

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT**  
**Weld County, Colorado**

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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Dazzio & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Firelight Irrigation Metropolitan District  
Weld County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Firelight Irrigation Metropolitan District (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 the 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Management has omitted 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.

***Supplemental Information***

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

*Duggio & Associates, P.C.*

August 9, 2023

## **BASIC FINANCIAL STATEMENTS**

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
December 31, 2022**

**ASSETS**

Cash and investments	\$ 1,466,895
Due from Commercial District	2,610
Prepaid expense	4,517
Deposit - Town of Firestone	31,242
Capital assets, not being depreciated	1,332,135
Total assets	2,837,399

**LIABILITIES**

Accounts payable	19,819
Total liabilities	19,819

**NET POSITION**

Investment in capital assets	1,332,135
Restricted for emergencies	4,391
Restricted for capital	1,149,787
Unrestricted	331,267
Total net position	\$ 2,817,580

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
Year Ended December 31, 2022**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>
General government	\$ 787,259	Operating Grants and Contributions \$ 120,777	\$ (666,482)
	\$ 787,259	\$ 120,777	(666,482)
General revenues:			
Interest income			25,577
Total general revenues			25,577
Change in net position			(640,905)
Net position - Beginning			3,458,485
Net position - Ending			\$ 2,817,580

These financial statements should be read only in connection with the accompanying notes to financial statements.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2022**

	<b>General</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 319,893	\$ 1,147,002	\$ 1,466,895
Due from Commercial District	2,610	-	2,610
Prepaid expenditures	4,517	-	4,517
Deposit - Town of Firestone	28,457	2,785	31,242
<b>TOTAL ASSETS</b>	<b>\$ 355,477</b>	<b>\$ 1,149,787</b>	<b>\$ 1,505,264</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 19,819	\$ -	\$ 19,819
<b>TOTAL LIABILITIES</b>	<b>19,819</b>	<b>-</b>	<b>19,819</b>
 <b>FUND BALANCES</b>			
Nonspendable - prepaid items	4,517	-	4,517
Restricted for emergencies	4,391	-	4,391
Restricted for capital	-	1,149,787	1,149,787
Unassigned	326,750	-	326,750
<b>TOTAL FUND BALANCES</b>	<b>335,658</b>	<b>1,149,787</b>	<b>1,485,445</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 355,477</b>	<b>\$ 1,149,787</b>	

Amounts report for governmental activities in the Statement of Net Position are different because:

Some assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Capital assets, not being depreciated

1,332,135

Net position of governmental activities

\$ 2,817,580

These financial statements should be read only in connection with the accompanying notes to financial statements.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2022**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Intergovernmental - Commercial District	\$ 120,777	\$ -	\$ 120,777
Net investment income	6,414	19,163	25,577
Total revenues	<u>127,191</u>	<u>19,163</u>	<u>146,354</u>
<b>EXPENDITURES</b>			
Current			
Legal	94,588	-	94,588
Accounting	8,631	-	8,631
Insurance	5,822	-	5,822
Office supplies	135	-	135
Elections	4,761	-	4,761
Website	1,900	-	1,900
Lower Oligarchy Ditch re-alignment	632,634	-	632,634
Service plan amendment	-	38,788	38,788
Capital outlay			
Water infrastructure	-	33,102	33,102
Total expenditures	<u>748,471</u>	<u>71,890</u>	<u>820,361</u>
<b>NET CHANGE IN FUND BALANCES</b>	(621,280)	(52,727)	(674,007)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	956,938	1,202,514	2,159,452
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 335,658</u>	<u>\$ 1,149,787</u>	<u>\$ 1,485,445</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2022**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ (674,007)</u>
Governmental fund report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	<u>33,102</u>
Change in net position - Governmental activities	<u><u>\$ (640,905)</u></u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental - Commercial District	\$ 115,692	\$ 120,000	\$ 120,777	\$ 777
Net investment income	600	3,800	6,414	2,614
Total Revenues	<u>116,292</u>	<u>123,800</u>	<u>127,191</u>	<u>3,391</u>
<b>EXPENDITURES</b>				
Current				
Legal	60,000	99,000	94,588	4,412
Accounting	10,500	10,500	8,631	1,869
Insurance	6,000	6,000	5,822	178
Office expense	200	200	135	65
Elections	10,000	5,000	4,761	239
Website	-	-	1,900	(1,900)
Lower Oligarchy Ditch re-alignment	600,000	642,000	632,634	9,366
Contingency and emergency reserves	10,000	10,000	-	10,000
Total Expenditures	<u>696,700</u>	<u>772,700</u>	<u>748,471</u>	<u>24,229</u>
<b>NET CHANGE IN FUND BALANCES</b>	(580,408)	(648,900)	(621,280)	27,620
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,007,383</u>	<u>956,938</u>	<u>956,938</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 426,975</u>	<u>\$ 308,038</u>	<u>\$ 335,658</u>	<u>\$ 27,620</u>

These financial statements should be read only in connection with the  
accompanying notes to financial statements.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Firelight Irrigation Metropolitan District (District), formerly Highway 119 Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act and was created on November 16, 2009. The District's boundaries are located entirely within the Town of Firestone (Town) in Weld County, Colorado. The District was organized along with the Firelight Commercial Metropolitan District (Commercial District), formerly Highway 119 Metropolitan District No. 2, and the Firelight Residential Metropolitan District (Residential District), formerly Highway 119 Metropolitan District No. 3. The District, the Commercial District and the Residential District are collectively referred to herein as the "Districts." The Whispering Waters Irrigation Metropolitan District, formerly Highway 119 Metropolitan District No. 4, and the Whispering Waters Metropolitan District Nos. 1 and 2, formerly Highway 119 Metropolitan District Nos. 5 and 6, respectively, were organized along with the Districts under a Consolidated Service Plan approved by the Town on September 10, 2009 (Original Service Plan).

On September 13, 2017, the Town approved an Amended and Restated Service Plan for the Districts, which also approved the creation of the Whispering Waters Metropolitan District Nos. 3-6, formerly Highway 119 Metropolitan District Nos. 7-10 (2017 Service Plan). The Whispering Waters Irrigation Metropolitan District and the Whispering Waters Metropolitan District Nos. 1-6 are collectively referred to herein as the "Whispering Waters Districts." The 2017 Service Plan replaced, in its entirety, the Original Service Plan as it relates to the Districts.

The Districts and the Whispering Waters Districts were organized to finance, construct, acquire, and, if required or authorized by an intergovernmental agreement with the Town, operate and maintain certain streets, traffic safety controls, street lighting, water, sanitary sewer, landscaping, storm sewers, flood and surface drainage, and park and recreation improvements for certain planned developments as described in the Amended Service Plan.

On July 13, 2022, the Town approved the Amended and Restated Consolidated Service Plan for the Districts (Firelight Amended Service Plan), which amends the 2017 Service Plan only as it relates to the Districts. The Firelight Amended Service Plan bifurcated the 2017 Service Plan such that the Districts operate under the Firelight Amended Service Plan and the Whispering Waters Districts remain under the purview of the 2017 Service Plan.

The Firelight Amended Service Plan limits the Commercial District and the Residential District to a maximum mill levy of 50 mills for debt and 60 mills for operations and maintenance, until such time the Commercial District or the Residential District issues debt, and then the combined maximum mill levy is limited to 60 mills for both debt and for operations and maintenance, which may be adjusted in the event the method of calculating assessed valuation is changed after 2017 for the Residential District and 2009 for the Commercial District. The District is prohibited from imposing a mill levy for any purpose unless both the Commercial District and the Residential District consent to such imposition. In such case, the District is limited to a maximum mill levy of 50 mills for debt and 60 mills for operations and maintenance, until such time the District issues

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

debt, and then the combined maximum mill levy is limited to 60 mills for both debt and for operations and maintenance, which may be adjusted in the event the method of calculating assessed valuation is changed after 2009.

The 2017 Service Plan limits each of the Whispering Waters Districts to a maximum mill levy of 10 mills for operating and 50 mills for debt, not to exceed 60 mills in total which may be adjusted in the event the method of calculating assessed valuation is changed after the dates specified in the 2017 Service Plan. The Districts and the Whispering Waters Districts entered into an Amended and Restated District Administrative Services Agreement on January 25, 2018, which establishes the terms and conditions upon which the general administration and coordination of the Districts' and the Whispering Waters Districts' activities will be managed and funded.

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

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.

**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. For the most part, 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 assets and liabilities of the District being 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

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
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DECEMBER 31, 2022**

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 government 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 transfers from the Commercial District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 Capital Projects Fund accounts for the resources accumulated and remitted to the District from the Commercial District under the terms of the Capital Pledge Agreement (Note 8).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**Budgets**

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to adopt the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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.

Supplemental appropriations were approved for the General Fund for 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 funds' average equity balance in total cash.

**Capital Assets**

Capital assets, which include water rights and infrastructure are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value plus ancillary charges, if any.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The District anticipates conveying certain capital assets constructed to other entities upon completion.

**Fund Equity**

Fund balances for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. 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 amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

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Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

**NOTE 3 - CASH AND INVESTMENTS**

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

Deposits with financial institutions	\$ 49,239
Investments	<u>1,417,656</u>
Total cash and investments	<u>\$ 1,466,895</u>

**Custodial Credit Risk**

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 equal to 102% of the aggregate uninsured deposits.

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

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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As of December 31, 2022, the District's cash deposits had a bank balance of \$49,239 and a carrying balance of \$49,239.

**Credit Risk and Interest Rate Risk**

The District has not adopted a formal investment policy however, the District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
COLOTRUST Plus+	Weighted average under 60 days	<u>\$ 1,417,656</u>

**COLOTRUST**

As of December 31, 2022, the District has invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), 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 COLOTRUST. COLOTRUST operates similarly to a money market fund. COLOTRUST offers shares in three portfolios, Prime, Plus+ and Edge. All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. Plus+ and Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE portfolio is rated AAf/S1 by Fitch Ratings. Information related to COLOTRUST,

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including the annual audited financial statements, can be found at the COLOTRUST website at [www.colotrust.com](http://www.colotrust.com).

**Investment Valuation**

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not categorized within the fair value hierarchy. The District's investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

**NOTE 4 – CAPITAL ASSETS**

The District is authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the Town or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto. The primary purpose of the District is to provide non-potable water and facilities to the properties located within the Districts.

An analysis of the changes in capital assets for the year ended December 31, 2022.

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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	<u>Balance January 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2022</u>
Capital assets, not being depreciated:				
Construction in process	\$ 1,299,033	\$ 33,102	\$ -	\$ 1,332,135
Total capital assets, not being depreciated	<u>\$ 1,299,033</u>	<u>\$ 33,102</u>	<u>\$ -</u>	<u>\$ 1,332,135</u>

**NOTE 5 – DEVELOPER ADVANCE AGREEMENTS**

As of December 31, 2022, the District had entered into the following Developer Advance Agreements.

**Developer Advance Agreements**

*Public Improvements Acquisition and Reimbursement Agreement - Firelight Development, Inc.*

The District entered into a Public Improvements Acquisition and Reimbursement Agreement with Firelight Development, Inc. (Firelight Development), dated March 21, 2023, to establish the terms and conditions for the acquisition of certain public improvements constructed or caused to be constructed by Firelight Development to be owned by the District or other governmental entity, and the reimbursement of costs related to Firelight Development’s financing, construction, and installation of public improvements. As of December 31, 2022, there were no outstanding advances under this agreement.

*Assignment of Reimbursement Rights to Highway 119 Holdings, LLC*

The District entered into an Assignment of Reimbursement Rights to Highway 119 Holdings, LLC with an effective date of March 12, 2018. CDF and CDF LLC advanced certain funds on behalf of the District (see Funding and Reimbursement Agreement – Church Development Fund and Funding and Reimbursement Agreement – CDF Holdings, LLC above). CDF together with CDF LLC assign any and all rights they have to the reimbursement of advances funds by the District to Highway 119 Holdings, LLC which accepts the assignment. On July 8, 2019, the Board approved the full reimbursement of Highway 119 Holdings, LLC, under this Assignment and no further advances have been made since or are due thereunder.

*Funding and Reimbursement Agreement – Highway 119 Holdings, LLC*

On March 24, 2010, the District entered into a Funding and Reimbursement Agreement with Highway 119 Holdings, LLC (Highway 119) as amended on November 2, 2010 (First Amendment), on November 30, 2011 (Second Amendment), on December 5, 2012 (Third Amendment), on December 3, 2013 (Fourth Amendment), on December 2, 2014 (Fifth Amendment), on December 1, 2015 (Sixth Amendment), on March 31, 2016 (Seventh Amendment), on January 1, 2017 (Eighth Amendment), on January 25, 2018 (Ninth Amendment), and on November 12, 2018 (Tenth Amendment). Highway 119

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
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has expended funds on behalf of the Districts, has advanced certain funds to the District and is willing to loan additional funds to the District for capital costs and operations and maintenance costs not to exceed the aggregate of amount of \$200,000. Advances made under this agreement shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of District Nos. 2-6 subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of the repayment of full amounts advanced or forty years from the execution date of the agreement. On July 8, 2019, the Board approved the full reimbursement of Highway 119 Holdings, LLC under this Assignment and no further advances have been made since or are due thereunder. As of December 31, 2022, there were no outstanding advances under this agreement.

*Funding and Reimbursement Agreement – Voyage Ventures, LLC*

On August 10, 2012, the District entered into a Funding and Reimbursement Agreement with Voyage Ventures, LLC (Voyage) as amended on December 5, 2012 (First Amendment), on December 3, 2013 (Second Amendment), on December 2, 2014 (Third Amendment), on December 1, 2015 (Fourth Amendment), on January 1, 2017 (Fifth Amendment), on January 25, 2018 (Sixth Amendment), and on November 12, 2018 (Seventh Amendment). Voyage has expended funds on behalf of the Districts, has advanced certain funds to the District and is willing to loan additional funds to the District for capital costs and operations and maintenance costs not to exceed the aggregate of amount of \$100,000. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of District Nos. 2-6 subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of repayment of the full amounts advanced or forty years from the execution date of the agreement. On July 8, 2019, the Board approved the full reimbursement of Voyage Ventures, LLC under this Agreement and no further advances have been made since or are due thereunder. As of December 31, 2022, there were no outstanding advances under this agreement.

*Funding and Reimbursement Agreement – LifeBridge Christian Church*

The District entered into a Funding and Reimbursement Agreement with LifeBridge Christian Church (LifeBridge) with an effective date on January 1, 2018. LifeBridge has expended funds on behalf of the Districts for capital costs and operations and maintenance costs. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of the Commercial District, Residential District, Whispering Waters Irrigation Metropolitan District, or Whispering Waters Metropolitan District Nos. 1 & 2, subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier

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of the repayment of the full amounts advanced or thirty years from the execution date of the agreement. On July 8, 2019, the Board approved the full reimbursement of LifeBridge Christian Church under this Agreement and no further advances have been made since or are due thereunder. As of December 31, 2022, there were no outstanding advances under this agreement.

*Funding and Reimbursement Agreement – Church Development Fund*

The District entered into a Funding and Reimbursement Agreement with Church Development Fund (CDF) with an effective date on January 1, 2018. CDF has expended funds on behalf of the Districts for capital costs and operations and maintenance costs. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of the Commercial District, Residential District, Whispering Waters Irrigation Metropolitan District, or Whispering Waters Metropolitan District Nos. 1 & 2, subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of the repayment of the full amounts advanced or thirty years from the execution date of the agreement. On March 12, 2018, CDF assigned its rights to reimbursement under this Agreement to Highway 119 Holdings, LLC. On July 8, 2019, the Board approved the full reimbursement of Highway 119 Holdings, LLC under the Assignment and no further advances have been made since or are due thereunder. As of December 31, 2022, there were no outstanding advances under this agreement. See Assignment of Reimbursement Rights to Highway 119 Holdings, LLC disclosure above.

*Funding and Reimbursement Agreement – CDF Holdings, LLC*

The District entered into a Funding and Reimbursement Agreement with CDF Holdings, LLC (CDF LLC) with an effective date on January 1, 2018. CDF LLC has expended funds on behalf of the Districts for capital costs and operations and maintenance costs. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of the Commercial District, Residential District, Whispering Waters Irrigation Metropolitan District, or Whispering Waters Metropolitan District Nos. 1 & 2, subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of the repayment of the full amounts advanced or thirty years from the execution date of the agreement. On March 12, 2018, CDF, LLC, assigned its rights to reimbursement under this Agreement to Highway 119 Holdings, LLC. On July 8, 2019, the Board approved the full reimbursement of Highway 119 Holdings, LLC under the Assignment and no further advances have been made since or are due thereunder. As of December 31, 2022, there were no outstanding advances under this agreement. See Assignment of Reimbursement Rights to Highway 119 Holdings, LLC disclosure above.

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**NOTE 6 – AUTHORIZED BUT UNISSUED DEBT**

As of December 31, 2022, the District had the following authorized but unissued debt.

	<b>Authorized November 3, 2009 Election</b>	<b>Authorized November 8, 2016 Election</b>	<b>Remaining December 31, 2022</b>
Street Improvements	\$ 86,000,000	\$ 115,439,500	\$ 201,439,500
Parks and Recreation	86,000,000	115,439,500	201,439,500
Water	86,000,000	115,439,500	201,439,500
Sanitation/Storm Sewer	86,000,000	115,439,500	201,439,500
Transportation	-	115,439,500	115,439,500
Mosquito control	-	115,439,500	115,439,500
Traffic safety	-	115,439,500	115,439,500
Fire protection	-	115,439,500	115,439,500
TV relay and translation	-	115,439,500	115,439,500
Security services	-	115,439,500	115,439,500
Special assessment debt	-	115,439,500	115,439,500
Operations and Maintenance Debt	86,000,000	115,439,500	201,439,500
Refunding	86,000,000	115,439,500	201,439,500
Private Agreements as Debt	86,000,000	115,439,500	201,439,500
Intergovernmental agreements	-	115,439,500	115,439,500
Mortgage	86,000,000	-	86,000,000
	<u>\$ 688,000,000</u>	<u>\$ 1,731,592,500</u>	<u>\$ 2,419,592,500</u>

The 2017 Service Plan limits the Districts and the Whispering Waters Districts to an aggregate debt of \$115,439,500. The Firelight Amended Service Plan limits the Districts' aggregate debt to \$35,678,000.

**NOTE 7 - FUND EQUITY**

As of December 31, 2022, the District reported the following classifications of fund equity.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$4,517 is comprised of prepaid amounts which are not in spendable form.

**Restricted Fund Balance**

The restricted fund balance in the General Fund in the amount of \$4,391 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (Note 11).

The restricted fund balance in the Capital Projects Fund in the amount of \$1,149,787 is restricted for expenditures related to the water tank and associated appurtenances as required by the Capital Pledge Agreement (Note 9).

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 - NET POSITION**

The District has net position consisting of two components –investment in capital assets and restricted.

Net investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, net investment in capital assets was \$1,332,135.

Restricted net position includes items 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 of \$4,391 for Emergency Reserves (Note 11) and \$1,149,787 restricted for capital (Note 9 – Capital Pledge Agreement) as of December 31, 2022.

**NOTE 9 – AGREEMENTS**

**Intergovernmental Agreement with Left Hand Water District**

On November 17, 2022, the Districts entered into an Intergovernmental Agreement with Left Hand Water District (Left Hand) concerning non-potable irrigation water supply for Firelight Development. The Districts and Left Hand share overlapping boundaries. Under this agreement, the District is permitted to provide non-potable water services and facilities to the properties located within the District provided the District complies with Left Hand’s policies and rules and regulations and the additional conditions set forth in the agreement.

Left Hand will be the sole provider of Potable/Treated Water services to the property within the Districts’ boundaries. The District may construct and finance Potable/Treated Water improvements to be dedicated to the Left Hand within thirty days of completion and provide raw water infrastructure and services to the property within the Districts’ boundaries subject to Left Hand’s policies, rules, and regulations and compliance with the terms and conditions in the agreement.

**Intergovernmental Agreement with the Town of Firestone**

On March 24, 2010, the Districts, the Whispering Waters Irrigation Metropolitan District, and the Whispering Waters Metropolitan District Nos. 1 & 2 entered into an Intergovernmental Agreement (with the Town. This agreement was amended and replaced in its entirety with the Intergovernmental Agreement, dated October 10, 2017, between the Town, the Districts, and the Whispering Waters Districts (2017 Town IGA). On August 1, 2022, the Districts and the Town entered into an Amended and Restated Intergovernmental Agreement (Town IGA), which supersedes the 2017 Town IGA as it relates to the Districts. The Town IGA acknowledges that the property within the Districts boundaries are subject to all ordinances, rules and regulations of the Town including without limitation, ordinances, rules and regulations relating to zoning, subdividing,

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building and land use, and to all related Town land use policies, master plans, related plans and intergovernmental agreements.

**Capital Pledge Agreement for Water Tank Improvements**

On December 10, 2015, the District entered into a Capital Pledge Agreement for Water Tank Improvements (Capital Pledge Agreement) with the Commercial District. The Capital Pledge Agreement requires the Commercial District to levy an ad valorem property tax mill levy in an amount not to exceed 46.000 mills (Required Mill Levy) to pay for the design, acquisition, installation, repair, replacement and/or construction of a water tank and associated appurtenances. The Commercial District's total obligation under the Capital Pledge Agreement is not to exceed \$2,500,000. The Commercial District was to remit the net taxes to the District as soon as reasonably practicable upon receipt, but in no event later than 10 business days after receipt, all revenue comprising property tax revenue. As of December 31, 2022, the cumulative amounts transferred by the Commercial District to the District totaled \$2,498,400.

**Amended and Restated Cooperation Agreement - Firestone Urban Renewal Authority**

The Districts and Whispering Waters Districts entered into the Amended and Restated Cooperation Agreement Among the Firestone Urban Renewal Authority (FURA) on February 7, 2018, which replaces the Cooperation Agreement dated July 1, 2013, between FURA and the District, in its entirety.

On June 12, 2013, the Town of Firestone approved an Urban Renewal Plan for the Northern Firestone Urban Renewal Area (NFURA), which includes parcels within the Districts, and allows the Town to utilize tax increment financing (TIF Financing) as contemplated by Section 31-25-107(9)(a), C.R.S., for the purposes authorized by the Urban Renewal Law. TIF Financing provides that taxes, if any, levied upon taxable property in the Northern Firestone Urban Renewal Area each year shall be divided for a period not to exceed 25 years from the effective date and that a portion of said property tax revenues shall be allocated to and paid into a special fund of FURA to pay the principal of, interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by FURA.

The Amended and Restated Cooperation Agreement provides for FURA to pay to the Districts all of the property tax revenues received by FURA (NFURA taxes) as a result of the property tax mill levy imposed by the Districts upon taxable property within the Urban Renewal Area for a period of 25 years. It is the intention of the Districts and FURA that the Districts use the NFURA taxes for the costs and expenses of financing infrastructure and providing services as outlined in the Firelight Amended Service Plan.

During 2022, the Commercial District received \$44,471 in taxes under the Amended and Restated Cooperation Agreement.

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 - RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S. the District may be 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 (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery 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. In the event that 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 11 - 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 3, 2009, the majority of the District's voters approved the following ballot questions:

Ballot Issue A: Shall District taxes be increased \$1,000,000 annually, commencing in 2010, or by such greater or lesser annual amount as may be derived from an ad valorem mill levy not in excess of 50.000 mills annually (provided that such maximum mill levy shall be adjusted up or down to account for changes in law or the method by which assessed valuation is calculated occurring after 2010, 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), the revenues therefrom to be used for the purpose of paying the District's operations, maintenance, and other expenses; and shall

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the proceeds of such taxes and investment income thereon be collected and spent by the District as a voter-approved revenue change in 2010 and in each year thereafter, without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, or Section 29-1-301, Colorado Revised Statutes, and without limiting in any year the amount of other revenues that may be collected and spent by the District?

Ballot Issue B – Shall District be authorized to collect, retain, and spend any and all amounts annually from any revenue sources whatsoever other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants, or any other fee rate, toll, penalty, income, or charge imposed, collected, or authorized by law to be imposed or collected by the District, and shall such revenue be collected and spent by the District as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District?

Ballot Issue C - Shall District taxes be increased \$10,000,000 annually or such lesser amount as necessary for the payment of such amounts due pursuant to one or more agreements or contracts with private parties, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, for the payment of such amounts due, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2010 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue D - Shall District taxes be increased \$10,000,000 annually or such lesser amount as necessary for the payment of such amounts due pursuant to one or more intergovernmental agreements or other contracts, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, for the payment of such amounts due, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2010 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

On November 6, 2016, the majority of the District's voters approved the following ballot questions:

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Ballot Issue 5A - Shall District taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay the District's administration, covenant enforcement, design review, operations, maintenance and other similar expenses by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5B - Shall District taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay for capital costs of public improvements, through property taxes levied in any year, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5C - Shall District taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay the District's administration, covenant enforcement, design review, operations, and maintenance expenses, and for the purpose of paying the costs of any public improvements, facilities, systems, programs, or projects which the District may lawfully provide, by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

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Ballot Issue 5D - Shall District taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay for the payment of amounts due under one or more intergovernmental agreements or other contracts, or for payment of regional improvements for which the District is authorized or obligated pursuant to its service plan, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, for the purpose of paying the District's obligations under any one or more of such intergovernmental agreements or other contracts, or to pay the cost of regional improvements, and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5E - Shall District taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser amount as necessary for the payment of such amounts due pursuant to one or more agreements or contracts with private parties, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition for the payment of such amounts due, and shall the proceeds and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5F - Shall District be authorized to collect, retain and spend any and all amounts annually from any revenue sources whatsoever, including but not limited to taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, gifts, grants, or any other fee, rate, toll, penalty, income, or charge authorized by law or contract to be imposed, collected or received by the District in fiscal year 2016 and in each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing tax cuts, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or

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expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District.

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.

This information is an integral part of the accompanying financial statements.

## **SUPPLEMENTAL INFORMATION**

**FIRELIGHT IRRIGATION METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2022**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Net investment income	\$ 1,100	\$ 19,163	\$ 18,063
Total Revenues	<u>1,100</u>	<u>19,163</u>	<u>18,063</u>
<b>EXPENDITURES</b>			
Service plan amendment	30,000	38,788	(8,788)
Capital outlay:			
Legal	15,000	6,428	8,572
Engineering	50,000	26,674	23,326
Inspection and maintenance	10,000	-	10,000
Water infrastructure construction	1,131,010	-	1,131,010
Total Expenditures	<u>1,236,010</u>	<u>71,890</u>	<u>1,164,120</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,234,910)	(52,727)	1,182,183
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,234,910</u>	<u>1,202,514</u>	<u>(32,396)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,149,787</u>	<u>\$ 1,149,787</u>