

**WATERSTONE METROPOLITAN  
DISTRICT NO. 1  
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**


**YEAR ENDED DECEMBER 31, 2022**


**WATERSTONE METROPOLITAN DISTRICT NO. 1  
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## Independent Auditor's Report

Members of the Board of Directors  
Waterstone Metropolitan District No. 1

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Waterstone Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2022, 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 Waterstone Metropolitan District No. 1, as of December 31, 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Waterstone Metropolitan District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Waterstone Metropolitan District No. 1's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Waterstone Metropolitan District No. 1'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 Waterstone Metropolitan District No. 1'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.

#### **Other Matters**

##### *Required Supplementary Information*

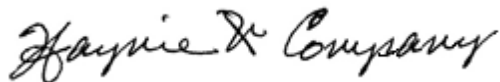
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 opinion on the basic financial statements is not affected by this missing information.

##### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Waterstone Metropolitan District No. 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Other Information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Littleton, Colorado  
September 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 109,361
Cash and Investments - Restricted	2,500,709
Receivable - County Treasurer	1,964
Property Taxes Receivable	824,796
Prepaid Expenses	2,571
Capital Assets, Not Being Depreciated	16,626,877
Total Assets	20,066,278
<b>LIABILITIES</b>	
Accounts Payable	8,130
Accrued Interest Payable	78,400
Noncurrent Liabilities:	
Due in More Than One Year	22,040,493
Total Liabilities	22,127,023
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenues	824,796
Total Deferred Inflows of Resources	824,796
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	3,500
Unrestricted	(2,889,041)
Total Net Position	\$ (2,885,541)

See accompanying Notes to Basic Financial Statements.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 246,262	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	1,047,814	-	-	-	
Total Governmental Activities	\$ 1,294,076	\$ -	\$ -	\$ -	
<b>GENERAL REVENUES</b>					
Property Taxes				421,182	
Specific Ownership Taxes				26,590	
Net Investment Income				43,167	
Total General Revenues				490,939	
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year				(2,082,404)	
<b>NET POSITION - END OF YEAR</b>					
				\$ (2,885,541)	

See accompanying Notes to Basic Financial Statements.

**WATERSTONE METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

<b>ASSETS</b>	General	Debt Service	Capital Projects	Total Governmental Fund
Cash and Investments	\$ 109,361	\$ -	\$ -	\$ 109,361
Cash and Investments - Restricted	3,500	2,497,209	-	2,500,709
Prepaid Insurance	2,571	-	-	2,571
Receivable - County Treasurer	498	1,466	-	1,964
Property Taxes Receivable	209,278	615,518	-	824,796
Total Assets	\$ 325,208	\$ 3,114,193	\$ -	\$ 3,439,401
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,130	\$ -	\$ -	\$ 8,130
Total Liabilities	8,130	-	-	8,130
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes	209,278	615,518	-	824,796
Total Deferred Inflows of Resources	209,278	615,518	-	824,796
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	2,571	-	-	2,571
Restricted for:				
Emergency Reserves	3,500	-	-	3,500
Debt Service	-	2,498,675	-	2,498,675
Unassigned	101,729	-	-	101,729
Total Fund Balances	107,800	2,498,675	-	2,606,475
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 325,208	\$ 3,114,193	\$ -	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Not Being Depreciated

16,626,877

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

Bonds Payable

(21,827,000)

Accrued Interest on Bonds Payable

(78,400)

Developer Advance Payable

(174,403)

Accrued Interest on Developer Advance

(39,090)

Net Position of Governmental Activities

\$ (2,885,541)

See accompanying Notes to Basic Financial Statements.



**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Fund
<b>REVENUES</b>				
Property Taxes	\$ 106,854	\$ 314,328	\$ -	\$ 421,182
Specific Ownership Taxes	6,746	19,844	-	26,590
Net Investment Income	805	42,362	-	43,167
Bond issuance	-	-	6,147,000	6,147,000
Total Revenues	<u>114,405</u>	<u>376,534</u>	<u>6,147,000</u>	<u>6,637,939</u>
<b>EXPENDITURES</b>				
General:				
Accounting	19,718	-	-	19,718
Audit	6,100	-	-	6,100
County Treasurer's Fees	1,604	4,718	-	6,322
Dues and Licenses	348	-	-	348
Election Expense	1,534	-	-	1,534
Engineering	2,498	-	-	2,498
Insurance	2,527	-	-	2,527
Legal Services	26,496	-	-	26,496
Miscellaneous	15	-	-	15
Debt Service:				
Bond Interest - Series 2020A	-	940,800	-	940,800
Paying Agent Fee	-	3,000	-	3,000
Capital Projects:				
Capital Outlay	-	-	5,875,898	5,875,898
Bond Issue Costs	-	-	185,422	185,422
Total Expenditures	<u>60,840</u>	<u>948,518</u>	<u>6,061,320</u>	<u>7,070,678</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	53,565	(571,984)	85,680	(432,739)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	14,200	-	5,875,898	5,890,098
Repay Developer Advance	-	-	(5,875,898)	(5,875,898)
Repay Developer Advance - Interest	-	-	(85,680)	(85,680)
Total Other Financing Sources (Uses)	<u>14,200</u>	<u>-</u>	<u>(85,680)</u>	<u>(71,480)</u>
<b>NET CHANGE IN FUND BALANCES</b>	67,765	(571,984)	-	(504,219)
Fund Balances - Beginning of Year	<u>40,035</u>	<u>3,070,659</u>	<u>-</u>	<u>3,110,694</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 107,800</u>	<u>\$ 2,498,675</u>	<u>\$ -</u>	<u>\$ 2,606,475</u>

See accompanying Notes to Basic Financial Statements.

**WATERSTONE METROPOLITAN DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (504,219)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay - Current Year 5,875,898

The issuance of long-term debt (e.g., Loans, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Bonds Payable (6,147,000)  
Developer Advances (5,890,098)  
Repayment of Developer Advance 5,875,898

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

Accrued Interest on Developer Advance (13,616)

Change in Net Position of Governmental Activities \$ (803,137)

**WATERSTONE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 106,864	\$ 106,854	\$ (10)
Specific Ownership Taxes	7,480	6,746	(734)
Net Investment Income	50	805	755
Total Revenues	<u>114,394</u>	<u>114,405</u>	<u>11</u>
<b>EXPENDITURES</b>			
Accounting	30,000	19,718	10,282
Auditing	6,000	6,100	(100)
County Treasurer's Fees	1,603	1,604	(1)
Contingency	6,647	-	6,647
Dues and Licenses	750	348	402
Engineering	-	2,498	(2,498)
Election Expense	1,500	1,534	(34)
Insurance	3,500	2,527	973
Legal Services	25,000	26,496	(1,496)
Miscellaneous	-	15	(15)
Transfer to HOA	26,000	-	26,000
Total Expenditures	<u>101,000</u>	<u>60,840</u>	<u>40,160</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	13,394	53,565	40,171
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	-	14,200	14,200
Total Other Financing Sources (Uses)	<u>-</u>	<u>14,200</u>	<u>14,200</u>
<b>NET CHANGE IN FUND BALANCE</b>	13,394	67,765	54,371
Fund Balance - Beginning of Year	<u>37,870</u>	<u>40,035</u>	<u>2,165</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 51,264</u>	<u>\$ 107,800</u>	<u>\$ 56,536</u>

See accompanying Notes to Basic Financial Statements.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Waterstone Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court in and for Arapahoe County, Colorado on November 23, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

At a special election of the eligible electors of the District on November 4, 2014, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the acquisition, construction, installation, and completion of certain public improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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 as general revenues.

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

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

The District amended its annual budget for the year ending December 31, 2022.

**Pooled Cash and Investments**

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

**Property Taxes**

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity**

**Net Position**

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

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

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 109,361
Cash and Investments - Restricted	2,500,709
Total Cash and Investments	<u>\$ 2,610,070</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 65,096
Investments	2,544,974
Total Cash and Investments	<u>\$ 2,610,070</u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank balance and carrying balance of \$65,096.

**Investments**

The District has adopted an investment policy by which it follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.



**WATERSTONE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities of the World Bank
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2022, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 2,544,974

**CSAFE**

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

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

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

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE (Continued)**

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

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in property for the period ended December 31, 2022, follows:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022
Governmental Type Activities: Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 10,750,979	\$ 5,875,898	\$ -	\$ 16,626,877
Total Capital Assets, Not Being Depreciated	<u>\$ 10,750,979</u>	<u>\$ 5,875,898</u>	<u>\$ -</u>	<u>\$ 16,626,877</u>

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Limited Tax General Obligation Bonds:					
Series 2020A	\$ 15,680,000	\$ -	\$ -	\$ 15,680,000	\$ -
Series 2022A	-	6,147,000	-	6,147,000	-
Total Bonds Payable	15,680,000	6,147,000	-	21,827,000	-
Other Debts:					
Developer Advances:					
Operational	160,203	14,200	-	174,403	-
Capital	-	5,875,898	5,875,898	-	-
Accrued Interest on Developer Advances:					
Operational	25,474	13,616	-	39,090	-
Total	<u>\$ 15,865,677</u>	<u>\$ 12,050,714</u>	<u>\$ 5,875,898</u>	<u>\$ 22,040,493</u>	<u>\$ -</u>

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

The details of the District's general obligation bonds outstanding during 2022, are as follows:

**Bond Proceeds**

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A on May 7, 2020, in the par amount of \$15,680,000 (the Senior Bonds). Proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the Development; (ii) fund capitalized interest on the Senior Bonds; (iii) partially fund the Senior Surplus Fund; and (iv) pay the costs of issuance of the Senior Bonds.

**Senior Bonds Details**

The Senior Bonds bear interest at 6.0%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1 (Interest Payment Dates), beginning on June 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 Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the Senior Bonds. Any amount of unpaid principal of or interest on the 2020A Senior Bonds shall be deemed discharged on December 2, 2060.

**Senior Pledged Revenue**

The Senior Bonds are secured by and payable from the Senior Pledged Revenue, which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

**Senior Required Mill Levy**

Pursuant to the Senior Indenture, prior to the Conversion Date the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017), and (ii) for so long as the Senior Surplus Fund is required to be maintained and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Senior Required Mill Levy (Continued)**

On and after the Conversion Date, the Senior Required Mill Levy will be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and, without limitation of rate and in amounts sufficient to make such payments and replenishments when due. Conversion Date means the date that the Debt to Assessed Ratio is 50% or less and no payments of principal or interest on the Bonds are past due and the amount on deposit in the Senior Surplus Fund is not less than the initial deposit in the Senior Surplus Fund.

**Event of Defaults**

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default under the Indenture except as follows:

- (a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;
- (b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof pursuant to the Indenture; or
- (c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

**Senior Bonds Optional Redemption**

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on March 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 28, 2026	3.00%
June 1, 2026 to May 28, 2027	2.00%
June 1, 2027 to May 28, 2028	1.00%
June 1, 2028 and thereafter	0.00%

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Senior Bonds Optional Redemption (Continued)**

The outstanding principal and interest of the Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 940,800	\$ 940,800
2024	-	940,800	940,800
2025	-	940,800	940,800
2026	-	940,800	940,800
2027	-	940,800	940,800
2028 - 2032	355,000	4,659,000	5,014,000
2033 - 2037	1,395,000	4,376,100	5,771,100
2038 - 2042	2,860,000	3,707,100	6,567,100
2043 - 2047	5,080,000	2,468,400	7,548,400
2048 - 2049	5,990,000	469,500	6,459,500
Total	<u>\$ 15,680,000</u>	<u>\$ 20,384,100</u>	<u>\$ 36,064,100</u>

The annual debt service requirements on the Subordinate Bonds are not included in the schedule above since they are payable only from available Subordinate Pledged Revenue.

**Authorized Debt**

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized November 1, 2005 Election</u>	<u>Authorization Used Series 2020</u>	<u>Authorization Used Series 2022</u>	<u>Remaining at December 31, 2022</u>
Public Improvements	\$ 675,000,000	\$ 15,680,000	\$ 6,147,000	\$ 653,173,000
Operations and Maintenance	75,000,000	-	-	75,000,000
Refunding	75,000,000	-	-	75,000,000
Total	<u>\$ 825,000,000</u>	<u>\$ 15,680,000</u>	<u>\$ 6,147,000</u>	<u>\$ 803,173,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$50,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**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).

**Subordinate Bonds Details**

The Subordinate Bonds bear interest at 5.0%, payable to the extent Subordinate Pledged Revenue (defined below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above, less any prior redemptions theretofore made after the date of delivery of this Bond. In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360 day year of twelve 30 day months) from the date of delivery of this Bond, at the interest rate per annum specified above, payable annually on December 15 each year, commencing on the first December 15 after the date of delivery of this Bond, until the principal amount is paid at maturity or upon prior redemption. To the extent principal of this Bond is not paid when due, such principal shall remain Outstanding until paid; subject to the immediately succeeding paragraph. To the extent interest on this Bond is not paid when due, such interest shall compound annually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein or in the Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of this Bond, including all payments of principal and interest, and this Bond will be deemed defeased and no longer Outstanding upon the payment by the District of such amount. It shall not be required to impose the Subordinate Required Mill Levy for payment after December 2059. Furthermore, Pursuant to the Indenture, in the event that any amount of Principal of or Interest on the Bond remains unpaid after the application of all Subordinate Pledged Revenue available therefor, on December 15, 2060, the Bonds and the Lien of Indenture securing payment therefor shall be deemed discharged. In such event the owners will have no recourse to the District or any property of the District for the payment of any amount of Principal of or Interest on the Bond remaining unpaid.

**WATERSTONE METROPOLITAN DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Subordinate Required Mill Levy**

Pursuant to the Subordinate Indenture, means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount equal to (i) 50 mills less the Senior Obligation Mill Levy, or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Bonds in full in the year such levy is collected; provided however, that: (a) in the event that the method of calculating assessed valuation is changed after January 1, 2004, the mill levy of 50 mills (less the Senior Obligation Mill Levy) provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by 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. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation; and (b) notwithstanding anything herein to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

**NOTE 6 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 3,500
Total Restricted Net Position	\$ 3,500

The District has a deficit in unrestricted net position. This deficit is primarily due to interest paid on debts to date, and operating expenses paid by advances from Developer.

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 RELATED PARTIES**

The property within the District is being developed by Lennar Colorado, LLC During 2022, all of the members of the Board of Directors were officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District.

**Advance and Reimbursement Agreement (Operations and Maintenance)**

The District and the Developer entered into a Funding and Reimbursement Agreement on September 6, 2018 for the purposes of funding operations and maintenance costs. With respect to each loan advance made under this agreement prior to the issuance of any Reimbursement Obligation reflecting such advance, the interest rate shall be 8% per annum, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount.

As of December 31, 2022, outstanding advances under this agreement totaled \$174,403 and accrued interest totaled \$39,090.

**Amended and Restated Infrastructure Acquisition Reimbursement Agreement**

The District and the Developer entered into a Public Improvement Acquisition and Reimbursement Agreement on November 11, 2019. Pursuant to the agreement, the District and the Developer acknowledge that the District is authorized to construct, acquire, and install public improvements, and other facilities and services that benefit the Property, subject to the limitations set forth in the Service Plan.

The Parties agreed that only completed phases of work shall be eligible for reimbursement by the District. The District agrees to reimburse the Developer for certified construction costs related to improvements together within simple interest that shall accrue on amounts reimbursable to the Developer under this Agreement, until paid, at the rate of seven percent (7%) per annum.



**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATION**

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

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

On November 6, 2018, the District's voters approved for an annual increase in taxes of \$1,000,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

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.

This District's management voted to approve a TABOR exemption for non-ad valorem tax revenues. 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.

## **SUPPLEMENTARY INFORMATION**

**WATERSTONE METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 314,318	\$ 314,328	\$ 10
Specific Ownership Taxes	22,002	19,844	(2,158)
Net Investment Income	100	42,362	42,262
Total Revenues	<u>336,420</u>	<u>376,534</u>	<u>40,114</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	4,715	4,718	(3)
Contingency	4,985	-	4,985
Bond Interest	940,800	940,800	-
Paying Agent Fees	4,500	3,000	1,500
Total Expenditures	<u>955,000</u>	<u>948,518</u>	<u>6,482</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(618,580)	(571,984)	46,596
Fund Balance - Beginning of Year	<u>3,069,697</u>	<u>3,070,659</u>	<u>3,070,659</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 2,451,117</u></u>	<u><u>\$ 2,498,675</u></u>	<u><u>\$ 3,117,255</u></u>

**WATERSTONE METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Bond Issuance	\$ -	\$ 6,147,000	\$ 6,147,000	\$ -
Total Revenues	-	6,147,000	6,147,000	-
<b>EXPENDITURES</b>				
Bond Issue Costs	-	185,422	185,422	-
Capital Outlay	-	5,875,898	5,875,898	-
Total Expenditures	-	6,061,320	6,061,320	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	85,680	85,680	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	-	5,875,898	5,875,898	-
Repay Developer Advance - Principal	-	(5,875,898)	(5,875,898)	-
Repay Developer Advance - Interest	-	(85,680)	(85,680)	-
Total Other Financing Sources (Uses)	-	(85,680)	(85,680)	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **OTHER INFORMATION**

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2022**

<u>Year Ended</u> <u>December 31,</u>	\$15,680,000 General Obligation Limited Tax Bonds Series 2020A Senior Bond Issue, Dated May 7, 2020 Interest Rate 6.000%		
	<u>Interest Payable June 1 and December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 940,800	\$ 940,800
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>\$ 20,384,100</u>	<u>\$ 36,064,100</u>

**WATERSTONE METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2019	\$ 145	74.062	0.000	\$ 11	\$ 11	100.00 %
2020	2,868,651	74.580	0.000	213,944	174,736	81.67
2021	2,581,388	18.925	55.664	192,543	192,543	100.00
2022	5,646,706	18.925	55.664	421,182	421,182	100.00
Estimated for the						
Year Ending						
<u>December 31,</u>						
2023	\$ 11,289,144	18.538	54.523	\$ 824,796		