

**For the Year Ended  
12/31/22  
or fiscal year ended:**

**CONTACT PERSON  
PHONE  
EMAIL**

### PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED**

|                                                 |
|-------------------------------------------------|
| <b>Brendan Campbell, CPA</b>                    |
| <b>District Accountant</b>                      |
| <b>Pinnacle Consulting Group, Inc.</b>          |
| <b>550 W Eisenhower Blvd, Loveland CO 80537</b> |
| <b>970-669-3611</b>                             |
| <b>3/16/2023</b>                                |

### PREPARER (SIGNATURE REQUIRED)

|                                                                                                                      |                                                                |                                                                |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types | <b>GOVERNMENTAL</b><br><small>(MODIFIED ACCRUAL BASIS)</small> | <b>PROPRIETARY</b><br><small>(CASH OR BUDGETARY BASIS)</small> |
|                                                                                                                      | <input checked="" type="checkbox"/>                            | <input type="checkbox"/>                                       |

## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line# | Description                                              | Round to nearest Dollar |                                                             |
|-------|----------------------------------------------------------|-------------------------|-------------------------------------------------------------|
| 2-1   | Taxes: Property (report mills levied in Question 10-6)   | \$ 22,885               | Please use this space to provide any necessary explanations |
| 2-2   | Specific ownership                                       | \$ 1,023                |                                                             |
| 2-3   | Sales and use                                            | \$ -                    |                                                             |
| 2-4   | Other (specify):                                         | \$ -                    |                                                             |
| 2-5   | Licenses and permits                                     | \$ -                    |                                                             |
| 2-6   | Intergovernmental: Grants                                | \$ -                    |                                                             |
| 2-7   | Conservation Trust Funds (Lottery)                       | \$ -                    |                                                             |
| 2-8   | Highway Users Tax Funds (HUTF)                           | \$ -                    |                                                             |
| 2-9   | Other (specify):                                         | \$ -                    |                                                             |
| 2-10  | Charges for services                                     | \$ -                    |                                                             |
| 2-11  | Fines and forfeits                                       | \$ -                    |                                                             |
| 2-12  | Special assessments                                      | \$ -                    |                                                             |
| 2-13  | Investment income                                        | \$ -                    |                                                             |
| 2-14  | Charges for utility services                             | \$ -                    |                                                             |
| 2-15  | Debt proceeds (should agree with line 4-4, column 2)     | \$ -                    |                                                             |
| 2-16  | Lease proceeds                                           | \$ -                    |                                                             |
| 2-17  | Developer Advances received (should agree with line 4-4) | \$ 15,249               |                                                             |
| 2-18  | Proceeds from sale of capital assets                     | \$ -                    |                                                             |
| 2-19  | Fire and police pension                                  | \$ -                    |                                                             |
| 2-20  | Donations                                                | \$ -                    |                                                             |
| 2-21  | Other (specify): O&M Fee                                 | \$ 613                  |                                                             |
| 2-22  | Other (specify): Facilities O&M Fee                      | \$ 3,200                |                                                             |
| 2-23  |                                                          | \$ -                    |                                                             |
| 2-24  | (add lines 2-1 through 2-23) TOTAL REVENUE               | \$ 42,970               |                                                             |

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line# | Description                                                             | Round to nearest Dollar |                                                             |
|-------|-------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|
| 3-1   | Administrative                                                          | \$ 5,327                | Please use this space to provide any necessary explanations |
| 3-2   | Salaries                                                                | \$ -                    |                                                             |
| 3-3   | Payroll taxes                                                           | \$ -                    |                                                             |
| 3-4   | Contract services                                                       | \$ -                    |                                                             |
| 3-5   | Employee benefits                                                       | \$ -                    |                                                             |
| 3-6   | Insurance                                                               | \$ 392                  |                                                             |
| 3-7   | Accounting and legal fees                                               | \$ 17,572               |                                                             |
| 3-8   | Repair and maintenance                                                  | \$ -                    |                                                             |
| 3-9   | Supplies                                                                | \$ -                    |                                                             |
| 3-10  | Utilities and telephone                                                 | \$ 1,255                |                                                             |
| 3-11  | Fire/Police                                                             | \$ -                    |                                                             |
| 3-12  | Streets and highways                                                    | \$ -                    |                                                             |
| 3-13  | Public health                                                           | \$ -                    |                                                             |
| 3-14  | Capital outlay                                                          | \$ -                    |                                                             |
| 3-15  | Utility operations                                                      | \$ -                    |                                                             |
| 3-16  | Culture and recreation                                                  | \$ 3,925                |                                                             |
| 3-17  | Debt service principal (should agree with Part 4)                       | \$ -                    |                                                             |
| 3-18  | Debt service interest                                                   | \$ -                    |                                                             |
| 3-19  | Repayment of Developer Advance Principal (should agree with line 4-4)   | \$ -                    |                                                             |
| 3-20  | Repayment of Developer Advance Interest                                 | \$ -                    |                                                             |
| 3-21  | Contribution to pension plan (should agree to line 7-2)                 | \$ -                    |                                                             |
| 3-22  | Contribution to Fire & Police Pension Assoc. (should agree to line 7-2) | \$ -                    |                                                             |
| 3-23  | Other (specify): Abatement Expense                                      | \$ 12,393               |                                                             |
| 3-24  | Other (specify): Office Dues & Other                                    | \$ 24                   |                                                             |
| 3-25  |                                                                         | \$ -                    |                                                             |
| 3-26  | (add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES                | \$ 40,888               |                                                             |

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

|     |                                                                                                                                                                                  |                                     |                                     |             |                  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------|------------------|
|     |                                                                                                                                                                                  | Yes                                 | No                                  |             |                  |
| 4-1 | Does the entity have outstanding debt?<br>If Yes, please attach a copy of the entity's Debt Repayment Schedule.                                                                  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |             |                  |
| 4-2 | Is the debt repayment schedule attached? If no, MUST explain:<br><div style="border: 1px solid black; padding: 2px; margin-top: 5px;">To be repaid as funds are available.</div> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |             |                  |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain:<br><div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>                          | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |             |                  |
| 4-4 | Please complete the following debt schedule, if applicable:<br>(please only include principal amounts)(enter all amount as positive numbers)                                     |                                     |                                     |             |                  |
|     | Outstanding at<br>end of prior year*                                                                                                                                             | Issued during<br>year               | Retired during<br>year              |             |                  |
|     | Outstanding at<br>year-end                                                                                                                                                       |                                     |                                     |             |                  |
|     | General obligation bonds                                                                                                                                                         | \$ -                                | \$ -                                | \$ -        | \$ -             |
|     | Revenue bonds                                                                                                                                                                    | \$ -                                | \$ -                                | \$ -        | \$ -             |
|     | Notes/Loans                                                                                                                                                                      | \$ -                                | \$ -                                | \$ -        | \$ -             |
|     | Lease Liabilities                                                                                                                                                                | \$ -                                | \$ -                                | \$ -        | \$ -             |
|     | Developer Advances                                                                                                                                                               | \$ 31,225                           | \$ 15,249                           | \$ -        | \$ 46,474        |
|     | Other (specify):                                                                                                                                                                 | \$ -                                | \$ -                                | \$ -        | \$ -             |
|     | <b>TOTAL</b>                                                                                                                                                                     | <b>\$ 31,225</b>                    | <b>\$ 15,249</b>                    | <b>\$ -</b> | <b>\$ 46,474</b> |

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

|     |                                                                                                                                                     |                                     |                                     |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|     |                                                                                                                                                     | Yes                                 | No                                  |
| 4-5 | Does the entity have any authorized, but unissued, debt?<br>If yes: How much?                                                                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|     | Date the debt was authorized:                                                                                                                       |                                     |                                     |
| 4-6 | Does the entity intend to issue debt within the next calendar year?<br>If yes: How much?                                                            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 4-7 | Does the entity have debt that has been refinanced that it is still responsible for?<br>If yes: What is the amount outstanding?                     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 4-8 | Does the entity have any lease agreements?<br>If yes: What is being leased?<br>What is the original date of the lease?<br>Number of years of lease? | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|     | Is the lease subject to annual appropriation?                                                                                                       | <input type="checkbox"/>            | <input type="checkbox"/>            |
|     | What are the annual lease payments?                                                                                                                 | <input type="checkbox"/>            | <input type="checkbox"/>            |

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

|     |                                                                                   | Amount   | Total           |
|-----|-----------------------------------------------------------------------------------|----------|-----------------|
| 5-1 | YEAR-END Total of ALL Checking and Savings Accounts                               | \$ 4,127 |                 |
| 5-2 | Certificates of deposit                                                           | \$ -     |                 |
|     | <b>Total Cash Deposits</b>                                                        |          | <b>\$ 4,127</b> |
|     | Investments (if investment is a mutual fund, please list underlying investments): |          |                 |
|     |                                                                                   | \$ -     |                 |
| 5-3 |                                                                                   | \$ -     |                 |
|     |                                                                                   | \$ -     |                 |
|     |                                                                                   | \$ -     |                 |
|     | <b>Total Investments</b>                                                          |          | <b>\$ -</b>     |
|     | <b>Total Cash and Investments</b>                                                 |          | <b>\$ 4,127</b> |

Please answer the following questions by marking in the appropriate boxes

|     |                                                                                                                                   |                                     |                          |                          |
|-----|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------------------|
|     |                                                                                                                                   | Yes                                 | No                       | N/A                      |
| 5-4 | Are the entity's Investments legal in accordance with Section 24-75-601, et seq., C.R.S.?                                         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5-5 | Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If no, MUST use this space to provide any explanations:



## PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 6-1 Does the entity have capital assets?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:  Yes       No

6-3 Complete the following capital & right-to-use assets table:

|                                                                                        | Balance - beginning of the year* | Additions (Must be included in Part 3) | Deletions   | Year-End Balance |
|----------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|-------------|------------------|
| Land                                                                                   | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Buildings                                                                              | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Machinery and equipment                                                                | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Furniture and fixtures                                                                 | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Infrastructure                                                                         | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Construction In Progress (CIP)                                                         | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Leased Right-to-Use Assets                                                             | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Other (explain):                                                                       | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Accumulated Depreciation/Amortization<br>(Please enter a negative, or credit, balance) | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| <b>TOTAL</b>                                                                           | <b>\$ -</b>                      | <b>\$ -</b>                            | <b>\$ -</b> | <b>\$ -</b>      |

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No
- If yes: Who administers the plan?

Indicate the contributions from:

|                                  |             |
|----------------------------------|-------------|
| Tax (property, SO, sales, etc.): | \$ -        |
| State contribution amount:       | \$ -        |
| Other (gifts, donations, etc.):  | \$ -        |
| <b>TOTAL</b>                     | <b>\$ -</b> |

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

|      |
|------|
| \$ - |
|------|

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No                      N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?  Yes       No       N/A
- 
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes       No       N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

| Governmental/Proprietary Fund Name | Total Appropriations By Fund |
|------------------------------------|------------------------------|
| General Fund                       | \$ 85,392                    |
|                                    |                              |
|                                    |                              |

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

|            | Please answer the following question by marking in the appropriate box                                                                                                                                                                                                                                                                                                            | Yes                                 | No                       |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|
| <b>9-1</b> | <b>Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?</b><br><small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

|             | Please answer the following questions by marking in the appropriate boxes.                                                                                                                                                            | Yes                                 | No                                                                      |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------|
| <b>10-1</b> | <b>Is this application for a newly formed governmental entity?</b>                                                                                                                                                                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| If yes:     | <b>Date of formation:</b> <input style="width: 450px; height: 15px;" type="text"/>                                                                                                                                                    |                                     |                                                                         |
| <b>10-2</b> | <b>Has the entity changed its name in the past or current year?</b>                                                                                                                                                                   | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| If yes:     | <b>Please list the NEW name &amp; PRIOR name:</b><br><input style="width: 600px; height: 15px;" type="text"/>                                                                                                                         |                                     |                                                                         |
| <b>10-3</b> | <b>Is the entity a metropolitan district?</b><br><b>Please indicate what services the entity provides:</b><br><input style="width: 600px; height: 15px;" type="text"/>                                                                | <input checked="" type="checkbox"/> | <input type="checkbox"/>                                                |
| <b>10-4</b> | <b>Does the entity have an agreement with another government to provide services?</b><br><b>List the name of the other governmental entity and the services provided:</b><br><input style="width: 600px; height: 15px;" type="text"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| <b>10-5</b> | <b>Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during</b><br><b>Date Filed:</b> <input style="width: 450px; height: 15px;" type="text"/>                                           | <input type="checkbox"/>            | <input checked="" type="checkbox"/>                                     |
| <b>10-6</b> | <b>Does the entity have a certified Mill Levy?</b><br><b>Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):</b>                                                                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>                                                |
|             | <b>Bond Redemption mills</b>                                                                                                                                                                                                          |                                     | <input style="width: 100px; height: 15px;" type="text" value="-"/>      |
|             | <b>General/Other mills</b>                                                                                                                                                                                                            |                                     | <input style="width: 100px; height: 15px;" type="text" value="19.000"/> |
|             | <b>Total mills</b>                                                                                                                                                                                                                    |                                     | <input style="width: 100px; height: 15px;" type="text" value="19.000"/> |

**Please use this space to provide any explanations or comments:**

## PART 11 - GOVERNING BODY APPROVAL

|      | Please answer the following question by marking in the appropriate box                             | YES                                 | NO                       |
|------|----------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|
| 12-1 | If you plan to submit this form electronically, have you read the new Electronic Signature Policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

# Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

## Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

| Print the names of ALL members of current governing body below.<br>Print Board Member's Name |                   | A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board Member 1                                                                               | Kristopher Barnes | I <u>Kristopher Barnes</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed <u>Kristopher Barnes</u><br>Date: _____<br>My term Expires: <u>May 2023</u> |
| Board Member 2                                                                               | Gary Rohr         | I <u>Gary Rohr</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: <u>May 2025</u>                            |
| Board Member 3                                                                               | James O'Malley    | I <u>James O'Malley</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: <u>May 2023</u>                       |
| Board Member 4                                                                               | Karen Bennett     | I <u>Karen Bennett</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: <u>May 2025</u>                        |
| Board Member 5                                                                               | Jonathan Rohr     | I <u>Jonathan Rohr</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed <u>JONATHAN ROHR</u><br>Date: _____<br>My term Expires: <u>May 2025</u>         |
| Board Member 6                                                                               |                   | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____                                                  |
| Board Member 7                                                                               |                   | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____                                                  |

## EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed; however you MUST draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

### RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 20XX FOR THE **(name of government)**, STATE OF COLORADO.

WHEREAS, the **(governing body)** of **(name of government)** wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

**[Choose 1 or 2 below, whichever is applicable]**

(1) WHEREAS, neither revenue nor expenditures for **(name of government)** exceeded \$100,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual)**, a person skilled in governmental accounting; and

**OR**

(2) WHEREAS, neither revenues nor expenditures for **(name of government)** exceeded \$750,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual or firm)**, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **(governing body)** of the **(name of government)** that the application for exemption from audit for **(name of government)** for the Fiscal Year ended \_\_\_\_\_, 20XX, has been personally reviewed and is hereby approved by a majority of the **(governing body)** of the **(name of government)**; that those members of the **(governing body)** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **(name of government)** for the fiscal year ended \_\_\_\_\_, 20XX.

ADOPTED THIS \_\_\_ day of \_\_\_\_\_, A.D. 20XX.

**EXAMPLE - DO NOT FILL OUT THIS PAGE**

\_\_\_\_\_  
Mayor/President/Chairman, etc.

ATTEST:

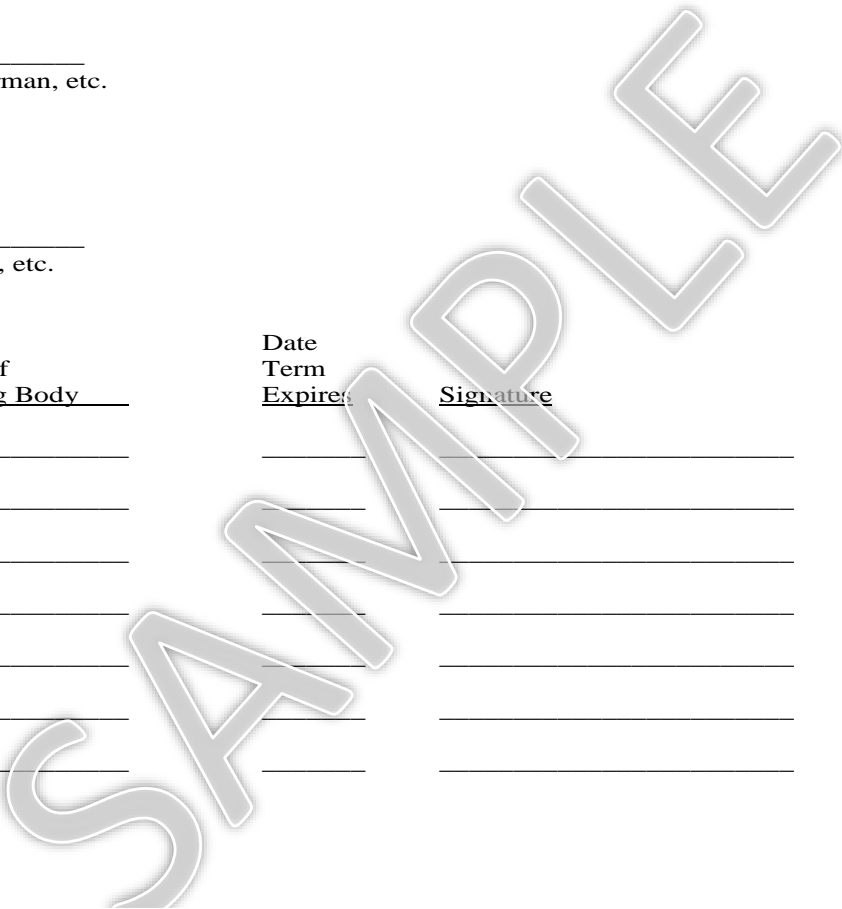
\_\_\_\_\_  
Town Clerk, Secretary, etc.

Type or Print Names of  
Members of Governing Body \_\_\_\_\_

Date  
Term  
Expires \_\_\_\_\_

Signature \_\_\_\_\_

|       |       |       |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |



**EXHIBIT B**  
**2023 BUDGETS**

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
COALTON METROPOLITAN DISTRICT  
BOULDER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2023





## RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE COALTON METROPOLITAN DISTRICT, BOULDER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Coalton Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 16, 2022, in the Daily Camera, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 01, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COALTON METROPOLITAN DISTRICT OF BOULDER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Coalton Metropolitan District for calendar year 2023.

Section 4. 2023 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the 2023 budget for the General Fund from property taxes for operating expenses is \$63,576. That the 2022 valuation for assessment, as certified by the Boulder County Assessor, is \$1,271,514.

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 50.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. The District's accountant is hereby authorized and directed to immediately certify to the County Commissioners of Boulder County, Colorado, the 50.000 mill levy for the Districts hereinabove determined and set. That said certification shall be in substantially the following form:

**[Remainder of page left blank intentionally]**

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Boulder County, Colorado.

On behalf of the Coalton Metropolitan District,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>


of the Coalton Metropolitan District  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,271,514 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 1,271,514 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 12/14/2022 for budget/fiscal year 2023  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples)                                                 | LEVY <sup>2</sup>   | REVENUE <sup>2</sup> |
|------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| 1. General Operating Expenses <sup>H</sup>                                                           | <u>50.000</u> mills | \$ <u>63,575.70</u>  |
| 2. <Minus> Temporary General Property Tax Credit/<br>Temporary Mill Levy Rate Reduction <sup>I</sup> | < > mills           | \$ < >               |
| <b>SUBTOTAL FOR GENERAL OPERATING:</b>                                                               | <b>50.000</b> mills | <b>\$ 63,575.70</b>  |
| 3. General Obligation Bonds and Interest <sup>J</sup>                                                | _____ mills         | \$ _____             |
| 4. Contractual Obligations <sup>K</sup>                                                              | _____ mills         | \$ _____             |
| 5. Capital Expenditures <sup>L</sup>                                                                 | _____ mills         | \$ _____             |
| 6. Refunds/Abatements <sup>M</sup>                                                                   | _____ mills         | \$ _____             |
| 7. Other <sup>N</sup> (specify): _____                                                               | _____ mills         | \$ _____             |
| _____                                                                                                | _____ mills         | \$ _____             |
| <b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]                                 | <b>50.000</b> mills | <b>\$ 63,575.70</b>  |

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611  
Signed:  Title: District Accountant

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) 866-2156.

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

## CERTIFICATION OF TAX LEVIES

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

The foregoing Resolution was seconded by Director Bennett.

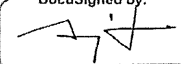
**[Remainder of page left blank intentionally]**

---

ADOPTED AND APPROVED this 1<sup>st</sup> day of December, 2022.

DocuSigned by:  
*Kristopher Barnes*  
President

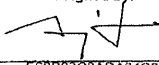
ATTEST:

DocuSigned by:  
  
Secretary/Treasurer

STATE OF COLORADO    )  
COUNTY OF BOULDER    )  
                                  )ss.  
COALTON                )  
METROPOLITAN         )  
DISTRICT                )

I, Gary Rohr, Secretary/Treasurer to the Board of Directors of the Coalton Metropolitan District, Boulder County, Colorado, do hereby certify that the foregoing pages numbered 1 to 9, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held at via teleconference on December 01, 2022, at 2:00 p.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 1<sup>st</sup> day of December, 2022.

DocuSigned by:  
  
E08B93C8ADA84C3...





## Management Budget Report

BOARD OF DIRECTORS  
COALTON METROPOLITAN DISTRICT

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023, including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to be "J. B. [unclear]", is written over the page.

Pinnacle Consulting Group, Inc.  
January 28, 2023



| <b>COALTON METROPOLITAN DISTRICT</b>                         |                   |                     |                     |                     |
|--------------------------------------------------------------|-------------------|---------------------|---------------------|---------------------|
| <b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b> |                   |                     |                     |                     |
| <b>GENERAL FUND</b>                                          |                   |                     |                     |                     |
|                                                              | (a)               | (b)                 | (c)                 | (f)                 |
|                                                              | <b>2021</b>       | <b>2022</b>         | <b>2022</b>         | <b>2023</b>         |
|                                                              | <b>Unaudited</b>  | <b>Adopted</b>      | <b>Projected</b>    | <b>Adopted</b>      |
|                                                              | <b>Actual</b>     | <b>Budget</b>       | <b>Actual</b>       | <b>Budget</b>       |
| <b>Revenues</b>                                              |                   |                     |                     |                     |
| Property Taxes                                               | \$ 29,107         | \$ 88,055           | \$ 88,055           | \$ 63,576           |
| Specific Ownership Taxes                                     | 1,441             | 4,403               | 3,714               | 3,179               |
| Operating Advance                                            | 42,459            | -                   | -                   | -                   |
| Transfer from Subdistrict                                    | 4,936             | -                   | -                   | -                   |
| Interest Income                                              | 146               | -                   | -                   | -                   |
| <b>Total Revenues</b>                                        | <b>\$ 78,089</b>  | <b>\$ 92,458</b>    | <b>\$ 91,769</b>    | <b>\$ 66,754</b>    |
| <b>Expenditures</b>                                          |                   |                     |                     |                     |
| Operations and Maintenance                                   |                   |                     |                     |                     |
| Landscape Maintenance                                        | \$ 1,845          | \$ 2,000            | \$ 1,500            | 2,000               |
| Hardscape Maintenance                                        | 886               | 10,000              | 10,000              | 10,000              |
| Repairs and Replacement                                      | -                 | 16,768              | -                   | 16,768              |
| Administration                                               |                   |                     |                     |                     |
| Accounting                                                   | 16,560            | 16,560              | 16,560              | 17,500              |
| District Management                                          | 16,790            | 6,000               | 6,000               | 6,000               |
| Director's Fees                                              | 431               | 2,200               | 2,200               | 2,200               |
| Engineering                                                  | -                 | 500                 | -                   | -                   |
| Election Costs                                               | -                 | 3,000               | 1,246               | 2,000               |
| Insurance                                                    | 4,639             | 4,871               | 4,418               | 4,639               |
| Legal                                                        | 11,055            | 10,000              | 15,000              | 15,000              |
| Treasurer Fees                                               | 437               | 1,321               | 1,612               | 954                 |
| Utilities                                                    | 442               | 600                 | 600                 | 600                 |
| Office, Dues & Other                                         | 1,485             | 1,750               | 2,000               | 2,000               |
| Contingency                                                  | -                 | 2,000               | -                   | 2,500               |
| <b>Total Expenditures</b>                                    | <b>\$ 54,570</b>  | <b>\$ 77,570</b>    | <b>\$ 61,136</b>    | <b>\$ 82,161</b>    |
| <b>Revenues over/(under) Expenditures</b>                    | <b>\$ 23,520</b>  | <b>\$ 14,888</b>    | <b>\$ 30,633</b>    | <b>\$ (15,406)</b>  |
| <b>Beginning Fund Balance</b>                                | <b>6,442</b>      | <b>15,451</b>       | <b>29,962</b>       | <b>\$ 60,595</b>    |
| <b>Ending Fund Balance</b>                                   | <b>\$ 29,962</b>  | <b>\$ 30,339</b>    | <b>\$ 60,595</b>    | <b>\$ 45,189</b>    |
| <b>COMPONENTS OF ENDING FUND BALANCE:</b>                    |                   |                     |                     |                     |
| Emergency Reserve (3% of Revenues)                           | 2,343             | 2,774               | 2,753               | 2,003               |
| Operating Reserve (25% of Expenses)                          | 13,642            | 19,393              | 15,284              | 20,540              |
| Unrestricted                                                 | 13,977            | 8,173               | 42,558              | 22,646              |
| <b>Total Components of Ending Fund Balance</b>               | <b>\$ 29,962</b>  | <b>\$ 30,339</b>    | <b>\$ 60,595</b>    | <b>\$ 45,189</b>    |
| <b>Mill Levy</b>                                             |                   |                     |                     |                     |
| Operating                                                    | 50.000            | 50.000              | 50.000              | 50.000              |
| <b>Total Mill Levy</b>                                       | <b>50.000</b>     | <b>50.000</b>       | <b>50.000</b>       | <b>50.000</b>       |
| <b>Assessed Value</b>                                        | <b>\$ 582,136</b> | <b>\$ 1,761,107</b> | <b>\$ 1,761,107</b> | <b>\$ 1,271,514</b> |
| <b>Property Tax Revenue</b>                                  |                   |                     |                     |                     |
| Operating                                                    | \$ 29,107         | \$ 88,055           | \$ 88,055           | \$ 63,576           |
| <b>Total Property Tax Revenue</b>                            | <b>\$ 29,107</b>  | <b>\$ 88,055</b>    | <b>\$ 88,055</b>    | <b>\$ 63,576</b>    |

Modified Accrual Budgetary Basis

# COALTON METROPOLITAN DISTRICT

## 2023 BUDGET MESSAGE

Coalton Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in August 2010. The District was established in the City of Superior, Colorado and includes approximately 13.6 acres. This District was organized to serve the needs of a new development known as Coalton.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

### **Overview**

Highlights of the 2023 budget include the following:

- The District is funded through property tax and will assess 50 mills for property tax collections.

### **General Fund**

#### *Revenue*

The District has budgeted revenues in the amount of \$66,754, comprised of \$63,576 for property tax, and \$3,179 specific ownership tax revenues for 2023.

#### *Expenses*

The District's General Fund expenditures consist of administrative and operations costs of \$82,161, an increase of \$4,591 from 2022. This is attributable to a \$5,000 increase in legal expenses. The largest expenditures in the 2023 budget are \$17,500 for accounting, \$15,000 for legal, \$16,768 for repairs and replacement and \$10,000 for hardscape maintenance.

#### *Fund Balance/Reserves*

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR. Fiscal year 2023 is budgeted for an ending fund balance of \$45,189.

CERTIFICATION OF VALUATION BY BOULDER COUNTY ASSESSOR

CMD

New Tax Entity [ ] YES [X] NO

Date: November 21, 2022

NAME OF TAX ENTITY: COALTON METROPOLITAN DISTRICT

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 :

Table with 11 rows of valuation items and their corresponding dollar amounts, including 'PREVIOUS YEAR'S NET TOTAL ASSESSED VALUATION' and 'CURRENT YEAR'S GROSS TOTAL ASSESSED VALUATION'.

† This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art . X, Sec. 20(8)(b), Colo. Constitution
\* New Construction is defined as: Taxable real property structures and personal property connected with the structure .
≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use forms DLG52 & 52A.
Ⓞ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC.20, COLO.CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR :

Table with 10 rows of actual valuation items and their corresponding dollar amounts, including 'CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY' and 'CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS'.

¶ 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 a new mines and increase 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: TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$ \$0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES: HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): \*\* \$ \$0
\*\* The tax revenue lost to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

CERTIFIED RECORD  
OF  
PROCEEDINGS RELATING TO  
**SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT**  
BOULDER COUNTY, COLORADO  
AND THE BUDGET HEARING  
FOR FISCAL YEAR  
2023

STATE OF COLORADO     )  
COUNTY OF BOULDER    )  
                                  )ss.  
SUBDISTRICT NO. 1 OF    )  
THE COALTON             )  
METROPOLITAN DISTRICT )

The Board of Directors of the Subdistrict No.1 of the Coalton Metropolitan District, Boulder County, Colorado, held a regular meeting via teleconference on December 01, 2022 at 2:00 pm.

The following members of the Board of Directors were present:

Kristopher Barnes, President  
Gary Rohr, Secretary/Treasurer (excused)  
James O'Malley, Assistant Secretary (excused)  
Karen Bennett, Assistant Secretary  
Jack Rohr, Assistant Secretary

Also in attendance were Jack Rohr, Resolute; Alan Pogue, Icenogle Seaver Pogue, P.C.; Jennifer Ondracek, Pinnacle Consulting Group, Inc.; Angela Elliott and Evan Redmond, Teleos Management Services; Scott Chomiak, KUH.

Ms. Elliot stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2023 budget. Director Barnes opened the public hearing on the District's proposed 2022 budget. There being no public comment on the District's budget, the public hearing was closed.

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

## RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SUBDISTRICT NO.1 OF THE COALTON METROPOLITAN DISTRICT, BOULDER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Subdistrict No. 1 of the Coalton Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 16, 2022, in the Daily Camera, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 01, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT OF BOULDER COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Coalton Metropolitan District for calendar year 2023.

Section 4. 2023 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the 2023 budget for the General Fund from property taxes for operating expenses is \$13,628. That the 2022 valuation for assessment, as certified by the Boulder County Assessor, is \$717,269.

A. Levy for General Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 19.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. The District's accountant is hereby authorized and directed to immediately certify to the County Commissioners of Boulder County, Colorado, 19.000 mill levy for the Districts hereinabove determined and set. That said certification shall be in substantially the following form:

**[Remainder of page left blank intentionally]**



**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

TO: County Commissioners<sup>1</sup> of Boulder County, Colorado.

On behalf of the Subdistrict No. 1 of the Coalton Metropolitan District,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>


of the Subdistrict No. 1 of the Coalton Metropolitan District  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 717,269 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 717,269 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples)                                                 | LEVY <sup>2</sup>   | REVENUE <sup>2</sup> |
|------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| 1. General Operating Expenses <sup>H</sup>                                                           | <u>19.000</u> mills | \$ <u>13,628.11</u>  |
| 2. <Minus> Temporary General Property Tax Credit/<br>Temporary Mill Levy Rate Reduction <sup>I</sup> | < > mills           | \$ < >               |
| <b>SUBTOTAL FOR GENERAL OPERATING:</b>                                                               | <b>19.000</b> mills | <b>\$ 13,628.11</b>  |
| 3. General Obligation Bonds and Interest <sup>J</sup>                                                | _____ mills         | \$ _____             |
| 4. Contractual Obligations <sup>K</sup>                                                              | _____ mills         | \$ _____             |
| 5. Capital Expenditures <sup>L</sup>                                                                 | _____ mills         | \$ _____             |
| 6. Refunds/Abatements <sup>M</sup>                                                                   | _____ mills         | \$ _____             |
| 7. Other <sup>N</sup> (specify): _____                                                               | _____ mills         | \$ _____             |
|                                                                                                      | _____ mills         | \$ _____             |
| <b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]                                 | <b>19.000</b> mills | <b>\$ 13,628.11</b>  |

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611  
Signed:  Title: District Accountant

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) 866-2156.

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



## CERTIFICATION OF TAX LEVIES

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

The foregoing Resolution was seconded by Director Bennett.

**[Remainder of page left blank intentionally]**

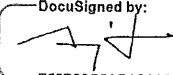
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DocuSign Envelope ID: 1D311B39-38C8-4885-9F73-2A7FB1698F3E

ADOPTED AND APPROVED this 1<sup>st</sup> day of December, 2022.

DocuSigned by:  
*Kristopher Barnes*  
5840835E4E1A4CF...  
\_\_\_\_\_  
President

ATTEST:

DocuSigned by:  
  
E08B93C8A0A04C3...  
\_\_\_\_\_  
Secretary/Treasurer





## Management Budget Report

### BOARD OF DIRECTORS SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023, including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in blue ink, appearing to be "J. S. G.", is written over a faint, light blue grid background.

Pinnacle Consulting Group, Inc.  
January 28, 2023

| <b>SUBDISTRICT OF THE COALTON METROPOLITAN DISTRICT NO.1</b> |                  |                     |                     |                   |
|--------------------------------------------------------------|------------------|---------------------|---------------------|-------------------|
| <b>STATEMENT OF REVENUES &amp; EXPENDITURES WITH BUDGETS</b> |                  |                     |                     |                   |
| <b>GENERAL FUND</b>                                          |                  |                     |                     |                   |
|                                                              | (a)              | (b)                 | (c)                 | (f)               |
|                                                              | <b>2021</b>      | <b>2022</b>         | <b>2022</b>         | <b>2023</b>       |
|                                                              | <b>Unaudited</b> | <b>Adopted</b>      | <b>Projected</b>    | <b>Adopted</b>    |
| <b>Revenues</b>                                              | <b>Actual</b>    | <b>Budget</b>       | <b>Actual</b>       | <b>Budget</b>     |
| Operating Advances                                           | \$ 13,495        | \$ 40,380           | \$ 10,685           | \$ 40,145         |
| Property Taxes                                               | -                | 22,885              | 22,885              | 13,628            |
| Specific Ownership Taxes                                     | -                | 1,144               | 965                 | 681               |
| O&M Fee                                                      | -                | 7,383               | -                   | 14,861            |
| Utilities                                                    | -                | -                   | -                   | 33,310            |
| Facilities O&M Fee                                           | -                | 13,600              | -                   | 15,200            |
| <b>Total Revenues</b>                                        | <b>\$ 13,495</b> | <b>\$ 85,392</b>    | <b>\$ 34,535</b>    | <b>\$ 117,825</b> |
| <b>Expenditures</b>                                          |                  |                     |                     |                   |
| Operations and Maintenance                                   |                  |                     |                     |                   |
| Landscape Maintenance                                        | \$ -             | \$ 26,695           | \$ -                | \$ 26,695         |
| Hardscape Maintenance                                        | -                | 20,000              | -                   | 20,000            |
| Utilities - Townhomes                                        | -                | 10,634              | -                   | 33,310            |
| Utilities - District                                         | -                | 3,200               | 658                 | 3,200             |
| Utility Locating                                             | -                | 500                 | -                   | 500               |
| Repairs and Replacements                                     | -                | 2,000               | -                   | 2,000             |
| Administration                                               |                  |                     |                     |                   |
| Accounting                                                   | 150              | 5,720               | 5,879               | 5,715             |
| Fee Billings                                                 | -                | 1,000               | -                   | 1,500             |
| District Management                                          | 2,000            | 4,800               | 4,800               | 7,200             |
| Director's Fees                                              | -                | -                   | -                   | 2,200             |
| Legal                                                        | 6,409            | 7,500               | 18,000              | 15,000            |
| Insurance                                                    | -                | 3,000               | -                   | 3,000             |
| Transfer to Main District                                    | 4,936            | -                   | -                   | -                 |
| Treasurer Fees                                               | -                | 343                 | -                   | 204               |
| Contingency                                                  | -                | -                   | -                   | 2,500             |
| <b>Total Expenditures</b>                                    | <b>\$ 13,495</b> | <b>\$ 85,392</b>    | <b>\$ 29,337</b>    | <b>\$ 123,024</b> |
| <b>Revenues over/(under) Expenditures</b>                    | <b>\$ -</b>      | <b>\$ -</b>         | <b>\$ 5,199</b>     | <b>\$ (5,199)</b> |
| <b>Beginning Fund Balance</b>                                | <b>-</b>         | <b>-</b>            | <b>-</b>            | <b>5,199</b>      |
| <b>Ending Fund Balance</b>                                   | <b>\$ -</b>      | <b>\$ -</b>         | <b>\$ 5,199</b>     | <b>\$ -</b>       |
| <b>Mill Levy</b>                                             |                  |                     |                     |                   |
| Operating                                                    | 0.000            | 19.000              | 19.000              | 19.000            |
| <b>Total Mill Levy</b>                                       | <b>0.000</b>     | <b>19.000</b>       | <b>19.000</b>       | <b>19.000</b>     |
| <b>Assessed Value</b>                                        | <b>\$ -</b>      | <b>\$ 1,204,493</b> | <b>\$ 1,204,493</b> | <b>\$ 717,269</b> |
| <b>Property Tax Revenue</b>                                  |                  |                     |                     |                   |
| Operating                                                    | \$ -             | \$ 22,885           | \$ 22,885           | \$ 13,628         |
| <b>Total Property Tax Revenue</b>                            | <b>\$ -</b>      | <b>\$ 22,885</b>    | <b>\$ 22,885</b>    | <b>\$ 13,628</b>  |

# SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT

## 2023 BUDGET MESSAGE

Subdistrict No. 1 of the Coalton Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The Subdistrict was formed in August 2020. This Subdistrict was organized to serve the needs of a new development known as Coalton.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the Subdistrict's financial statements.

### **Overview**

Highlights of the 2023 budget include the following:

- The Subdistrict is partially funded through operating contributions and will assess 19 mills for property tax collections.

### **General Fund**

#### *Revenue*

The Subdistrict has budgeted revenues in the amount of \$117,825, comprised of \$13,628 for property tax, \$681 specific ownership tax, and operating advances of \$40,145 for 2023. The Subdistrict will also assess O&M fees, Utility fees and Facility O&M fees generating \$14,861, \$33,310 and \$15,200, respectively.

#### *Expenses*

The Subdistrict's General Fund expenditures consist of administrative and operations costs of \$123,024. The \$37,632 increase is primarily attributable to townhome utilities and legal expenses. The largest expenditures in the 2023 budget are \$33,310 for townhome utilities, \$26,695 for landscape maintenance, and \$20,000 for hardscape maintenance.

#### *Fund Balance/Reserves*

The fund balance of the Subdistrict's General Fund is budgeted at \$0 as the main District holds all TABOR reserves.

CERTIFICATION OF VALUATION BY BOULDER COUNTY ASSESSOR

New Tax Entity [ ] YES [X] NO

Date: November 21, 2022

NAME OF TAX ENTITY: SUBDISTRICT NO. 1 OF THE COALTON METROPC

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 :

Table with 11 rows of valuation items and their corresponding dollar amounts, including previous year's net total assessed valuation, current year's gross total assessed valuation, and taxes received/abated.

† This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
\* New Construction is defined as: Taxable real property structures and personal property connected with the structure.
≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use forms DLG52 & 52A.
Ⓢ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC.20, COLO.CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR :

Table with 10 rows of actual valuation items and their corresponding dollar amounts, including current year's total actual value, additions to taxable real property, and deletions from taxable real property.

¶ 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 a new mines and increase 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:
TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$ \$0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:
HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): \*\* \$ \$0
\*\* The tax revenue lost to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

**EXHIBIT C**

**NOTICE OF CANCELLATION OF REGULAR SPECIAL DISTRICT ELECTION BY  
THE DESIGNATED ELECTION OFFICIAL**



**NOTICE OF CANCELLATION OF REGULAR SPECIAL DISTRICT  
ELECTION BY THE DESIGNATED ELECTION OFFICIAL**

§§ 1-11-103(3), 1-13.5-513, C.R.S.

**COALTON METROPOLITAN DISTRICT**

**NOTICE IS HEREBY GIVEN** by the Coalton Metropolitan District, Boulder County, Colorado, that at or after the close of business on the sixty-third day before the election to be conducted on May 2, 2023, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election was canceled pursuant to Section 1-13.5-513, C.R.S.

The following candidates were declared elected by acclamation:

Kristopher Barnes, (4) Year Term until May 2027  
James O'Malley, (4) Year Term until May 2027

**COALTON METROPOLITAN DISTRICT**

/s/ Stacie L. Pacheco  
Stacie L. Pacheco, Designated Election Official

Contact Person for the District:

Alan D. Pogue, Esq.  
ICENOGLE SEAVER POGUE, P.C.  
4725 South Monaco Street, Suite 360  
Denver, Colorado 80237  
Telephone: 303-292-9100  
Email: APogue@ISP-Law.com

PUBLISHED IN: *The Daily Camera*  
PUBLISHED ON: Friday, March 24, 2023

**EXHIBIT D**

**FIRST AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT**

A RESOLUTION APPROVING THE FIRST AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT AND, IN CONNECTION THEREWITH, REFUNDING THE 2022 NOTE AND AUTHORIZING THE ISSUANCE OF NEW SUBORDINATE NOTE TO SUPERIOR SHORE TOWNHOMES, LLC

WHEREAS, on January 31, 2022, Subdistrict No. 1 of the Coalton Metropolitan District (the "Subdistrict") and Superior Shore Townhomes, LLC ("SST") entered into that 2022 Funding and Reimbursement Agreement (the "Agreement") for the purpose of consolidating all understandings and commitments between the Parties relating to the funding and repayment of the Subdistrict's Operations Costs and, in connection therewith, issued a Subordinate Note to SST to evidence the Subdistrict's reimbursement obligation owed to SST (the "2022 Note"); and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, Paragraph 1 of the Agreement provided for SST to advance funds to the Subdistrict through December 31, 2022 in an amount not to exceed the Maximum Principal Amount of \$75,000; and

WHEREAS, the Subdistrict had determined that it will require additional funds through fiscal year 2023 to pay for Operation Costs in an amount not to exceed \$100,000, including all funds advanced to date to the Subdistrict by SST pursuant to the Agreement; and

WHEREAS, SST is willing to continue to advance funds to the Subdistrict through fiscal year 2023, subject to the terms of the Agreement and this First Amendment; and

WHEREAS, pursuant to Paragraph 5.A. of the Agreement, in the event the Parties amend the Maximum Principal Amount pursuant to an amendment to the Agreement, the Subdistrict agrees to refund the existing Subordinate Note and issue a new Subordinate Note to SST in an amount not to exceed the amended Maximum Principal Amount, with the same Maturity Date, and subject to the same terms as provided in the Agreement and as may be subsequently amended; and

WHEREAS, the Parties have negotiated, and desire to enter into, a "First Amendment to 2022 Funding and Reimbursement Agreement," as attached hereto as **Exhibit A** (the "First Amendment"), to increase the Maximum Principal Amount and to extend the Funding Obligation Term; and

WHEREAS, to evidence the Subdistrict's repayment obligation to SST for funds advanced to or expended on behalf of the Subdistrict pursuant to the Agreement and the First Amendment, the Subdistrict desires to refund the 2022 Note and issue a new Subordinate Note to SST, as attached hereto as **Exhibit B** and incorporated herein by reference (the "Subordinate Note").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board of Directors hereby approves the “First Amendment to 2022 Funding and Reimbursement Agreement” attached hereto as **Exhibit A**, and further authorizes the Subdistrict’s President to execute the same.

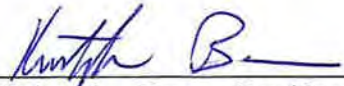
2. The Board of Directors hereby authorizes the refunding of the 2022 Note and the issuance of the Subordinate Note, as attached hereto as **Exhibit B**, to SST, and authorizes the Subdistrict’s President to execute the same.

3. This Resolution shall take effect on the date and at the time of its adoption.

(Signatures Begin On Next Page.)

ADOPTED AND APPROVED THIS 1ST DAY OF DECEMBER, 2022.

**SUBDISTRICT NO. 1 OF THE COALTON  
METROPOLITAN DISTRICT**

  
By: Kristopher Barnes, President

**EXHIBIT A**  
(To Resolution)

**FIRST AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT**

**FIRST AMENDMENT TO  
2022 FUNDING AND REIMBURSEMENT AGREEMENT**

This FIRST AMENDMENT TO 2022 FUNDING AND REIMBURSEMENT AGREEMENT (the “First Amendment”) is made and entered on the 15<sup>th</sup> day of December, 2022 (the “Effective Date”), by and between SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “Subdistrict”), and SUPERIOR SHORE TOWNHOMES, LLC, a Colorado limited liability company (“SST”), (collectively, the “Parties”).

**RECITALS**

WHEREAS, on January 31, 2022, the Subdistrict and SST entered into that 2022 Funding and Reimbursement Agreement (the “Agreement”) for the purpose of consolidating all understandings and commitments between the Parties relating to the funding and repayment of the Subdistrict’s Operations Costs and, in connection therewith, issued a Subordinate Note to SST to evidence the Subdistrict’s reimbursement obligation owed to SST (the “2022 Note”); and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, Paragraph 1 of the Agreement provided for SST to advance funds to the Subdistrict through December 31, 2022 (the “Funding Obligation Term”) in an amount not to exceed the Maximum Principal Amount of \$75,000; and

WHEREAS, the Subdistrict had determined that it will require additional funds through fiscal year 2023 to pay for Operation Costs in an amount not to exceed \$100,000, including all funds advanced to date to the Subdistrict by SST pursuant to the Agreement; and

WHEREAS, SST is willing to continue to advance funds to the Subdistrict through fiscal year 2023, subject to the terms of the Agreement and this First Amendment; and

WHEREAS, pursuant to Paragraph 5.A. of the Agreement, in the event the Parties amend the Maximum Principal Amount pursuant to an amendment to the Agreement, the Subdistrict agrees to refund the existing Subordinate Note and issue a new Subordinate Note to SST in an amount not to exceed the amended Maximum Principal Amount, with the same Maturity Date, and subject to the same terms as provided in the Agreement and as may be subsequently amended; and

WHEREAS, the Subdistrict desires to refund the 2022 Note and issue a new Subordinate Note to SST in an amount not to exceed the amended Maximum Principal Amount set forth in Paragraph 1 of this First Amendment; and

WHEREAS, pursuant to Paragraph 11 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the Subdistrict and SST; and

WHEREAS, the Parties have negotiated, and desire to enter into, this First Amendment to increase the Maximum Principal Amount and to extend the Funding Obligation Term, and in connection therewith, authorize the refunding of the 2022 Note and issuance of a new Subordinate Note.

NOW THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Subdistrict and SST agree to amend the Agreement as follows:

### COVENANTS AND AGREEMENTS

1. The Parties hereby amend and restate Paragraph 1 of the Agreement in its entirety as follows:

1. Advance Amount and Term. SST hereby agrees to advance funds or expend funds on behalf of the Subdistrict in one or more installments, provided that in no event shall the total amount that SST shall advance to the Subdistrict or expend on behalf of the Subdistrict, exceed One Hundred Thousand Dollars (\$100,000), (the "Maximum Principal Amount"). The Maximum Principal Amount constitutes the maximum amount that may be advanced or expended hereunder, notwithstanding any payment or prepayment of any Agreement is further supplemented or amended. Advanced funds shall be available to the Subdistrict in one or a series of installments through December 31, 2023, which period shall constitute the "Funding Obligation Term" of the Agreement. The Subdistrict's repayment obligation shall terminate on the date Maturity Date, even if any portion of the Maximum Principal Amount remains outstanding.

2. Issuance of Subordinate Note. Pursuant to Paragraph 5.A. of the Agreement and as of the Effective Date of this First Amendment, the Subdistrict shall refund the 2022 Note and issue a new Subordinate Note to SST, in similar form as attached hereto as **Exhibit A**, in an amount not to exceed the amended Maximum Principal Amount set forth in Paragraph 1 of the First Amendment, subject to the same issuance and repayment terms as provided in the Agreement. The Subordinate Note issued by the Subdistrict shall include an initial principal balance of all unpaid advances received by the Subdistrict to date, and any unpaid accrued interest thereon.

3. Subject to Annual Appropriations. The Subdistrict does not intend to create hereunder a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Subdistrict's repayment obligations set forth herein, as may be subsequently amended, and as further evidenced on the Subordinate Note issued by the Subdistrict to SST pursuant to the terms of this First Amendment, are subject to annual appropriation of funds by the Subdistrict.

4. Severability. If any clause or provision of this First Amendment is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this First Amendment as a whole, but



shall be severed herefrom, leaving the remaining clauses and provisions of the First Amendment intact and enforceable.

5. Counterparts. This First Amendment may be executed, electronically or via original signature, in one or more counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

6. Entire Agreement. The Agreement, this First Amendment and the Subordinate Note issued hereunder, constitute and represent the entire, integrated agreement between the Subdistrict and SST with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to those matters, whether written or oral. This First Amendment shall become effective upon the date and year first above written.

(REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.)

IN WITNESS WHEREOF, the Subdistrict and SST have executed this First Amendment, effective as of the Effective Date.

**SUBDISTRICT NO. 1 OF THE COALTON  
METROPOLITAN SUBDISTRICT**



By: Kristopher Barnes, President

*Signature Page to Subdistrict First Amendment 2022 Funding and Reimbursement Agreement*

SUPERIOR SHORE TOWNHOMES, LLC,

DocuSigned by:  
Scott Chomiak  
3E98C3CE3E224C9  
By: SCOTT Chomiak  
Its: Authorized Agent

**EXHIBIT A**  
(To First Amendment to 2022 Funding and Reimbursement Agreement)

**FORM OF PROMISSORY NOTE**

SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT  
REVENUE AND LIMITED TAX OBLIGATION  
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: In an amount not to exceed One Hundred Thousand Dollars (\$100,000)

INTEREST RATE: Two Percent (2%) plus the current Federal Reserve Board Prime Rate, or 6% whatever is greater, Simple Interest

DATED: December 15, 2022

REGISTERED OWNER: Superior Shore Townhomes, LLC ("SST")

MATURITY DATE: December 31, 2047

Subdistrict No. 1 of the Coalton Metropolitan District (the "Subdistrict"), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule "A" attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest and principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest and principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the Subdistrict has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued, unpaid interest, then to the principal. This Note shall be paid in full, from the sources hereinafter described prior to the payment of any other obligation of the Subdistrict that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the Subdistrict, and as further provided and limited herein.

This Note is executed, issued and delivered to SST pursuant to that certain 2022 Funding and Reimbursement Agreement between the Subdistrict and SST, dated January 31, 2022, as amended by that certain First Amendment to 2022 Funding and Reimbursement Agreement dated December 15, 2022 (collectively, the "Agreement"), the terms of which are hereby

incorporated by reference, to evidence the Subdistrict's repayment obligation with respect to certain indebtedness owed to SST. This Note refunds the 2022 Note (as defined in the Agreement) and is issued with an initial principal balance and unpaid accrued interest outstanding on the 2022 Note.

Pursuant to the Agreement, the Subdistrict is obligated to repay the principal amount of this Note and any and all interest accrued thereon from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Service Plan and electoral authorization; and further provided, that any such repayment shall be subject to the annual appropriation of funds by the Subdistrict and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the Subdistrict for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein. **In no event shall the Subdistrict impose a mill levy in excess of 50 mills for the repayment of this Note.**

Failure by the Subdistrict to repay SST as a result of insufficient funds shall not constitute a default hereunder, nor subject the Subdistrict to any claims and/or causes of action by SST, including mechanic's liens, arising out of the Subdistrict's nonperformance of its payment obligation. Failure by the Subdistrict to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

Upon each advance made to, or approved expenditure made on behalf of, the Subdistrict by SST pursuant to the Agreement, the Subdistrict shall indicate on Schedule "A" of this Note: (i) the amount of funds advanced to or expended on behalf of the Subdistrict; (ii) the date of the advance or expenditure; (iii) the total funds advanced and/or expended to date under the Note, and (iv) the total accrued, unpaid interest due thereon. Any payments made on the Note by the Subdistrict shall also be evidenced on Schedule "A" attached hereto.

Neither the Board of Directors of the Subdistrict, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

**THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE SUBDISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR BOULDER COUNTY, COLORADO. SST SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR BOULDER COUNTY TO PAY**

**THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY.**

**BY ITS ACCEPTANCE HEREOF, SST ACKNOWLEDGES THAT THE SUBDISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.**

The Subdistrict waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If SST enforces this Note upon default, the Subdistrict shall pay or reimburse SST for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the Subdistrict specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

This Note shall not be transferable, negotiable, or otherwise payable to any party other than SST without the prior written consent of the Subdistrict, which may be denied for any reason.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by SST in connection therewith), the Subdistrict shall issue a new promissory note to SST that is legally enforceable. Said new promissory note shall evidence the Subdistrict's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

By signing in the space provided below, the Subdistrict hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the Subdistrict, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, SST acknowledges that the Subdistrict's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

(Signatures Begin On Next Page.)

IN WITNESS WHEREOF, the Subdistrict has caused this Note to be executed, in its name and on its behalf, by its President, with an imprint of the Subdistrict's seal affixed hereon.

**SUBDISTRICT NO. 1 OF THE COALTON  
METROPOLITAN DISTRICT**

(S E A L)

By: EXHIBIT FORM – DO NOT SIGN  
President



SCHEDULE A

**EXHIBIT B**  
(To Resolution)

**SUBORDINATE PROMISSORY NOTE**

SUBDISTRICT NO. 1 OF THE COALTON METROPOLITAN DISTRICT  
REVENUE AND LIMITED TAX OBLIGATION  
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: In an amount not to exceed One Hundred Thousand Dollars (\$100,000)

INTEREST RATE: Two Percent (2%) plus the current Federal Reserve Board Prime Rate, or 6% whatever is greater, Simple Interest

DATED: December 15, 2022

REGISTERED OWNER: Superior Shore Townhomes, LLC ("SST")

MATURITY DATE: December 31, 2047

Subdistrict No. 1 of the Coalton Metropolitan District (the "Subdistrict"), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule "A" attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest and principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest and principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the Subdistrict has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued, unpaid interest, then to the principal. This Note shall be paid in full, from the sources hereinafter described prior to the payment of any other obligation of the Subdistrict that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the Subdistrict, and as further provided and limited herein.

This Note is executed, issued and delivered to SST pursuant to that certain 2022 Funding and Reimbursement Agreement between the Subdistrict and SST, dated January 31, 2022, as amended by that certain First Amendment to 2022 Funding and Reimbursement Agreement dated December 15, 2022 (collectively, the "Agreement"), the terms of which are hereby

incorporated by reference, to evidence the Subdistrict's repayment obligation with respect to certain indebtedness owed to SST. This Note refunds the 2022 Note (as defined in the Agreement) and is issued with an initial principal balance and unpaid accrued interest outstanding on the 2022 Note.

Pursuant to the Agreement, the Subdistrict is obligated to repay the principal amount of this Note and any and all interest accrued thereon from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Service Plan and electoral authorization; and further provided, *that any such repayment shall be subject to the annual appropriation of funds by the Subdistrict and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the Subdistrict for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein. In no event shall the Subdistrict impose a mill levy in excess of 50 mills for the repayment of this Note.*

Failure by the Subdistrict to repay SST as a result of insufficient funds shall not constitute a default hereunder, nor subject the Subdistrict to any claims and/or causes of action by SST, including mechanic's liens, arising out of the Subdistrict's nonperformance of its payment obligation. Failure by the Subdistrict to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

Upon each advance made to, or approved expenditure made on behalf of, the Subdistrict by SST pursuant to the Agreement, the Subdistrict shall indicate on Schedule "A" of this Note: (i) the amount of funds advanced to or expended on behalf of the Subdistrict; (ii) the date of the advance or expenditure; (iii) the total funds advanced and/or expended to date under the Note, and (iv) the total accrued, unpaid interest due thereon. Any payments made on the Note by the Subdistrict shall also be evidenced on Schedule "A" attached hereto.

Neither the Board of Directors of the Subdistrict, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

**THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE SUBDISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR BOULDER COUNTY, COLORADO. SST SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR BOULDER COUNTY TO PAY**

**THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY.**

**BY ITS ACCEPTANCE HEREOF, SST ACKNOWLEDGES THAT THE SUBDISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.**

The Subdistrict waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If SST enforces this Note upon default, the Subdistrict shall pay or reimburse SST for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the Subdistrict specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

This Note shall not be transferable, negotiable, or otherwise payable to any party other than SST without the prior written consent of the Subdistrict, which may be denied for any reason.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by SST in connection therewith), the Subdistrict shall issue a new promissory note to SST that is legally enforceable. Said new promissory note shall evidence the Subdistrict's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

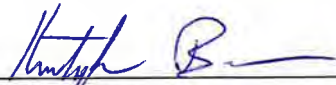
By signing in the space provided below, the Subdistrict hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the Subdistrict, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, SST acknowledges that the Subdistrict's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

(Signatures Begin On Next Page.)

IN WITNESS WHEREOF, the Subdistrict has caused this Note to be executed, in its name and on its behalf, by its President, with an imprint of the Subdistrict's seal affixed hereon.



**SUBDISTRICT NO. 1 OF THE COALTON  
METROPOLITAN DISTRICT**

  
By: Kristopher Barnes, President

*Signature Page to Subdistrict Subordinate Note (O&M)*

SCHEDULE A