

**LAMBERTSON LAKES
METROPOLITAN DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**LAMBERTSON LAKES METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**


INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	19
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	21
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	22



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

Independent Auditor's Report

Members of the Board of Directors

Lambertson Lakes Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lambertson Lakes Metropolitan 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 funds of Lambertson Lakes Metropolitan District, as of December 31, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Lambertson Lakes Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Lambertson Lakes Metropolitan District'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.



An independently owned member
RSM US Alliance



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 Lambertson Lakes Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lambertson Lakes Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

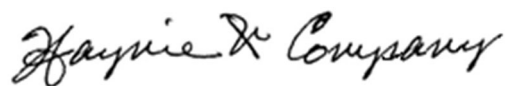
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 Lambertson Lakes Metropolitan District'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
May 25, 2023

BASIC FINANCIAL STATEMENTS

**LAMBERTSON LAKES METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 329,334
Cash and Investments - Restricted	242,759
Receivable from County Treasurer	5,406
Prepaid Expenses	2,900
Property Taxes Receivable	882,480
Total Assets	1,462,879
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Loan Refunding	154,541
Total Deferred Outflows of Resources	154,541
LIABILITIES	
Accounts Payable	12,590
Accrued Interest Payable - Loan	4,278
Long-Term Liabilities:	
Due Within One Year	330,000
Due in More Than One Year	1,877,139
Total Liabilities	2,224,007
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	882,480
Total Deferred Inflows of Resources	882,480
NET POSITION	
Restricted for:	
Emergency Reserves	3,000
Debt Service	240,391
Unrestricted	(1,732,458)
Total Net Position	\$ (1,489,067)

See accompanying Notes to Basic Financial Statements.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 42,916	\$ -	\$ -	\$ -	\$ (42,916)
Interest and Related Costs on Long-Term Debt	114,177	-	-	-	(114,177)
Total Governmental Activities	\$ 157,093	\$ -	\$ -	\$ -	(157,093)
GENERAL REVENUES					
Property Taxes					917,713
Specific Ownership Taxes					67,236
Net Investment Income					21,276
Total General Revenues					1,006,225
CHANGE IN NET POSITION					849,132
Net Position - Beginning of Year					(2,338,199)
NET POSITION - END OF YEAR					\$ (1,489,067)

See accompanying Notes to Basic Financial Statements.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 329,334	\$ -	\$ 329,334
Cash and Investments - Restricted	3,000	239,759	242,759
Receivable from County Treasurer	496	4,910	5,406
Prepaid Expenses	2,900	-	2,900
Property Taxes Receivable	80,894	801,586	882,480
Total Assets	\$ 416,624	\$ 1,046,255	\$ 1,462,879
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 12,590	\$ -	\$ 12,590
Total Liabilities	12,590	-	12,590
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	80,894	801,586	882,480
Total Deferred Inflows of Resources	80,894	801,586	882,480
FUND BALANCES			
Nonspendable:			
Prepaid Amounts	2,900	-	2,900
Restricted for:			
Emergency Reserves	3,000	-	3,000
Debt Service	-	244,669	244,669
Assigned to:			
Subsequent Year's Expenditures	169,443	-	169,443
Unassigned:			
General Government	147,797	-	147,797
Total Fund Balances	323,140	244,669	567,809
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 416,624	\$ 1,046,255	

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

Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Cost of Loan Refunding	154,541
------------------------	---------

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

Loan Interest Payable	(4,278)
Loan Payable	(2,050,000)
Developer Advance Interest Payable	(157,139)

Net Position of Governmental Activities	\$ (1,489,067)
---	----------------

See accompanying Notes to Basic Financial Statements.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 84,154	\$ 833,559	\$ 917,713
Specific Ownership Taxes	6,166	61,070	67,236
Net Investment Income	8,254	13,022	21,276
Total Revenues	<u>98,574</u>	<u>907,651</u>	<u>1,006,225</u>
EXPENDITURES			
Current:			
Accounting	17,112	-	17,112
Audit	5,400	-	5,400
County Treasurer's Fees	1,262	12,508	13,770
Directors' Fees	300	-	300
Dues and Membership	305	-	305
Election Expense	3,164	-	3,164
Insurance	3,123	-	3,123
Legal	12,212	-	12,212
Miscellaneous	38	-	38
Debt Service:			
Loan Principal - Series 2016	-	320,000	320,000
Loan Interest - Series 2016	-	74,378	74,378
Early Principal Redemption Series 2016	-	600,000	600,000
Total Expenditures	<u>42,916</u>	<u>1,006,886</u>	<u>1,049,802</u>
NET CHANGE IN FUND BALANCES	55,658	(99,235)	(43,577)
Fund Balances - Beginning of Year	<u>267,482</u>	<u>343,904</u>	<u>611,386</u>
FUND BALANCES - END OF YEAR	<u>\$ 323,140</u>	<u>\$ 244,669</u>	<u>\$ 567,809</u>

See accompanying Notes to Basic Financial Statements.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS 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 - Governmental Funds	\$ (43,577)
--	-------------

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

The issuance of long-term debt (e.g., bonds) 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 report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Loan Principal Payment - Series 2016	920,000
--------------------------------------	---------

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 the governmental funds.

Amortization on Cost of Loan Refunding - Series 2016	(29,211)
Accrued Interest Payable - Loan - Change in Liability	1,920

Change in Net Position of Governmental Activities	\$ 849,132
---	------------

**LAMBERTSON LAKES METROPOLITAN DISTRICT
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)
REVENUES			
Property Taxes	\$ 84,124	\$ 84,154	\$ 30
Specific Ownership Taxes	5,889	6,166	277
Net Investment Income	250	8,254	8,004
Total Revenues	90,263	98,574	8,311
EXPENDITURES			
Current:			
Accounting	18,000	17,112	888
Audit	5,400	5,400	-
Contingency	5,538	-	5,538
County Treasurer's Fees	1,262	1,262	-
Directors' Fees	600	300	300
Dues and Membership	500	305	195
Election Expense	2,000	3,164	(1,164)
Insurance	3,500	3,123	377
Legal	18,000	12,212	5,788
Miscellaneous	200	38	162
Total Expenditures	55,000	42,916	12,084
NET CHANGE IN FUND BALANCE	35,263	55,658	20,395
Fund Balance - Beginning of Year	260,774	267,482	6,708
FUND BALANCE - END OF YEAR	\$ 296,037	\$ 323,140	\$ 27,103

See accompanying Notes to Basic Financial Statements.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Lambertson Lakes Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized on November 28, 2000, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado, entirely within the city of Thornton. The District was established to provide financing for the construction of streets, traffic and safety controls, storm drainage, sanitary sewer, water and parks and recreation facilities.

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

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

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.

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.

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

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is 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 debt of the governmental funds.

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.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize interest 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 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 sales of the tax liens on delinquent properties are normally 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.

Cost of Loan Refunding

In the government-wide financial statements, the deferred cost of loan refunding is being amortized using the interest method over the life of the refunding loan. The amortization amount is a component of interest expense, and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of loan refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
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 balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
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	\$ 329,334
Cash and Investments - Restricted	242,759
Total Cash and Investments	\$ 572,093

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

Deposits with Financial Institutions	\$ 16,332
Investments	555,761
Total Cash and Investments	\$ 572,093

Deposits with Financial Institutions

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 a carrying balance of \$16,332.

Investments

The District has not adopted a formal investment policy; however, the District 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.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
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 and securities of the World Bank
- . 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 and certain reverse 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:

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 555,761

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE 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.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (CONTINUED)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

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

	Balance December 31, 2021	Additions	Retirements	Balance December 31, 2022	Due Within One Year
Direct Placements:					
2016 G.O. Refunding Loan	\$ 2,970,000	\$ -	\$ 920,000	\$ 2,050,000	\$ 330,000
Subtotal of Direct Placements	2,970,000	-	920,000	2,050,000	330,000
Other Debt:					
Developer Advances	157,139	-	-	157,139	-
Subtotal of Other Debt	157,139	-	-	157,139	-
 Total Long-Term Obligations	 <u>\$ 3,127,139</u>	 <u>\$ -</u>	 <u>\$ 920,000</u>	 <u>\$ 2,207,139</u>	 <u>\$ 330,000</u>

The details of the District's long-term obligations are as follows:

\$5,835,000 Limited Tax General Obligation Refunding Loan, Series 2016, dated September 15, 2016 with an interest rate of 2.47%. The loan matures on December 1, 2032. Interest payments on the loan shall be due and payable semiannually on June 1 and December 1 each year through maturity. Principal payments on the loan shall be due and payable on December 1 of each year through maturity. Principal payments shall be prepaid at the option of the District and with no prepayment fee on and after December 1, 2022. Prior to December 1, 2022, additional principal amounts may be prepaid with a redemption premium of (1) 3.00% from December 1, 2016 through November 30, 2018, (2) 2.00% from December 1, 2018 through November 30, 2020, or (3) 1.00% from December 1, 2020 through November 30, 2022.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The loan is secured by and payable from pledged revenues consisting of monies derived by the District from the following sources, net of any collection costs: (1) the required mill levy, (2) the portion of the specific ownership tax which is collected as a result of the imposition of the required mill levy, and (3) any other legally available monies which the District determines to apply to the payment of the loan. Required mill levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal and interest on the bonds as the same become due and payable. If monies produced from the required mill levy, together with other pledged revenues, are not sufficient to pay punctually the scheduled payments of principal and interest, the District shall include all such amounts as may be necessary for such purposes in its computation of the required mill levy in the subsequent year, and such required mill levy shall be imposed and continue to be levied until the loan is fully paid. The maximum required mill levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2022, the adjusted maximum mill levy is 55.184 mills.

The District's Series 2016 Loan will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 330,000	\$ 51,338	\$ 381,338
2024	345,000	43,074	388,074
2025	355,000	34,434	389,434
2026	370,000	25,544	395,544
2027	380,000	16,278	396,278
2028	270,000	6,762	276,762
Total	<u>\$ 2,050,000</u>	<u>\$ 177,430</u>	<u>\$ 2,227,430</u>

Events of Default

The occurrence of any one or more of the following events or conditions shall constitute an Event of Default:

- (a) The District fails to pay or cause to be paid when due any principal of or interest on the loan;
- (b) The District fails or refuses to impose the Required Mill Levy pursuant to the agreement;
- (c) The District fails to observe or perform any of the covenants, agreements, duties or conditions on the part of the District in this agreement or other financing documents and such failure is not remedied to the satisfaction of the lender within 30 days;
- (d) Any representation or warranty made by the District in this agreement or in any other financing documents to which the District is a party or any certificate instrument, financial or other statement furnished by the District to the lender in connection with the loan proves to have been untrue or incomplete in any material respect when made or deemed made;

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

- (e) The District shall initiate, acquiesce or consent to any proceedings to dissolve or consolidate the District with other similar entities into a single entity or the District shall otherwise cease to exist;
- (f) A change occurs in the financial or operating conditions of the District, in the lender's reasonable judgement, will have a materially adverse effect on the ability of the District to generate pledged revenue sufficient to satisfy the District's obligations under this agreement and the District fails to cure such condition within 30 days.

Authorized Debt

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

	November 7,	November 6,	Total	Used		Authorized but Unissued
	2000	2001		2002	2006	
Streets	\$ 2,750,000	\$ 750,000	\$ 3,500,000	\$ 3,015,000	\$ -	\$ 485,000
Water	500,000	500,000	1,000,000	775,000	-	225,000
Sewer and Storm Drainage	650,000	650,000	1,300,000	885,000	-	415,000
Parks and Recreation	2,500,000	500,000	3,000,000	1,000,000	-	2,000,000
Traffic and Safety	500,000	-	500,000	325,000	-	175,000
Operating and Maintenance	40,000	-	40,000	-	-	40,000
Refunding	6,900,000	2,400,000	9,300,000	-	7,150,000	2,150,000
Total	<u>\$ 13,840,000</u>	<u>\$ 4,800,000</u>	<u>\$ 18,640,000</u>	<u>\$ 6,000,000</u>	<u>\$ 7,150,000</u>	<u>\$ 5,490,000</u>

ursuant to the First Modification to the Original Service Plan for the District, dated December 18, 2006, the District is permitted to issue general obligation bonds of up to \$6,500,000.

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.

Developer Advances

In earlier years, the District received certain advances from the Developer of the District for capital infrastructure costs that were subject to a Funding and Loan Agreement (the Agreement). The District has repaid all advances pursuant to the Agreement. As of December 31, 2022, a total of \$157,139 of accrued interest remained unpaid. Any future payment of said amount is subject to annual appropriation.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 NET POSITION

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

The restricted component of net position consists of 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 restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 3,000
Debt Service	240,391
Total Restricted Net Position	<u>\$ 243,391</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the city of Thornton in prior years.

NOTE 6 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, public officials' liability, and workers' compensation 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.

**LAMBERTSON LAKES METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 TAX, SPENDING, AND DEBT LIMITATIONS

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 that 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.

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.

On November 7, 2000, the District voters passed an election question to increase property taxes \$100,000 annually, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

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

**LAMBERTSON LAKES METROPOLITAN DISTRICT
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)
REVENUES			
Property Taxes	\$ 833,592	\$ 833,559	\$ (33)
Specific Ownership Taxes	58,351	61,070	2,719
Net Investment Income	400	13,022	12,622
Total Revenues	<u>892,343</u>	<u>907,651</u>	<u>15,308</u>
EXPENDITURES			
County Treasurer's Fees	12,504	12,508	(4)
Loan Principal - Series 2016	320,000	320,000	-
Loan Interest - Series 2016	73,359	74,378	(1,019)
Early Principal Redemption Series 2016	600,000	600,000	-
Contingency	14,137	-	14,137
Total Expenditures	<u>1,020,000</u>	<u>1,006,886</u>	<u>13,114</u>
NET CHANGE IN FUND BALANCE	(127,657)	(99,235)	28,422
Fund Balance - Beginning of Year	<u>344,307</u>	<u>343,904</u>	<u>(403)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 216,650</u></u>	<u><u>\$ 244,669</u></u>	<u><u>\$ 28,019</u></u>

OTHER INFORMATION

**LAMBERTSON LAKES METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

\$5,835,000 Limited Tax General Obligation Refunding Loan
Series 2016
Dated September 15, 2016
Principal Due December 1
Interest Rate 2.47% Payable
June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 330,000	\$ 51,338	\$ 381,338
2024	345,000	43,074	388,074
2025	355,000	34,434	389,434
2026	370,000	25,544	395,544
2027	380,000	16,278	396,278
2028	270,000	6,762	276,762
Total	<u>\$ 2,050,000</u>	<u>\$ 177,430</u>	<u>\$ 2,227,430</u>

**LAMBERTSON LAKES METROPOLITAN DISTRICT
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		Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 16,000,800	3.850	38.150	\$ 672,034	\$ 672,016	99.99%
2019	16,223,390	3.850	38.150	681,382	681,400	100.01
2020	20,746,900	3.850	38.150	871,370	841,154	96.53
2021	20,836,770	3.850	38.150	875,144	875,239	100.01
2022	21,850,370	3.850	38.150	917,716	917,713	99.99
Estimated for the Year Ending December 31, 2023	\$ 21,011,430	3.850	38.150	\$ 882,480		