

**WATERSTONE METROPOLITAN DISTRICT NO. 1
COUNTY OF ARAPAHOE, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2023

Pursuant to the Service Plan for the Waterstone Metropolitan District No. 1 (the “District”), the District is required to provide an annual report to the City Of Aurora with regard to the following matters:

- a. Boundary changes made or proposed;
- b. Intergovernmental Agreements entered into or proposed;
- c. Copies of the District’s rules and regulations;
- d. A summary of any litigation involving District Public Improvements as of December 31 of the prior year;
- e. Status of the District’s construction of Public Improvements as of December 31 of the prior year;
- f. The assessed valuation of the District for the current year;
- g. Current year budget including a description of the Public Improvements to be constructed in such year;
- h. Audit of the District’s financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable;
- i. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument; and
- j. Any inability of the District to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

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

- a. Boundary changes made or proposed;

No boundary changes were made during the reporting period.
- b. Intergovernmental Agreements entered into or proposed;

No Intergovernmental Agreements were entered into during the reporting period and none are anticipated at this time.

- c. Copies of the District's rules and regulations;

The District has not adopted any rules or regulations, and therefore, no update is applicable.

- d. A summary of any litigation involving District Public Improvements as of December 31 of the prior year;

There is no litigation, pending or threatened, against the District of which we are aware.

- e. Status of the District's construction of Public Improvements as of December 31 of the prior year;

Update will be provided as soon as available.

- f. The assessed valuation of the District for the current year;

\$14,328,418.00

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

The budget resolution for the report year is attached hereto as Exhibit A. There are no Public Improvements schedule to be constructed by the District in the budget year.

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

The District was not exempt from audit for the year ending December 31 of the report year.

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

There were no uncured events of default during the reporting year.

- j. Any inability of the District to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

There were no instances of the District's inability to pay its obligations during the reporting period.

Exhibit A

2023 Resolution Adopting Year Budget and 2023 Budget

2023 Resolution Amending 2023 Budget and 2023 Amended Budget

**BUDGET RESOLUTION
(2024)**

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

At the special meeting of the Board of Directors of WATERSTONE METROPOLITAN DISTRICT NO. 1, City of Aurora, County of Arapahoe, Colorado, held at 10:00 A.M. on October 13, 2023 via videoconference: <https://us02web.zoom.us/j/83074990993?pwd=R2drZG0zWnBUaWQ3T3crMnRwa2cwZz09&from=addon>; Meeting ID: 830 7499 0993; Passcode: 846464; Telephone: 1 719 359 4580, there were present:

- Kent Pedersen
- Debra Hessler
- Joseph Huey
- Jennifer Thornbloom

Absent was Jonathan (Jack) Beckwitt whose absence was excused,

Also present were Dianne Miller, Sonja Steele, and Rhonda Bilek of Miller Law pllc (“District Counsel”); and Jason Carroll, accountant of CliftonLarsonAllen

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that the notice of the meeting was posted within the boundaries of the District, and to the best of their knowledge, remains posted to the date of this meeting.

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE WATERSTONE METROPOLITAN DISTRICT NO. 1, CITY OF AURORA, COUNTY OF ARAPAHOE COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the “Board”) of the Waterstone Metropolitan District No. 1 (the “District”) has authorized its treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2023; and

WHEREAS, the proposed 2024 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on September 29, 2023, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 a.m. on Friday, October 13, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, 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 WATERSTONE METROPOLITAN DISTRICT NO. 1, ARAPAHOE COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto, are accepted, and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2024 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$273,544.00 , and that the 2023 valuation for assessment, as certified by the Arapahoe County Assessor, is \$14,328,418.00. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 19.091 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 4. 2024 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$804,569.00 and that the 2023 valuation for assessment, as certified by the Arapahoe County Assessor, is \$14,328,418.00 . That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 56.152 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant, or manager for the District is hereby authorized and directed to certify to the Arapahoe County Board of County Commissioners, no later than December 15, 2023, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.


Section 6. 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.

Section 7. Budget Certification. That the Budget shall be certified by the Secretary/Treasurer of the District and made a part of the public records of the District.

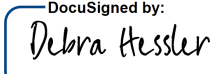
The foregoing Resolution was seconded by Director Hessler.

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 13, 2023.

WATERSTONE METROPOLITAN DISTRICT NO. 1

By: 
E204B2E6C3C84D1...
Kent Pedersen, President

ATTEST:


987811E3070C4EA
Debra Hessler, Secretary/Treasurer

STATE OF COLORADO
COUNTY OF ARAPAHOE
WATERSTONE METROPOLITAN DISTRICT NO. 1

I, Debra Hessler, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of the WATERSTONE METROPOLITAN DISTRICT NO. 1 (the “District”), and that the foregoing constitutes 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 of Directors of the District held at 10:00 a.m. on October 13, 2023, via videoconference: <https://us02web.zoom.us/j/83074990993?pwd=R2drZG0zWnBUaWQ3T3crMnRwa2cwZz09&from=addon>; Meeting ID: 830 7499 0993; Passcode: 846464; Telephone: 1 719 359 4580 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on October 13, 2023.

DocuSigned by:
Debra Hessler
987811E3070C4EA...
Debra Hessler, Secretary/Treasurer

EXHIBIT A
BUDGET DOCUMENT & BUDGET MESSAGE
WATERSTONE METROPOLITAN DISTRICT NO. 1
2024 BUDGET

WATERSTONE METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**WATERSTONE METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 3,110,694 | \$ 2,606,475 | \$ 2,342,771 |
| REVENUES | | | |
| Property taxes | 421,182 | 824,796 | 1,078,113 |
| Specific ownership taxes | 26,590 | 54,000 | 53,905 |
| Interest income | 43,167 | 104,000 | 67,000 |
| Developer advance | 5,890,098 | - | - |
| Bond issuance proceeds | 6,147,000 | - | - |
| Total revenues | <u>12,528,037</u> | <u>982,796</u> | <u>1,199,018</u> |
| Total funds available | <u>15,638,731</u> | <u>3,589,271</u> | <u>3,541,789</u> |
| EXPENDITURES | | | |
| General Fund | 60,840 | 283,000 | 321,094 |
| Debt Service Fund | 948,518 | 963,500 | 965,961 |
| Capital Projects Fund | 12,022,898 | - | - |
| Total expenditures | <u>13,032,256</u> | <u>1,246,500</u> | <u>1,287,055</u> |
| Total expenditures and transfers out requiring appropriation | <u>13,032,256</u> | <u>1,246,500</u> | <u>1,287,055</u> |
| ENDING FUND BALANCES | <u>\$ 2,606,475</u> | <u>\$ 2,342,771</u> | <u>\$ 2,254,734</u> |
| EMERGENCY RESERVE | \$ 3,500 | \$ 6,900 | \$ 8,700 |
| AVAILABLE FOR OPERATIONS | 104,300 | 45,178 | 11,505 |
| TOTAL RESERVE | <u>\$ 107,800</u> | <u>\$ 52,078</u> | <u>\$ 20,205</u> |

WATERSTONE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/26/24

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

ASSESSED VALUATION

| | | | |
|--------------------------|--------------|---------------|---------------|
| Residential | \$ 3,381,321 | \$ 7,028,565 | \$ 11,322,316 |
| Commercial | 59 | 361 | 1,385 |
| Agricultural | 18,796 | - | - |
| State assessed | 76,400 | 184,380 | 266,310 |
| Vacant land | 2,170,130 | 4,075,838 | 2,738,407 |
| | 5,646,706 | 11,289,144 | 14,328,418 |
| Certified Assessed Value | \$ 5,646,706 | \$ 11,289,144 | \$ 14,328,418 |

MILL LEVY

| | | | |
|-----------------|--------|--------|--------|
| General | 18.925 | 18.538 | 19.091 |
| Debt Service | 55.664 | 54.523 | 56.152 |
| Total mill levy | 74.589 | 73.061 | 75.243 |

PROPERTY TAXES

| | | | |
|-------------------------|------------|------------|--------------|
| General | \$ 106,854 | \$ 209,278 | \$ 273,544 |
| Debt Service | 314,328 | 615,518 | 804,569 |
| Levied property taxes | 421,182 | 824,796 | 1,078,113 |
| Budgeted property taxes | \$ 421,182 | \$ 824,796 | \$ 1,078,113 |

BUDGETED PROPERTY TAXES

| | | | |
|---------------------|-------------------|-------------------|---------------------|
| General | \$ 106,854 | \$ 209,278 | \$ 273,544 |
| Debt Service | 314,328 | 615,518 | 804,569 |
| | \$ 421,182 | \$ 824,796 | \$ 1,078,113 |

**WATERSTONE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|-------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ 40,035 | \$ 107,800 | \$ 52,078 |
| REVENUES | | | |
| Property taxes | 106,854 | 209,278 | 273,544 |
| Specific ownership taxes | 6,746 | 14,000 | 13,677 |
| Interest income | 805 | 4,000 | 2,000 |
| Developer advance | 14,200 | - | - |
| Total revenues | <u>128,605</u> | <u>227,278</u> | <u>289,221</u> |
| Total funds available | <u>168,640</u> | <u>335,078</u> | <u>341,299</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 19,718 | 20,000 | 25,000 |
| Auditing | 6,100 | 6,000 | 6,500 |
| County Treasurer's fee | 1,604 | 3,139 | 4,103 |
| Dues and membership | 348 | 1,000 | 1,000 |
| Insurance | 2,527 | 3,500 | 3,500 |
| Legal | 26,496 | 10,000 | 30,000 |
| Miscellaneous | 15 | - | - |
| Election | 1,534 | 2,000 | 2,000 |
| Contingency | - | 7,361 | 7,543 |
| Operations and maintenance | | | |
| Engineering | 2,498 | - | - |
| Transfer to HOA | - | 230,000 | 241,448 |
| Total expenditures | <u>60,840</u> | <u>283,000</u> | <u>321,094</u> |
| Total expenditures and transfers out requiring appropriation | <u>60,840</u> | <u>283,000</u> | <u>321,094</u> |
| ENDING FUND BALANCES | <u>\$ 107,800</u> | <u>\$ 52,078</u> | <u>\$ 20,205</u> |
| EMERGENCY RESERVE | \$ 3,500 | \$ 6,900 | \$ 8,700 |
| AVAILABLE FOR OPERATIONS | 104,300 | 45,178 | 11,505 |
| TOTAL RESERVE | <u>\$ 107,800</u> | <u>\$ 52,078</u> | <u>\$ 20,205</u> |

No assurance provided. See summary of significant assumptions.

**WATERSTONE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 3,070,659 | \$ 2,498,675 | \$ 2,290,693 |
| REVENUES | | | |
| Property taxes | 314,328 | 615,518 | 804,569 |
| Specific ownership taxes | 19,844 | 40,000 | 40,228 |
| Interest income | 42,362 | 100,000 | 65,000 |
| Total revenues | 376,534 | 755,518 | 909,797 |
| Total funds available | 3,447,193 | 3,254,193 | 3,200,490 |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 4,718 | 9,233 | 12,069 |
| Paying agent fees | 3,000 | 8,000 | 7,092 |
| Contingency | - | 5,467 | 6,000 |
| Debt Service | | | |
| Bond interest | 940,800 | 940,800 | 940,800 |
| Total expenditures | 948,518 | 963,500 | 965,961 |
| Total expenditures and transfers out requiring appropriation | 948,518 | 963,500 | 965,961 |
| ENDING FUND BALANCES | \$ 2,498,675 | \$ 2,290,693 | \$ 2,234,529 |

**WATERSTONE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Bond issuance proceeds | 6,147,000 | - | - |
| Developer advance | 5,875,898 | - | - |
| Total revenues | 12,022,898 | - | - |
| Total funds available | 12,022,898 | - | - |
| EXPENDITURES | | | |
| General and Administrative | | | |
| Capital Projects | | | |
| Repay developer advance | 5,875,898 | - | - |
| Repay developer advance - Interest | 85,680 | - | - |
| Bond issue costs | 185,422 | - | - |
| Capital outlay | 5,875,898 | - | - |
| Total expenditures | 12,022,898 | - | - |
| Total expenditures and transfers out requiring appropriation | 12,022,898 | - | - |
| ENDING FUND BALANCES | \$ - | \$ - | \$ - |

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____
(taxing entity)^A
the _____
(governing body)^B
of the _____
(local government)^C

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

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

Submitted: _____ for budget/fiscal year _____
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

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

Contact person: _____ Phone: (303) 779-5710
Signed:  Title: District Accountant

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

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

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

CERTIFICATION OF TAX LEVIES, continued

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

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

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

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



PK Kaiser, MBA, MS

Assessor

December 6, 2023

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4600
TDD: Relay-711
Fax:303-797-1295
www.arapahoegov.com/assessor
assessor@arapahoegov.com

AUTH 4752 WATERSTONE METRO DIST #1
C/O JASON CARROLL
1641 CALIFORNIA ST SUITE 300
DENVER CO 80202

Code # 4752

CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2023 of:

\$14,328,418

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

enc

CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: December 6, 2023

NAME OF TAX ENTITY: WATERSTONE METRO DIST #1

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

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

| | | | |
|---|-----|----|------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 1. | \$ | 11,289,144 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡ | 2. | \$ | 14,328,418 |
| 3. LESS TOTAL TIF AREA INCREMENTS, IF ANY: | 3. | \$ | 0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 4. | \$ | 14,328,418 |
| 5. NEW CONSTRUCTION: * | 5. | \$ | 2,875,541 |
| 6. INCREASED PRODUCTION OF PRODUCING MINE: ≈ | 6. | \$ | 0 |
| 7. ANNEXATIONS/INCLUSIONS: | 7. | \$ | 0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈ | 8. | \$ | 0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Ⓞ | 9. | \$ | 0 |
| 10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified: | 10. | \$ | 0 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | 11. | \$ | 0 |

‡ This value reflects personal property exemptions 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 the 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 DLG 52 & 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 2023:

| | | | |
|--|----|----|-------------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ | 1. | \$ | 178,813,556 |
| ADDITIONS TO TAXABLE REAL PROPERTY | | | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 2. | \$ | 42,918,515 |
| 3. ANNEXATIONS/INCLUSIONS: | 3. | \$ | 0 |
| 4. INCREASED MINING PRODUCTION: § | 4. | \$ | 0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | 5. | \$ | 0 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | 6. | \$ | 0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7. | \$ | 0 |

DELETIONS FROM TAXABLE REAL PROPERTY

| | | | |
|---|-----|----|---|
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 8. | \$ | 0 |
| 9. DISCONNECTIONS/EXCLUSIONS: | 9. | \$ | 0 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | 10. | \$ | 0 |

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

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

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

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

| | | | |
|---|----|----|---|
| 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY | 1. | \$ | 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 due 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.

**WATERSTONE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Waterstone Metropolitan District No. 1 (the "District") was formed under a Service Plan approved by the City of Aurora, Arapahoe County, Colorado (the "City"), on August 1, 2005. The primary purpose of the District will be to provide for the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the public improvements as listed below. The District shall not be authorized to design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities, television relay and translation, nor golf courses without the City's approval of a Service Plan Amendment. The District was organized by Arapahoe County Court Order on January 26, 2006.

At an election held on November 1, 2005, the voters approved general indebtedness \$75,000,000 at a maximum interest rate of 18% for each of the following improvements and services: streets, water supply, sanitary sewer, parks and recreation facilities, mosquito control, fire protection/medical emergency services, television relay and translation, public transportation, traffic and safety controls, debt refunding and intergovernmental contracts. The election authorized indebtedness of \$5,000,000 for operations and maintenance. The voters also approved an annual increase in taxes of up to \$615,000,000 for obligations under one or more agreements concerning the provision of public improvements between the District and a regional authority, the City, or one or more other governmental units. Additionally, the voters approved an increase in taxes of \$5,000,000 annually, or by such lesser annual amount as may be necessary to pay the District's operations, maintenance, and other expenses.

Pursuant to the Districts' Service Plan filed with the City, the maximum debt mill levy for an aggregate district's debt shall be 50 mills less the number of mills necessary to pay unlimited Mill Levy Debt, which can be adjusted for changes in the method of calculating assessed valuation after January 1, 2004. The portion of aggregate District's Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation the Mill Levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$50,000,000. The maximum debt mill levy as of December 31, 2019 was 55.664 mills.

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

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

WATERSTONE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

Property Taxes

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%

Expenditures

Administrative Expenditures

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

Transfer to HOA

The District plans on transferring \$241,448 to the HOA to assist with landscape maintenance.

Debt Service

The principal and interest payments are provided based on the debt amortization schedules from the General Obligation Bonds, Series 2020A (discussed under Debt and Leases).

Capital Outlay

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

**WATERSTONE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Senior Bond Proceeds

The District issued its Series 2020A Bonds on May 7, 2020, in the par amount of \$15,680,000. Proceeds from the sale of the Bonds were used to: (a) finance public improvements; (b) pay capitalized interest on the Bonds; (c) fund an Initial Deposit to the Surplus Fund; and (d) pay costs of issuance of the Bonds.

The Bonds bear interest at 6.000% per annum and are payable semiannually on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2028. The Bonds mature on December 1, 2049.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the Bond. In the event that any amount of principal of or interest on the Bonds remains unpaid after the application of available Pledged Revenue on December 1, 2060, such unpaid amounts shall be deemed discharged.

The Bonds are secured by Pledged Revenue which means: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; (c) all Capital Fees; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

“Property Tax Revenues” means all moneys derived from imposition by the District of the Required Mill Levy. Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County and do not include specific ownership tax revenues.

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

“Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District. Capital Fees does not include any fee imposed solely for the purpose of funding operations and maintenance expenses. The District does not currently impose Capital Fees.

The District is required to impose a Required Mill Levy upon all taxable property of the District each year in an amount that generates Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Bonds when due (less any amounts then on deposit in the Bond Fund and, solely as provided in the Indenture, the Surplus Fund), but not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2004).

For so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Required Mill Levy shall be equal to 50 mills (subject to adjustment), or such lesser amount that will generate Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Bonds when due and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Bond Fund and the Surplus Fund, will pay the Bonds in full in the year such levy is collected.

**WATERSTONE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

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

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|-------------------------------|---------------------------|
| June 1, 2025, to May 31, 2026 | 3.00% |
| June 1, 2026, to May 31, 2027 | 2.00 |
| June 1, 2027, to May 31, 2028 | 1.00 |
| June 1, 2028, and thereafter | 0.00 |

The Bonds are additionally secured by capitalized interest which was funded from proceeds of the Bonds in the amount of \$2,822,400 and by amounts, if any, in the Surplus Fund.

Except for the Initial Deposit from proceeds of the Bonds in the amount of \$1,568,000, Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$3,136,000. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Bonds are to be applied to the payment of the Bonds. The availability of such amount shall be taken into account in calculating the Required Mill Levy required to be imposed in the levy year prior to the year of final maturity of the Bonds.

Subordinate Bond Proceeds

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2022B on March 24, 2022, in the par amount of \$8,405,000 (the Subordinate Bonds). Proceeds from the sale of the Subordinate Bonds were used for the purpose of paying amounts due or that may become due to the Developer under the Acquisition and Reimbursement Agreement (representing the costs of financing or refinancing Facilities and, at the election of the District, the costs of issuing the Bonds).

The District has no operating or capital leases.

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

**WATERSTONE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

| | Balance - December 31, 2022 | Additions | Retirements/ Reductions | Balance - December 31, 2023 |
|--|-----------------------------------|------------------|----------------------------|-----------------------------------|
| Developer Advances | \$ 174,403 | \$ - | \$ - | \$ 174,403 |
| Accrued Interest - Developer Advances | 39,090 | 14,146 | - | \$ 53,236 |
| Total | <u>\$ 213,493</u> | <u>\$ 14,146</u> | <u>\$ -</u> | <u>\$ 227,639</u> |
| | Balance - December 31, 2023 | Additions | Retirements/ Reductions | Balance - December 31, 2024 |
| Developer Advances | \$ 174,403 | \$ - | \$ - | \$ 174,403 |
| Accrued Interest - Developer Advances | 53,236 | 14,185 | - | 67,421 |
| Total | <u>\$ 227,639</u> | <u>\$ 14,185</u> | <u>\$ -</u> | <u>\$ 241,824</u> |

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

**WATERSTONE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

\$15,680,000 General Obligation Limited Tax Bonds
Series 2020A Senior Bond Issue, Dated May 7, 2020
Interest Rate 6.000%

| <u>Year Ended December 31,</u> | <u>Interest Payable June 1 and December 1</u> | | |
|------------------------------------|---|----------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | \$ - | \$ 940,800 | \$ 940,800 |
| 2025 | - | 940,800 | 940,800 |
| 2026 | - | 940,800 | 940,800 |
| 2027 | - | 940,800 | 940,800 |
| 2028 | 55,000 | 940,800 | 995,800 |
| 2029 | 55,000 | 937,500 | 992,500 |
| 2030 | 120,000 | 934,200 | 1,054,200 |
| 2031 | 125,000 | 927,000 | 1,052,000 |
| 2032 | 195,000 | 919,500 | 1,114,500 |
| 2033 | 210,000 | 907,800 | 1,117,800 |
| 2034 | 290,000 | 895,200 | 1,185,200 |
| 2035 | 305,000 | 877,800 | 1,182,800 |
| 2036 | 395,000 | 859,500 | 1,254,500 |
| 2037 | 420,000 | 835,800 | 1,255,800 |
| 2038 | 520,000 | 810,600 | 1,330,600 |
| 2039 | 550,000 | 779,400 | 1,329,400 |
| 2040 | 665,000 | 746,400 | 1,411,400 |
| 2041 | 705,000 | 706,500 | 1,411,500 |
| 2042 | 835,000 | 664,200 | 1,499,200 |
| 2043 | 885,000 | 614,100 | 1,499,100 |
| 2044 | 1,025,000 | 561,000 | 1,586,000 |
| 2045 | 1,085,000 | 499,500 | 1,584,500 |
| 2046 | 1,250,000 | 434,400 | 1,684,400 |
| 2047 | 1,325,000 | 359,400 | 1,684,400 |
| 2048 | 1,505,000 | 279,900 | 1,784,900 |
| 2049 | 3,160,000 | 189,600 | 3,349,600 |
| Total | <u>\$ 15,680,000</u> | <u>\$ 19,443,300</u> | <u>\$ 35,123,300</u> |

**RESOLUTION TO AMEND 2023 BUDGET
WATERSTONE METROPOLITAN DISTRICT NO. 1**

WHEREAS, the Board of Directors of WATERSTONE METROPOLITAN DISTRICT NO. 1 (the "District") certifies that at a special meeting of the Board of Directors of the District held on October 13, 2023 at 2:00 p.m.

<https://us02web.zoom.us/j/83074990993?pwd=R2drZG0zWnBUaWQ3T3crMnRwa2cwZz09&from=add> on Meeting ID: 830 7499 0993; Passcode: 846464; Telephone: 1 719 359 4580, regarding an amendment to the 2023 budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for the fiscal year 2023 as follows:

| | |
|--------------|---------------------|
| General Fund | <u>\$310,078.00</u> |
|--------------|---------------------|

WHEREAS, the necessity has arisen for appropriation and expenditure of funds from the General Fund in excess of those appropriated for fiscal year 2023, as reflected by satisfactory evidence presented to the Board of Directors at this meeting.

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of the adoption of the budget.

WHEREAS, funds are available for the additional expenditures.

WHEREAS, upon due and proper notice, published and/or posted in accordance with law, the proposed budget amendment was available for inspection by the public at a designated public office, a hearing was held on October 13, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

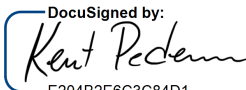
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District shall and hereby does amend the adopted budget for fiscal year 2023, as follows:

| | |
|--------------|---------------------|
| General Fund | <u>\$315,000.00</u> |
|--------------|---------------------|

BE IT FURTHER RESOLVED that such sums are hereby appropriated from the revenues of the District to the General Fund for the purposed stated.

ADOPTED AND APPROVED ON October 13, 2023.

WATERSTONE METROPOLITAN DISTRICT NO. 1

DocuSigned by:

E204B2E6C3684D1...
Kent Pedersen, President

STATE OF COLORADO

COUNTY OF ARAPAHOE

WATERSTONE METROPOLITAN DISTRICT NO. 1

I, Debra Hessler, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of the WATERSTONE METROPOLITAN DISTRICT NO. 1 (the "District"), and that the foregoing constitutes 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 of Directors of the District held October 13, 2023 at 2:00 p.m. via zoom: <https://us02web.zoom.us/j/83074990993?pwd=R2drZG0zWnBUaWQ3T3crMnRwa2cwZz09&from=addon> Meeting ID: 830 7499 0993; Passcode: 846464; Telephone: 1 719 359 4580 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for the amended budget for fiscal year 2023 that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 13th day of October, 2023.

DocuSigned by:
Debra Hessler
By: _____
987811F3670G4EA...

Debra Hessler, Secretary/Treasurer