

ANNUAL INFORMATION REPORT

FOR THE YEAR 2023

CAROUSEL FARMS METROPOLITAN DISTRICT

As required by Section VII of the Service Plan for Carousel Farms Metropolitan District (the “**District**”), approved by the Town of Parker, Colorado (the “**Town**”) on September 15, 2014, the following report of the District’s activities from January 1, 2023 to December 31, 2023 is hereby submitted.

1. **A narrative summary of the progress of the District in implementing its Service Plan for the report year:**

During 2023, the District continued implementing its Service Plan and is proceeding as planned.

The District did not construct or install any public infrastructure during 2023 and does not plan on constructing or installing any future public infrastructure at this time. The District does not plan to undertake any maintenance or operations activities in 2024.

2. **Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year:**

Please see the 2023 Audit attached as Exhibit A.

3. **Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year:**

Please see the 2024 Budget, attached as Exhibit B. The District did not construct any Public Improvements in 2023 and does not plan on constructing or installing any future Public Improvements at this time.

4. **Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to Debt retirement in the report year:**

On December 23, 2021, the District issued its \$3,162,500 General Obligation Limited Tax Bonds, Series 2021A (the “**Series 2021A Bonds**”)

for the purpose of reimbursing a portion of the costs of certain public improvements. As of 2023, \$3,162,500 remained outstanding, as no payments were made in 2023. See the 2023 Audit for additional details regarding the Series 2021A Bonds. The Assessed Value for 2023 was \$4,853,930. The District imposed a total mill levy of 55.244 mills on the property within the District for collection in 2024, of which 47.004 mills was for debt retirement.

The District did not issue any new debt in 2023.

5. **The District's budget for the calendar year in which the annual report is submitted:**

Attached hereto as **Exhibit B** is the 2024 Budget.

6. **A summary of the residential development in the District for the report year:**

Residential development has been completed pursuant to the Service Plan.

7. **A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year:**

There were no fees, charges or assessments imposed by the District during 2023.

8. **Certification of the Board that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council:**

The Board certifies to the best of its knowledge that no action, event or condition in Town Code section 10.11.060 has occurred in 2023.

9. **The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board:**

Cynthia Myers, President
Nash Verano, Treasurer
Eric Barney, Secretary
Taylor Lilly, Assistant Secretary

c/o Century Communities
8390 E. Crescent Parkway, Suite 650
Greenwood Village, CO 80111
303-770-8300

District Manager / Chief Administrative Officer
Lisa Johnson
CliftonLarsonAllen LLP

8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
303-779-5710

General Counsel
Elisabeth A. Cortese
Emily Murphy
McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
303-592-4380

2024 Regular Meeting Dates: July 9, 2024 and November 5, 2024 at 12:00 p.m. (meetings held virtually).

10. **Certification from the Board of the District that the District is in compliance with all provisions of the Service Plan:**

The Board certifies to the best of its knowledge, the District is in compliance with all provisions of the Service Plan.

11. **Intergovernmental Agreements entered into or terminated:**

There were no intergovernmental agreements entered into by the District since the filing of the last annual report.

The following information required by Section 32-1-207(3)(c)(II), C.R.S. (and not already disclosed above) is also provided:

12. **Boundary changes made:**

No boundary changes were made or proposed during 2023.

13. **Access information to obtain a copy of rules and regulations adopted:**

The District has not adopted any rules or regulations as of December 31, 2023. In the event the District adopts rules and regulations in the future, such documents may be accessed at the offices of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111, 303-779-5710, or on the District's website: <https://www.carouselfarmsmetrodistrict.org/>.

14. **Summary of litigation involving the District's public improvements:**

To our knowledge, there is no litigation involving the District's Public Improvements.

15. **Conveyances or dedications of facilities or improvements, constructed by the District, to the Town of Parker:**

The District did not convey or dedicate any facilities or improvements to the Town of Parker in 2023.

16. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument:**

To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.

17. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period:**

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

EXHIBIT A

2023 Audit

CAROUSEL FARMS METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

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COLORADO CPA COMPANY

Independent Auditor's Report

Board of Directors
Carousel Farms Metropolitan District
Douglas County, Colorado

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Carousel Farms Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplemental Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Colorado CPA Company PC

Highlands Ranch, Colorado
July 22, 2024

CAROUSEL FARMS METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 50,326	\$ -	\$ -	\$ 50,326	\$ -	\$ 50,326
Cash and investments - restricted	1,563	309	2,310	4,182	-	4,182
Receivable - county treasurer	885	2,379	-	3,264	-	3,264
Property taxes receivable	39,996	228,154	-	268,150	-	268,150
Receivable - other	259	-	-	259	-	259
Capital assets not being depreciated	-	-	-	-	3,653,020	3,653,020
Total Assets	<u>\$ 93,029</u>	<u>\$ 230,842</u>	<u>\$ 2,310</u>	<u>\$ 326,181</u>	<u>3,653,020</u>	<u>3,979,201</u>
LIABILITIES						
Accounts payable	\$ 7,576	\$ -	\$ -	\$ 7,576	-	7,576
Accrued interest on bonds	-	-	-	-	135,929	135,929
Long-term liabilities:						
Due in more than one year	-	-	-	-	4,052,202	4,052,202
Total Liabilities	<u>7,576</u>	<u>-</u>	<u>-</u>	<u>7,576</u>	<u>4,188,131</u>	<u>4,195,707</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	<u>39,996</u>	<u>228,154</u>	<u>-</u>	<u>268,150</u>	<u>-</u>	<u>268,150</u>
Total Deferred Inflows of Resources	<u>39,996</u>	<u>228,154</u>	<u>-</u>	<u>268,150</u>	<u>-</u>	<u>268,150</u>
FUND BALANCES/NET POSITION						
Fund balances:						
Restricted:						
Emergencies	1,563	-	-	1,563	(1,563)	-
Debt service	-	2,688	-	2,688	(2,688)	-
Capital	-	-	2,310	2,310	(2,310)	-
Unassigned	<u>43,894</u>	<u>-</u>	<u>-</u>	<u>43,894</u>	<u>(43,894)</u>	<u>-</u>
Total Fund Balances	<u>45,457</u>	<u>2,688</u>	<u>2,310</u>	<u>50,455</u>	<u>(50,455)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 93,029</u>	<u>\$ 230,842</u>	<u>\$ 2,310</u>	<u>\$ 326,181</u>		
Net Position:						
Restricted for:						
Emergencies					1,563	1,563
Debt service					2,688	2,688
Capital projects					2,310	2,310
Unrestricted					<u>(491,217)</u>	<u>(491,217)</u>
Total Net Position (Deficit)					<u>\$ (484,656)</u>	<u>\$ (484,656)</u>

The notes to the financial statements are an integral part of these statements.

CAROUSEL FARMS METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
<u>Operating:</u>						
Accounting and audit	\$ 8,656	\$ -	\$ -	\$ 8,656	\$ -	\$ 8,656
Legal	27,540	-	-	27,540	-	27,540
District management	11,557	-	-	11,557	-	11,557
Elections	2,804	-	-	2,804	-	2,804
Insurance	3,578	-	-	3,578	-	3,578
Miscellaneous	4,074	-	-	4,074	-	4,074
Treasurer fees	600	1,612	-	2,212	-	2,212
Bond interest	-	113,571	-	113,571	59,987	173,558
Interest on developer advance	-	-	-	-	50,837	50,837
	<u>58,809</u>	<u>115,183</u>	<u>-</u>	<u>173,992</u>	<u>110,824</u>	<u>284,816</u>
GENERAL REVENUES						
Property taxes	39,999	107,435	-	147,434	-	147,434
Specific ownership taxes	3,709	9,963	-	13,672	-	13,672
Interest income	6,005	358	117	6,480	-	6,480
	<u>49,713</u>	<u>117,756</u>	<u>117</u>	<u>167,586</u>	<u>-</u>	<u>167,586</u>
NET CHANGES IN FUND BALANCES	(9,096)	2,573	117	(6,406)	6,406	
CHANGES IN NET POSITION					(117,230)	(117,230)
FUND BALANCES/NET POSITION						
BEGINNING OF YEAR	<u>54,553</u>	<u>115</u>	<u>2,193</u>	<u>56,861</u>	<u>(424,287)</u>	<u>(367,426)</u>
END OF YEAR	<u>\$ 45,457</u>	<u>\$ 2,688</u>	<u>\$ 2,310</u>	<u>\$ 50,455</u>	<u>\$ (535,111)</u>	<u>\$ (484,656)</u>

The notes to the financial statements are an integral part of these statements.

CAROUSEL FARMS METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 39,999	\$ 39,999	\$ -
Specific ownership taxes	-	3,709	3,709
Interest income	<u>51</u>	<u>6,005</u>	<u>5,954</u>
Total Revenues	<u>40,050</u>	<u>49,713</u>	<u>9,663</u>
EXPENDITURES			
Accounting and audit	7,000	8,656	(1,656)
Legal	15,000	27,540	(12,540)
District management	8,000	11,557	(3,557)
Elections	5,000	2,804	2,196
Insurance	3,500	3,578	(78)
Miscellaneous	500	4,074	(3,574)
Treasurer fees	600	600	-
Contingency	75,008	-	75,008
Emergency Reserve	<u>1,188</u>	<u>-</u>	<u>1,188</u>
Total Expenditures	<u>115,796</u>	<u>58,809</u>	<u>56,987</u>
NET CHANGE IN FUND BALANCE	(75,746)	(9,096)	66,650
FUND BALANCE:			
BEGINNING OF YEAR	<u>75,746</u>	<u>54,553</u>	<u>(21,193)</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 45,457</u>	<u>\$ 45,457</u>

The notes to the financial statements are an integral part of these statements.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Carousel Farms Metropolitan District, (“District”) located in Town of Parker, Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on November 25, 2014, as a quasi-municipal corporation and political subdivision established under the State of Colorado Special District Act. The District operates pursuant to a Service Plan approved by the Town of Parker (the “Town”) on September 15, 2014 as amended pursuant to Town Council Resolution No 22-065, Series 2022, A Resolution approving adjustment of Mill Levies resulting from Legislative or Constitutionally mandated reductions (the “Service Plan”). The District was established to construct water, street traffic and safety controls, transportation, parks and recreation and sanitary improvements both with and outside the boundaries, subject to the limitations in the Service Plan. The District is to dedicate such public improvements to the Town or other appropriate entity. The District is not authorized to operate and maintain the public improvements unless provided for in the Town IGA (discussed herein) or another agreement with the Town. The District's primary source of revenues is property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

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

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category. This item is deferred property taxes. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method.

Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$1,563 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Capital Projects Fund in the amount of \$2,310 is restricted for the payment of the costs for capital improvements within the District.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The restricted fund balance in the Debt Service Fund in the amount of \$2,688 is restricted for the payment of the principal and interest on the Series 2021A Bonds as defined in Note 4.

Committed Fund Balance

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

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

Note 2: Cash and Investments

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

Statement of Net Position:	
Cash and cash equivalents	\$ 50,326
Cash and cash equivalents - restricted	<u>4,182</u>
Total	\$ <u>54,508</u>

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

Deposits with financial institutions	\$ 9,204
Investments - COLOTRUST	42,362
Investments – MSILF Treasury	<u>2,942</u>
	\$ <u>54,508</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Credit Risk

The District has elected to follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method ("NAV") per share.

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. The COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2023, the District had \$42,362 invested in COLOTRUST Plus+.

Morgan Stanley Treasury Portfolio

The District's funds that were included in the trust accounts at UMB Bank were invested in the Morgan Stanley Treasury Portfolio ("Portfolio"). This Portfolio is a money market fund and each share is equal in value to \$1.00. All investments within the Portfolio are recorded at fair value and the District records its investment in the Portfolio at NAV. The Portfolio is AAAM rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The maturity of the underlying securities is 15 days or less. As of December 31, 2023, the District has \$2,942 invested in the Portfolio.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

Note 3: Capital Assets

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

<u>Governmental Type Activities:</u>	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
<u>Capital assets not being depreciated:</u>				
Land	\$ 331,780	\$ -	\$ -	\$ 331,780
Construction in progress	3,321,240	-	-	3,321,240
Total capital assets not being depreciated:	<u>3,653,020</u>	<u>-</u>	<u>-</u>	<u>3,653,020</u>
Government type assets, net	<u>\$ 3,653,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,653,020</u>

Note 4: Long-Term Debt

A description of the long-term obligations as of December 31, 2023, is as follows:

Facilities Funding and Acquisition Agreement

The District and Century at Carousel Farms, LLC, a Colorado limited liability company (“Developer”), entered into a Facilities Funding and Acquisition Agreement dated December 4, 2014, as amended by the First Amendment dated November 13, 2019, and the Second Amendment dated November 10, 2021 (collectively, the “FFAA”). Pursuant to the FFAA, the Developer agreed to construct certain public improvements and the District agreed to acquire the public improvements and/or reimburse the Developer for the costs associated with the construction of the public improvements, subject to the terms in the FFAA. In the alternative, to the extent the District proceeded with the design, construction and completion of the public improvements and incurred costs relative thereto, the Developer agreed to advance funds to the District for such costs in fiscal years 2014 through 2022 in an amount not to exceed \$3,829,878. The District also agreed to reimburse the Developer for organizational costs expended by the Developer for the organization of the District. Interest accrues on the construction expenses incurred by the Developer, advances from the Developer to the District, if any, and organizational expenses at a rate of 8% per annum, pursuant to the provisions of the FFAA. The FFAA does not constitute a debt of the District, but is an annual appropriation intended to be repaid through a future bond issuance. The FFAA further provides that if the District has not reimbursed the Developer by December 31, 2052, any amount or principal and accrued interest outstanding under the FFAA on such date will be deemed forever discharged and satisfied in full. At December 31, 2023, principal and interest due under this agreement was \$635,463 and \$254,239 respectively.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

\$3,162,500 General Obligation Limited Tax Bonds, Series 2021A

On December 23, 2021, the District issued \$3,162,500 of General Obligation Limited Tax Bonds, Series 2021A (“Series 2021A Bonds”) for the purpose of paying or reimbursing the cost of public improvements and paying for the costs of issuance of the Series 2021A Bonds. The Series 2021A Bonds bear interest at the rate of 5.375%, payable annually on December 1, commencing on December 1, 2022 to the extent Pledged Revenue is available. The Series 2021A Bonds terminate on December 2, 2051, and no payments will be due on the Series 2021A Bonds, regardless of the amount of principal and interest paid prior to that date. The Series 2021A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$500, in any order of maturity and in whole or partial maturities, commencing on March 1, 2027, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

The Series 2021A Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Pledged Revenue for payment. In the event any amounts due and owing on the Series 2021A Bonds remain outstanding on December 2, 2051, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Series 2021A Bonds are secured by the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, and any other legally available moneys as determined by the District as more fully described in the Indenture of Trust.

Events of Default as defined in the Series 2021A Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2021A Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2021A Bonds is not an available remedy for an Event of Default.

Because of the uncertainty of the timing of the principal and interest payment on the Series 2021A Bonds, no schedule of principal and interest payments is presented.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

The following is an analysis of changes in long-term debt for the year ended December 31, 2023:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Current Portion
<u>General Obligation Bonds:</u>					
Series 2021A	\$ 3,162,500	\$ -	\$ -	\$ 3,162,500	\$ -
	<u>3,162,500</u>	<u>-</u>	<u>-</u>	<u>3,162,500</u>	<u>-</u>
<u>Other:</u>					
Developer advances	635,463	-	-	635,463	-
Interest on Developer advance	203,402	50,837	-	254,239	-
	<u>838,865</u>	<u>50,837</u>	<u>-</u>	<u>889,702</u>	<u>-</u>
	<u>\$ 4,001,365</u>	<u>\$ 50,837</u>	<u>\$ -</u>	<u>\$ 4,052,202</u>	<u>\$ -</u>

Debt Authorization

On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$28,462,500. After the issuance of the Series 2021A Bonds, the remaining authorization is \$25,300,000. Per the District's Service Plan, the District cannot issue debt in excess of \$3,162,500. There is no authorization remaining under the Service Plan as of December 31, 2023.

Note 5: Related Parties

All of the Board members are owners or members of or are otherwise associated with the Developer. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Town IGA

The District and the Town entered into an Intergovernmental Agreement dated December 4, 2014 (the "Town IGA"), which provides contractual enforcement rights to the Town with respect to certain restrictions and limitations set forth in the Service Plan regarding construction, ownership, operations and maintenance of improvements. The Town IGA required certain payments to the Town for a portion of the costs of certain regional improvements, all of which have been paid.

Note 7: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

On November 4, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

CAROUSEL FARMS METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds and developer advances payable and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

CAROUSEL FARMS METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 107,435	\$ 107,435	\$ -
Specific ownership taxes	7,520	9,963	2,443
Interest income	<u>500</u>	<u>358</u>	<u>(142)</u>
Total Revenues	<u>115,455</u>	<u>117,756</u>	<u>2,301</u>
EXPENDITURES			
Bond interest	113,843	113,571	272
Treasurer fees	<u>1,612</u>	<u>1,612</u>	<u>-</u>
Total Expenditures	<u>115,455</u>	<u>115,183</u>	<u>272</u>
NET CHANGE IN FUND BALANCE	-	2,573	2,573
FUND BALANCE:			
BEGINNING OF YEAR	<u>-</u>	<u>115</u>	<u>115</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 2,688</u>	<u>\$ 2,688</u>

The notes to the financial statements are an integral part of these statements.

CAROUSEL FARMS METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Interest income	\$ -	\$ 117	\$ 117
Total Revenues	<u>-</u>	<u>117</u>	<u>117</u>
EXPENDITURES			
Capital expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	117	117
FUND BALANCE:			
BEGINNING OF YEAR	<u>-</u>	<u>2,193</u>	<u>2,193</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 2,310</u>	<u>\$ 2,310</u>

The notes to the financial statements are an integral part of these statements.

CAROUSEL FARMS METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2023

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>			<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Levied</u>	<u>Collected</u>	
2016	\$ 252,550	42.827	0.000	42.827	\$ 10,816	\$ 10,816	100.00%
2017	\$ 336,670	42.827	0.000	42.827	\$ 14,419	\$ 14,419	100.00%
2018	\$ 880,290	42.827	0.000	42.827	\$ 37,700	\$ 37,700	100.00%
2019	\$ 1,310,440	47.347	0.000	47.347	\$ 62,045	\$ 62,045	100.00%
2020	\$ 1,609,250	47.678	0.000	47.678	\$ 76,726	\$ 76,725	100.00%
2021	\$ 1,866,660	47.678	0.000	47.678	\$ 88,999	\$ 88,999	100.00%
2022	\$ 2,669,990	47.678	0.000	47.678	\$ 127,300	\$ 127,300	100.00%
2023	\$ 3,038,070	13.166	35.363	48.529	\$ 147,434	\$ 147,434	100.00%
Estimated for year ending December 31, 2024	\$ 4,853,930	8.240	47.004	55.244	\$ 268,150		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

EXHIBIT B

2024 Budget

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2024

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

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

Lisa Johnson, District Manager
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710

I, Lisa Johnson, District Manager of the Carousel Farms Metropolitan District hereby certify that the attached is a true and correct copy of the 2024 budget.

By: 

Lisa Johnson, District Manager

RESOLUTION NO. 2023-11-02

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF CAROUSEL FARMS
METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO, PURSUANT TO
SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR
EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY
FOR THE BUDGET YEAR 2024**

A. The Board of Directors of Carousel Farms Metropolitan District (the “**District**”) has appointed Simmons & Wheeler, P.C. to prepare and submit a proposed budget to said governing body at the proper time.

B. Simmons & Wheeler, P.C. has submitted a proposed budget to this governing body for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 8, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. 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.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CAROUSEL FARMS METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

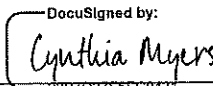
2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**

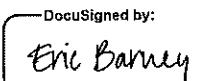
RESOLUTION APPROVED AND ADOPTED on November 7, 2023.

**CAROUSEL FARMS METROPOLITAN
DISTRICT**

By:  DocuSigned by:
28B7D27F5FC9431...

President

Attest:

By:  DocuSigned by:
F85C8672D71E426...

Secretary

EXHIBIT A

Budget

CAROUSEL FARMS METROPOLITAN DISTRICT
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 budget for the Carousel Farms Metropolitan District.

The Carousel Farms Metropolitan District has adopted three separate funds, a General Fund to provide for general operating expenditures; a Capital Projects Fund to provide for capital improvements to be built for the benefit of the district; and a Debt Service Fund to account for the repayment of principal and interest on the general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district in 2024 will be property taxes and specific ownership taxes. The district intends to impose a 55.244 mill levy on property within the district for 2024, of which 8.240 will be dedicated to the General Fund and the balance of 47.004 will be dedicated to the Debt Service Fund.

**Carousel Farms Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 76,726	\$ 75,746	\$ 35,754	\$ 75,088	\$ 78,247
Revenues:					
Property taxes	127,300	39,999	39,999	39,999	39,996
Specific ownership taxes	11,257	-	-	-	-
Interest income	<u>1,807</u>	<u>51</u>	<u>2,240</u>	<u>3,000</u>	<u>51</u>
Total revenues	<u>140,364</u>	<u>40,050</u>	<u>42,239</u>	<u>42,999</u>	<u>40,047</u>
Total funds available	<u>217,090</u>	<u>115,796</u>	<u>77,993</u>	<u>118,087</u>	<u>118,294</u>
Expenditures:					
Accounting / audit	6,268	7,000	3,858	12,000	15,000
Legal	22,495	15,000	5,747	15,000	15,000
Insurance	3,275	3,500	3,328	3,400	3,500
Management	7,225	8,000	2,975	6,000	16,000
Election	872	5,000	2,804	2,800	-
Engineering	1,862	-	-	-	-
Miscellaneous	-	500	20	40	2,000
Treasurer's Fees	1,910	600	600	600	600
Transfer to other funds	98,095	-	-	-	-
Contingency	-	75,008	-	-	64,631
Emergency reserve (3%)	<u>-</u>	<u>1,188</u>	<u>-</u>	<u>-</u>	<u>1,563</u>
Total expenditures	<u>142,002</u>	<u>115,796</u>	<u>19,332</u>	<u>39,840</u>	<u>118,294</u>
Ending fund balance	<u>\$ 75,088</u>	<u>\$ -</u>	<u>\$ 58,661</u>	<u>\$ 78,247</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 3,038,070</u>			<u>\$ 4,853,930</u>
Mill Levy		<u>13.166</u>			<u>8.240</u>

Carousel Farms Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2024

	Estimated <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/23</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 2,500	\$ -	\$ 2,193	\$ 2,193	\$ 2,249
Revenues:					
Developer advances	-	-	-	-	-
Interest income	15	-	56	56	-
Transfer from General Service fund	-	-	-	-	-
Bond proceeds	-	-	-	-	-
	<u>15</u>	<u>-</u>	<u>56</u>	<u>56</u>	<u>-</u>
Total revenues					
	<u>15</u>	<u>-</u>	<u>56</u>	<u>56</u>	<u>-</u>
Total funds available	<u>2,515</u>	<u>-</u>	<u>2,249</u>	<u>2,249</u>	<u>2,249</u>
Expenditures:					
Issuance costs	-	-	-	-	-
Organization costs	-	-	-	-	-
Accounting	-	-	-	-	-
Legal	-	-	-	-	-
Engineering	322	-	-	-	-
Capital expenditures	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
	<u>322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures					
	<u>322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ 2,193</u>	<u>\$ -</u>	<u>\$ 2,249</u>	<u>\$ 2,249</u>	<u>\$ 2,249</u>

**Carousel Farms Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024**

	Estimated <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ 115	\$ 115	\$ 5,095
Revenues:					
Property taxes	-	107,435	107,435	107,435	228,154
Specific ownership taxes	-	7,520	6,834	13,000	15,971
Transfer from General Fund	98,095	-	-	-	-
Interest income	115	500	44	-	500
	<u>98,210</u>	<u>115,455</u>	<u>114,313</u>	<u>120,435</u>	<u>244,625</u>
Total revenues					
	<u>98,210</u>	<u>115,455</u>	<u>114,428</u>	<u>120,550</u>	<u>249,720</u>
Total funds available					
Expenditures:					
Interest expense senior bonds	98,095	113,843	-	113,843	240,703
Treasurer's fees	-	1,612	1,612	1,612	3,422
Trustee / paying agent fees	-	-	-	-	-
	<u>98,095</u>	<u>115,455</u>	<u>1,612</u>	<u>115,455</u>	<u>244,125</u>
Total expenditures					
	<u>98,095</u>	<u>115,455</u>	<u>1,612</u>	<u>115,455</u>	<u>244,125</u>
Ending fund balance	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 112,816</u>	<u>\$ 5,095</u>	<u>\$ 5,595</u>
Assessed valuation		<u>\$ 3,038,070</u>			<u>\$ 4,853,930</u>
Mill Levy		<u>35.363</u>			<u>47.004</u>
Total Mill Levy		<u>48.529</u>			<u>55.244</u>

I, Eric Barney, hereby certify that I am the duly appointed Secretary of the Carousel Farms Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Carousel Farms Metropolitan District held on November 7, 2023.

DocuSigned by:

Eric Barney

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Secretary

RESOLUTION NO. 2023-11-03

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE CAROUSEL FARMS METROPOLITAN DISTRICT LEVYING
GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE
YEAR 2023, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2024
BUDGET YEAR**

A. The Board of Directors of the Carousel Farms Metropolitan District (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 8, 2023.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Carousel Farms Metropolitan District, Douglas County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on November 7, 2023.

**CAROUSEL FARMS METROPOLITAN
DISTRICT**

By: ^{DocuSigned by:} Cynthia Myers
288702776PC9431...
President

Attest:

By: ^{DocuSigned by:} Eric Barney
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Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
On behalf of the Carousel Farms Metro District
the Board of Directors
of the Carousel Farms Metropolitan District**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$4,853,930** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$4,853,930**

Submitted: *Diane Wheeler* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	8.240 mills	\$39,996
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	8.240 mills	\$39,996
3. General Obligation Bonds and Interest	47.004 mills	\$228,154
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	55.244 mills	\$268,150

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

- | | |
|-------------------|--|
| Purpose of Issue: | \$3,162,500 General Obligation Limited Tax Bonds |
| Series: | 2021A |
| Date of Issue: | 2021-12-23 |
| Coupon Rate: | 5.375 |

Maturity Date:	2051-12-01
Levy:	47.004
Revenue:	\$228,154

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 10 Jan 2024

I, Eric Barney, hereby certify that I am the duly appointed Secretary of the Carousel Farms Metropolitan District, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Carousel Farms Metropolitan District held on November 7, 2023.

DocuSigned by:
Eric Barney
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Secretary

RESOLUTION NO. 2023-11-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF CAROUSEL FARMS
METROPOLITAN DISTRICT AUTHORIZING ADJUSTMENT OF THE DISTRICT
MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN**

- A. Carousel Farms Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.
- B. The District operates pursuant to its Service Plan approved by Town Council of the Town of Parker, Colorado (the “**Town Council**”), on September 15, 2014, as subsequently appended pursuant to Resolution No. 22-065, Series 2022, A Resolution Approving Adjustment of Mill Levies Resulting From Legislative or Constitutionally Mandated Reductions, as adopted by the Town Council on November 21, 2022 (collectively, the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.
- C. The Service Plan authorizes a maximum mill levy of thirty-five (35) mills (“**Maximum Mill Levy**”) for the payment of Debt (as defined in the Service Plan) and District administrative operating expenses.
- D. The Service Plan authorizes adjustment of the Maximum Mill Levy if, on or after January 1, 2000 (the “**Baseline Year**”), there are or were changes in the method of calculating assessed valuation or any constitutionally or statutorily mandated tax credit, cut or abatement. The Maximum Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors of the District (the “**Board**”) in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.
- E. For purposes of the foregoing, a change in the ratio of actual valuation, and any constitutional or legislative changes in the actual value against which the assessment rate is applied, shall be deemed to be a change in the method of calculating assessed valuation.
- F. The history of the residential assessment ratio in Colorado since property tax assessment year 1995, as set by the Colorado General Assembly (the “**General Assembly**”), or as voted by the electors of the State of Colorado, is set forth in Exhibit A, attached hereto and incorporated herein by this reference.
- G. At the time of the Baseline Year, the residential assessment ratio set by the General Assembly was 9.74%.
- H. In 2022, the General Assembly passed Senate Bill 22-238, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for:

1. Multi-family residential real property at 6.80% for property tax assessment years 2022 and 2024;

2. Multi-family residential real property at 6.765%, after a deduction from the actual value of the lesser of either: (i) \$15,000; or (ii) the amount that causes assessed valuation to be \$1,000 for property tax assessment year 2023;

3. Residential real property other than multi-family residential real property at 6.95% for property tax assessment year 2022; and

4. Residential real property other than multi-family residential real property at 6.765%, after a deduction from the actual value of the lesser of either: (i) \$15,000; or (ii) the amount that causes assessed valuation to be \$1,000 for property tax assessment year 2023.

I. In 2023, the General Assembly passed Senate Bill 23-303, which referred a ballot issue, known as Proposition HH, to the electors of the State of Colorado for the November 7, 2023 election. Proposition HH did not pass at the November 7, 2023 election.

J. Following the November 7, 2023 election, the General Assembly convened in special session and passed Senate Bill 23B-001, which further amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for:

1. Multi-family residential real property at 6.80% for property tax assessment years 2022 and 2024;

2. Multi-family residential real property at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023;

3. Residential real property other than multi-family residential real property at 6.95% for property tax assessment year 2022; and

4. Residential real property other than multi-family residential real property at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023.

K. In compliance with the Service Plan, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property as set by Senate Bill 23B-001 for property tax year 2023 (for collection year 2024), the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Mill Levy so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Carousel Farms Metropolitan District, Town of Parker, Douglas County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Mill Levy to reflect that Senate Bill 23B-001 set the residential assessment rate for both multi-family residential real property and residential real property other than multi-family residential real property at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023, which is a change from the 9.74% ratio of valuation for assessment of residential property as of the Baseline Year.

2. The Service Plan allows for a total mill levy imposition of 55.244 mills for Debt and District administrative operating expenses (the “**Adjusted Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023.

3. The Adjusted Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the Board of County Commissioners of Douglas County, Colorado on or before January 10, 2024, for collection in 2024.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]**

RESOLUTION APPROVED AND ADOPTED ON November 7, 2023.

**CAROUSEL FARMS METROPOLITAN
DISTRICT**

DocuSigned by:



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President

Attest:

DocuSigned by:



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Secretary

EXHIBIT A
History of Residential Assessment Ratio

<u>Tax Levy/Assessment Year</u>	<u>Tax Collection Year</u>	<u>Residential Assessment Ratio</u>
1995	1996	10.36%
1996	1997	
1997	1998	9.74%
1998	1999	
1999	2000	
2000	2001	
2001	2002	9.15%
2002	2003	
2003	2004	7.96%
2004	2005	
2005	2006	
2006	2007	
2007	2008	
2008	2009	
2009	2010	
2010	2011	
2011	2012	
2012	2013	
2013	2014	
2014	2015	
2015	2016	

2016	2017	
2017	2018	7.20%
2018	2019	
2019	2020	7.15%
2020	2021	
2021	2022	
2022	2023	6.95% (other than multi-family) 6.80% (multi-family)
2023	2024	6.700%, after a deduction from the actual value of the lesser of either \$55,000 or the amount that causes assessed valuation to be \$1,000

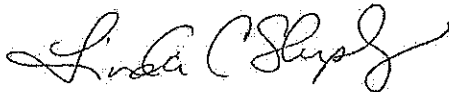
Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Carousel Farms Metro Dist (mcgb) **
c/o McGeady Becher, P.C.
450 E. 17th Avenue, Suite 400
Denver CO 80203-1254

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Douglas } ss

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



For the Douglas County News-Press

State of Colorado }
County of Arapahoe } ss

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

20004025550-445537

Carla Bethke
Notary Public
My commission ends April 11, 2026

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

Public Notice

NOTICE AS TO PROPOSED 2024 BUDGET AND AMENDMENT OF 2023 BUDGET

CAROUSEL FARMS METROPOLITAN DISTRICT DOUGLAS COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that a proposed budget has been submitted to the Board of Directors of the Carousel Farms Metropolitan District (the "District") for the ensuing year of 2024. The necessity may also arise for the amendment of the 2023 budget of the District. Copies of the proposed 2024 budget and 2023 amended budget (if appropriate) are on file in the office of the District's Accountant, CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111, where same are available for public inspection. Such proposed 2024 budget and 2023 amended budget will be considered at a special meeting to be held on November 7, 2023 at 12:15 p.m. via Microsoft Teams. Any interested elector within the District may, at any time prior to the final adoption of the 2024 budget or the 2023 amended budget, inspect the 2024 budget and the 2023 amended budget and file or register any objections thereto.

You may also attend the Board Meeting in any of the following ways:

1. To attend via videoconference, email ashley.heidt@claconnect.com to obtain a link to the videoconference.
2. To attend via telephone, dial 1-720-547-5281 and enter the following additional information:
a. Phone Conference ID: 114 637 755#

CAROUSEL FARMS METROPOLITAN DISTRICT

/s/ Elisabeth A. Cortese
McGEADY BECHER P.C.
Attorneys for the District

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