

**Conifer Metropolitan District**

Financial Statements

Year Ended December 31, 2024

with

Independent Auditor's Report

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# COLORADO CPA COMPANY

## Independent Auditor's Report

Board of Directors  
Conifer Metropolitan District  
Jefferson County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Conifer Metropolitan District (the "District"), as of and for the year ended December 31, 2024, 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, business-type activities, and each major fund of Conifer Metropolitan District as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplemental Information***

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

***Required Supplemental Information (continued)***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 32 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. The required supplemental information has been subjected to the auditing 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 required supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Supplemental Information***

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

*Colorado CPA Company PC*

Highlands Ranch, Colorado  
May 28, 2025

**Conifer Metropolitan District**

Statement of Net Position

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 1,063,189	\$ -	\$ 1,063,189
Cash and investments - restricted	51,228	-	51,228
Accounts receivable, net of allowance for doubtful accounts	-	52,606	52,606
Prepaid expenses	12,990	7,231	20,221
Receivable from County Treasurer	1,815	-	1,815
Due from other funds	477,777	43,375	521,152
Property taxes receivable	345,144	-	345,144
Total current assets	<u>1,952,143</u>	<u>103,212</u>	<u>2,055,355</u>
Capital assets:			
Capital assets, not being depreciated	255,765	7,777,804	8,033,569
Capital assets, net of accumulated depreciation	1,589,115	5,587,654	7,176,769
Total capital assets, net of accumulated depreciation	<u>1,844,880</u>	<u>13,365,458</u>	<u>15,210,338</u>
Total assets	3,797,023	13,468,670	17,265,693
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued expenses	3,559	185,759	189,318
Due to other funds	521,152	-	521,152
Deposits	-	5,000	5,000
Accrued interest on bonds	347,481	-	347,481
Bonds payable, due within one year	-	-	-
Total current liabilities	<u>872,192</u>	<u>190,759</u>	<u>1,062,951</u>
Long-term liabilities:			
Long-term obligations, net of current portion	25,564,333	-	25,564,333
Unpaid interest on bonds	17,156,295	-	17,156,295
Total long-term liabilities	<u>42,720,628</u>	<u>-</u>	<u>42,720,628</u>
Total liabilities	43,592,820	190,759	43,783,579
<b>Deferred inflows of resources</b>			
Deferred property tax revenue	345,144	-	345,144
Total deferred inflows of resources	<u>345,144</u>	<u>-</u>	<u>345,144</u>
<b>Net position/(deficit):</b>			
Net investment in capital assets	-	13,365,458	13,365,458
Restricted for:			
Emergencies	8,232	-	8,232
Debt Service	175,107	-	175,107
Capital Projects	-	-	-
Unrestricted	(40,324,280)	(87,547)	(40,411,827)
Total net position/(deficit)	<u>\$ (40,140,941)</u>	<u>\$ 13,277,911</u>	<u>\$ (26,863,030)</u>

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

**Conifer Metropolitan District**  
**Statement of Activities**  
**For the Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense)/Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:						
Governmental Activities:						
General government	\$ 198,960	\$ -	\$ -	\$ (198,960)	\$ -	\$ (198,960)
Interest on long-term debt and related costs	1,895,030	-	-	(1,895,030)	-	(1,895,030)
Total governmental activities	2,093,990	-	-	(2,093,990)	-	(2,093,990)
Business-type Activities:						
Water and sewer activity enterprise	765,854	620,397	3,586	-	(141,871)	(141,871)
Total business-type activities	765,854	620,397	3,586	-	(141,871)	(141,871)
Primary government total	\$ 2,859,844	\$ 620,397	\$ 3,586	(2,093,990)	(141,871)	(2,235,861)
General Revenues:						
Property taxes				321,877	-	321,877
Specific ownership taxes				19,561	-	19,561
Transportation tax				151,718	-	151,718
Interest income				17,298	4,070	21,368
Miscellaneous				-	1,532	1,532
Total general revenues and transfers				510,454	5,602	516,056
Change in net position				(1,583,536)	(136,269)	(1,719,805)
Net Position:						
Beginning				(38,557,405)	13,414,180	(25,143,225)
Ending				(40,140,941)	13,277,911	(26,863,030)

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

**Conifer Metropolitan District**  
**Balance Sheet**  
**Governmental Funds**  
**For the Year Ended December 31, 2024**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 1,063,189	\$ -	\$ 1,063,189
Cash and investments - restricted	8,232	42,996	51,228
Prepaid expenses	12,990	-	12,990
Receivable from County Treasurer	-	1,815	1,815
Due from other funds	-	477,777	477,777
Property taxes receivable	-	345,144	345,144
Total assets	\$ 1,084,411	\$ 867,732	\$ 1,952,143
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 3,559	\$ -	\$ 3,559
Due to other funds	521,152	-	521,152
Total liabilities	524,711	-	524,711
<b>Deferred inflows of resources</b>			
Deferred property tax revenue	-	345,144	345,144
Total deferred inflows of resources	-	345,144	345,144
<b>Fund balances</b>			
Fund balances:			
Non-spendable:			
Prepaid expenses	12,990	-	12,990
Restricted:			
Emergencies	8,232	-	8,232
Debt service	-	522,588	522,588
Unassigned	538,478	-	538,478
Total fund balances	559,700	522,588	1,082,288
Total liabilities, deferred inflows of resources and fund balances	\$ 1,084,411	\$ 867,732	

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

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

Capital assets, net of accumulated depreciation	1,844,880
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(19,768,609)
Developer advances payable	(5,795,724)
Accrued interest payable	(17,503,776)
Net position of governmental activities	\$ (40,140,941)

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

**Conifer Metropolitan District**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2024

	General Fund	Debt Service Fund	Total Governmental Funds
<b>Expenditures</b>			
General government:			
Accounting and audit fees	\$ 8,800	-	8,800
Admin. supplies/dues/subscriptions	581	-	581
Management fees (including receiver)	75,973	-	75,973
Transportation expenses	15,541	-	15,541
Treasurer's fees	-	4,825	4,825
Miscellaneous	2,197	-	2,197
Debt service:			
Bond interest	-	250,000	250,000
Trustee fees	-	3,650	3,650
<b>Total expenditures</b>	<b>103,092</b>	<b>258,475</b>	<b>361,567</b>
<b>General revenues</b>			
Property taxes	-	321,877	321,877
Specific ownership taxes	-	19,561	19,561
Transportation tax	151,718	-	151,718
Interest income	17,298	-	17,298
<b>Total revenues</b>	<b>169,016</b>	<b>341,438</b>	<b>510,454</b>
<b>Excess/(deficiency) of revenues over expenditures</b>	<b>65,924</b>	<b>82,963</b>	<b>148,887</b>
<b>Other financing sources/(uses)</b>			
Transfer (to)/from other funds	78,000	(78,000)	-
<b>Net other financing sources/(uses)</b>	<b>78,000</b>	<b>(78,000)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>143,924</b>	<b>4,963</b>	<b>148,887</b>
<b>Fund balances</b>			
Beginning of year	415,776	517,625	933,401
End of year	<u>\$ 559,700</u>	<u>\$ 522,588</u>	<u>\$ 1,082,288</u>

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

**Conifer Metropolitan District**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2024

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Net change in fund balances - governmental funds: \$ 148,887

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

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

Depreciation (95,868)

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

Change in accrued interest on bonds payable (1,453,730)  
Accretion of Supplemental Coupon Interest (182,825)

Change in net position of governmental activities \$ (1,583,536)

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

**Conifer Metropolitan District**

Statement of Net Position

Proprietary Fund

December 31, 2024

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**Assets**

Current assets

Accounts receivable, net of allowances for doubtful accounts	\$	52,606
Due from other funds		43,375
Prepaid expenses		<u>7,231</u>
Total current assets		103,212

Capital assets

Capital assets, not being depreciated		7,777,804
Capital assets, net of accumulated depreciation		<u>5,587,654</u>
Total capital assets		<u>13,365,458</u>

Total assets \$ 13,468,670

**Liabilities**

Current liabilities

Accounts payable and accrued expenses	\$	185,759
Deposits		<u>5,000</u>
Total current liabilities		<u>190,759</u>

Total liabilities 190,759

**Net position**

Net investment in capital assets		13,365,458
Unrestricted		<u>(87,547)</u>
Total net position	\$	<u>13,277,911</u>

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

**Conifer Metropolitan District**  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
December 31, 2024

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<b>Operating revenues</b>	
Water usage charges	\$ 117,320
Sewer usage charges	353,675
Administrative fee	18,391
Pro rata ELC monitoring	8,532
Reserve replacement fees	122,154
Reimbursable expenses	325
Grants	3,586
Miscellaneous income	1,532
Total operating revenues	625,515
 <b>Operating expenses</b>	
Bad debts	5,898
Chemical fees	20,748
Consulting services	10,906
Depreciation expense	242,502
Fees/permits	1,288
Fire alarm monitoring	890
Insurance	30,732
Lab test	13,247
Legal fees - administrative	24,150
Legal fees - water rights	4,078
Maintenance and repairs	143,021
Reimbursable expenses	1,100
Service operations	114,136
Sludge haul	45,213
Supplies	12,419
Telephone	2,363
Trash	859
Utilities	66,590
Water/well monitoring	21,600
Water right expense	4,114
Total operating expenses	765,854
 <b>Income/(loss) from operations</b>	 (140,339)
 <b>Nonoperating revenues/(expenses)</b>	
Interest income	4,070
Total nonoperating revenues/(expenses)	4,070
 <b>Change in net position</b>	 (136,269)
 <b>Net position:</b>	
Beginning of year	13,414,180
End of year	\$ 13,277,911

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

**Conifer Metropolitan District**

Statement of Cash Flows

Proprietary Fund

December 31, 2024

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Cash flows from operating activities:	
Receipts from customers	\$ 631,983
Grant received	3,586
Payments to suppliers	<u>(611,127)</u>
Net cash from operating activities	24,442
Cash flows from capital financing activities:	
Investment in capital assets	<u>(28,512)</u>
Net cash from capital financing activities	(28,512)
Cash flows from investing activities:	
Interest received	<u>4,070</u>
Net cash from investing activities	<u>4,070</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents - beginning of year	<u>-</u>
Cash and cash equivalents - end of year	<u><u>\$ -</u></u>
Reconciliation of operating income/(loss) to net cash from operating activities:	
Income/(loss) from operations	\$ (140,339)
Adjustments to reconcile income/(loss) from operations to net cash from operating activities	
Depreciation expense	242,502
(Increase)/decrease in assets:	
Accounts receivable	10,054
Due to other funds	(43,375)
Prepaid expenses	3,013
Increase/(decrease) in liabilities:	
Accounts payable	(2,744)
Due to other funds	<u>(44,669)</u>
Net cash from operating activities	<u><u>\$ 24,442</u></u>

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

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 1 – Definition of Reporting Entity**

Definition of Reporting Entity

Conifer Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 8, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District’s service plan was approved by the Jefferson County Board of County Commissioners (the “County Commissioners”) and encompasses approximately 39 acres of property along US Highway 285 in the rural mountain community of Conifer. The District was formed for the purpose of providing public infrastructure necessary to permit development within the District and to provide water and wastewater services to the property within the District and extraterritorial customers. The primary revenues of the District are property taxes, sales taxes and water and wastewater fees charged to the property owners of the District.

The District was structured to be governed by an elected board of directors (the “Board”); however, on January 5, 2016, the District Court of Jefferson County, Colorado issued an Order appointing Edward B. Cordes as receiver for the District (the “Receiver”), as amended on June 7, 2016. On August 22, 2019, the Court entered an Order Granting Motion for Substitution of Receiver and Custodian for the District appointing Michael L. Staheli as the new Receiver for the District. The Receiver was ordered to take physical possession of, manage, operate, and protect the District and its assets until terminated or modified further by the Order of the Court. Concurrently with the appointment of the Receiver, the members of the Board resigned, and the former District manager turned over the files and records of the District to the Receiver (see Note 7).

As required by accounting principles generally accepted in the United States of America (“GAAP”), these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the Governmental Accounting Standards Boards (“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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 2 – Summary of Significant Accounting Policies**

The accounting policies of the District conform to the accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

The accompanying financial statements are presented per GASB Statement No. 34, “*Special Purpose Governments*.”

Basis of Presentation

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which 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.

For the most part, the effect of inter-fund activity has been eliminated from these financial statements.

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

Estimates

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

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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. Property taxes are recognized as revenues in the year for which they are levied and collected. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets and repayments of long-term obligations are shown as a reduction of the long-term liability. Generally, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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 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 period. The material sources of revenue subject to accrual are property taxes and intergovernmental revenue. The District determined that developer advance proceeds are not considered to be revenue susceptible to accrual. 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 paid.

The District reports the following major governmental funds:

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

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

The District reports the following major proprietary fund:

*Proprietary Fund* – the Water and Wastewater Enterprise Fund accounts for the activities associated with providing water and wastewater services to the citizens of the District.

The Proprietary Fund accounts for the operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Fund's ongoing operations. Operating revenues consist of charges to customers for services provided. Operating expenses include the cost of services, administrative expenses, and depreciation of assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds and enterprise fund. In accordance with the Colorado State Budget Law, the District 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 Receiver can modify the budget by line item within the total appropriation without notification. The total 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.

During the year, the District modified the appropriation of the Proprietary Fund from \$581,100 to \$601,100 primarily due to increased operating costs.

Statement of Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, demand deposits, certain money market and savings accounts at financial institutions. Repurchase agreements, certificates of deposit, and certain money market and U.S. Treasury Notes, are classified as investments and are not reflected as cash in the statement of cash flows.

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments as of December 31, 2024, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Deposits and Investments

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

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

Accounts Receivable, Allowance for Doubtful Accounts

User fees and system development fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Receivables are reported net of an allowance for uncollectible accounts, and allowances are reported when accounts are estimated to be uncollectible. The District has recorded a provision for uncollectible receivables in the proprietary fund of \$11,841 as of December 31, 2024.

Interfund balances

The District reports interfund balances (receivables and payables) that are representative of lending/borrowing arrangements outstanding at the end of the year and are referred to as "due to/from other funds". The interfund balances are eliminated in the government-wide financial statements.

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Capital Assets

Capital assets, which include property and infrastructure assets (e.g. streets and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements that will be conveyed to other governmental entities are classified as construction in progress, are not included in the calculation of net investment in capital assets and are not depreciated. Land and certain landscaping improvements are not depreciated.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable, using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

<u>Category</u>	<u>Depreciable life</u>
Infrastructure	25-50 years
Building and improvements	20-40 years
Utility lines and wells	15-50 years
Machinery and equipment	7-15 years

Long-Term Obligations

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

Fund Equity

Fund balances for governmental funds are 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: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all these components. The following classifications describe the relative strength of the spending constraints:

*Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaids and inventory) or is legally or contractually required to be maintained intact.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Fund Equity (continued)

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

*Committed fund balance* – The portion of fund balance constrained for specific purposes according to limitations imposed by the District’s highest level of decision-making authority, the Board of Directors, prior to the end of the current fiscal year. 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 above criteria.

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

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports the following categories of net position:

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

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

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

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

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 2 – Summary of Significant Accounting Policies (continued)**

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners who assess the property tax obligation of 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 at the taxpayers' election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Other Revenues

Transportation tax revenue represents sales tax revenue collected within the District. The County Treasurer collects the determined taxes and remits the taxes collected monthly to the District.

Water and sewer user fees and reserve replacement fees are charged to customers based on the amount of actual gallons of water usage. Customers are billed for user fees and the related administrative charges monthly, and payment is generally due within thirty days of the invoice date.

During 2024, the District received funds from the Colorado Special Districts Property and Liability Pool's Safety Grant program. The grant is a reimbursement of up to 50% of the cost of purchases that help to reduce the risk of a loss or improve the safety of facilities. The grant reimbursements are subject to approval by the Pool and its representatives. Funds are disbursed annually based on the prior year's contribution and longevity. The revenue is considered measurable and available in the year approved and is therefore recognized when received.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 3 – Cash and Investments**

Cash and investments as of December 31, 2024, are classified in the accompanying financial statement as follows:

Statement of net position:

Cash and investments - unrestricted	\$ 1,063,189
Cash and investments - restricted	<u>51,228</u>
Total	<u>\$ 1,114,417</u>

Cash and investments as of December 31, 2024, consist of the following:

Deposits with financial institutions	\$ 1,114,417
Total	<u>\$ 1,114,417</u>

Cash Deposits

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

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2024, the District’s cash deposits had a bank balance of \$1,152,475 and a carrying balance of \$1,114,417. Amounts in excess of FDIC limits were fully collateralized.

*Custodial Credit Risks – Deposits*

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2024, none of the District’s bank balance was exposed to custodial credit risk.

**Note 3 – Cash and Investments (continued)**

Investments

*Investment Policies*

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.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 3 – Cash and Investments (continued)**

Investments (continued)

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 or sinking fund requirements. Colorado State statutes 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
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- \* Local government investment pools

*Concentration Risk and Custodial Risk – Investments*

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.

As of December 31, 2024, the District had no investments.

*Certificates of Deposit*

The District hold funds within the Certificate of Deposit Account Registry Service ("CDARS"). The funds are divided into smaller accounts that are held by varying institutions within the CDARS network, each covered under the FDIC insurance limit. The underlying certificates of deposit mature within four weeks, and are considered cash equivalents due to their short-term maturity.

*Investment Valuation*

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include money market funds, which record their investments at amortized cost.

The District has the following recurring fair value measurements as of December 31, 2024:

- Certificates of deposit of \$650,439 are valued using third-party quotations (level 2 inputs)

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

**Note 3 – Cash and Investments (continued)**

Restricted Cash and Investments

As of December 31, 2024, portions of cash and investments were restricted for emergency reserves, capital projects and debt service.

**Note 4 – Capital Assets**

An analysis of the District’s changes in capital assets for the year ended December 31, 2024, follows:

	Balances 1/1/2024	Additions	Deletions	Balances 12/31/2024
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land and improvement	\$ 255,765	\$ -	\$ -	\$ 255,765
Total capital assets not being depreciated	255,765	-	-	255,765
Capital assets being depreciated:				
Infrastructure	3,227,793	-	-	3,227,793
Total capital assets being depreciated	3,227,793	-	-	3,227,793
Less accumulated depreciation	(1,542,810)	(95,868)	-	(1,638,678)
Net capital assets being depreciated	1,684,983	(95,868)	-	1,589,115
Governmental activities capital assets, net	\$ 1,940,748	\$ (95,868)	\$ -	\$ 1,844,880
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land and improvement	\$ 6,512,846	\$ -	\$ -	\$ 6,512,846
Water rights	1,264,958	-	-	1,264,958
Total capital assets not being depreciated	7,777,804	-	-	7,777,804
Capital assets being depreciated:				
Building and improvements	6,543,285	-	-	6,543,285
Utility lines	2,541,367	28,512	-	2,569,879
Wells	367,167	-	-	367,167
Machinery and equipment	1,580,189	-	-	1,580,189
Total capital assets being depreciated	11,032,008	28,512	-	11,060,520
Less accumulated depreciation	(5,230,364)	(242,502)	-	(5,472,866)
Net capital assets being depreciated	5,801,644	(213,990)	-	5,587,654
Business-type activities capital assets, net	\$ 13,579,448	\$ (213,990)	\$ -	\$ 13,365,458
Total net capital assets	\$ 15,520,196	\$ (309,858)	\$ -	\$ 15,210,338

Depreciation expense was charged to the District functions as follows:

General government	\$ 95,868
Water and wastewater operations	242,502
Total	<u>\$ 338,370</u>

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 5 – Long-term Obligations**

An analysis of changes in the District’s long-term obligations for the year ended December 31, 2024, follows:

Governmental activities:	Balances 1/1/2024	Additions	Deletions	Balances 12/31/2024	Current Portion
General obligation bonds:					
Series 2005 GO bonds	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -
Series 2006 GO bonds	3,000,000	-	-	3,000,000	-
2006 Supplemental interest coupons	6,585,784	182,825	-	6,768,609	-
Subtotal, general obligation bonds	19,585,784	182,825	-	19,768,609	-
Developer advances	5,795,724	-	-	5,795,724	-
Total	<u>\$ 25,381,508</u>	<u>\$ 182,825</u>	<u>\$ -</u>	<u>\$ 25,564,333</u>	<u>\$ -</u>

General obligation bonds issued for governmental activities are liquidated by the debt service fund.

On October 12, 2006, the District and bond trustee executed the Second Amended and Restated Indenture of Trust which covers the Series 2005 Bonds, Series 2006 Bonds and Series 2006 Bonds Supplemental Interest Coupons, described below.

General Obligation Bonds (Limited Convertible to Unlimited Tax), Series 2005

On November 18, 2005, the District issued \$10,000,000 of General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2005 ("Series 2005 Bonds") dated November 18, 2005, for the purpose of providing public infrastructure necessary to permit development within the District.

The Series 2005 Bonds constitute limited tax obligations of the District but will be converted to unlimited tax general obligations at such time as the ratio derived by dividing the then-outstanding principal amount of all general obligation debt of the District by the assessed valuation of the taxable property in the District first becomes 50% or less. Prior to conversion the required mill levy is limited to a maximum rate of 50.000 mills. Following conversion, the required mill levy necessary to meet principal and interest on the Series 2005 Bonds is not limited as to rate.

The Series 2005 Bonds bear interest at the rate of 7%, payable semiannually on each June 1 and December 1, commencing on June 1, 2006, and mature on December 1, 2030. They are subject to mandatory redemption beginning on December 1, 2010. The Series 2005 Bonds are secured by Pledged Revenue which includes moneys derived from the Required Mill Levy, capital fees, specific ownership taxes and any other legally available moneys that the Board of Directors, its sole discretion, credits to the Pledged Revenue Fund.

The Series 2005 Bonds are subject to optional redemption prior to maturity, as a whole or integral multiples of \$1,000, on December 1, 2015 and any date thereafter, upon payment of the principal amount of the Series 2005 Bonds being redeemed and accrued interest to the redemption date, without redemption premium.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 5 – Long-term Obligations (continued)**

General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2006

On June 30, 2006, the District issued \$3,000,000 of General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2006 ("Series 2006 Bonds") dated June 30, 2006, for the purpose of providing public infrastructure necessary to permit development within the District.

The Series 2006 Bonds constitute limited tax obligations of the District but will be converted to unlimited tax general obligations at such time as the ratio derived by dividing the then-outstanding principal amount of all general obligation debt of the District by the assessed valuation of the taxable property in the District first becomes 50% or less. Prior to conversion the required mill levy is limited to a maximum rate of 50.000 mills. Following conversion, the required mill levy necessary to meet principal and interest on the Series 2006 Bonds is not limited as to rate.

The Series 2006 Bonds bear interest at the rate of 7%, payable semiannually on each June 1 and December 1, commencing on December 1, 2006. \$1,450,000 matures on December 1, 2032, and the remaining \$1,550,000 matures on December 1, 2033. The Series 2005 Bonds are secured by Pledged Revenue which includes moneys derived from the Required Mill Levy, capital fees, specific ownership taxes and any other legally available moneys that the Board of Directors, in its sole discretion, credits to the Pledged Revenue Fund.

The Series 2006 Bonds are subject to optional redemption prior to maturity, in whole, on December 1, 2016 and any June 1 or December 1 thereafter, upon payment of the principal amount of the Series 2005 Bonds being redeemed and accrued interest to the redemption date, without redemption premium.

Series 2006 Bonds Supplemental Interest Coupons

On October 12, 2006, the District issued Series 2006 Bonds Supplemental Interest Coupons evidencing the right to receive payment of the Series 2006 Bonds Supplemental Interest to accrue on the December 1, 2032 maturity of the District's Series 2006 General Obligation Bonds issued on June 30, 2006. If the district redeems the Series 2006 Bonds prior to maturity, the Series 2006 Bonds Supplemental Interest Coupon shall be subject to mandatory redemption on the redemption date for the Series 2006 Bonds, upon payment of redemption prices ranging from \$3,004,535 on December 1, 2016 to \$150,000 on December 1, 2031.

The Supplemental Interest Coupon was issued at a discount of \$4,735,035 from its face value of \$7,470,000, for a net of \$2,734,965. The accreted value as of December 31, 2024, was \$6,585,789.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 5 – Long-term Obligations (continued)**

Application of Partial Payments

Beginning in 2010, deposits into the Debt Service Fund have not been sufficient for the payment of the principal and interest on the bonds.

Pursuant to Section 2.03(c) of the Series 2005 Bonds Indenture, to the extent principal of any Series 2005 Bond is not paid when due, such principal shall remain outstanding and shall continue to accrue interest until paid at the interest rate borne by the Series 2005 Bonds. To the extent interest on any Series 2005 Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by such Series 2005 Bond until paid.

Pursuant to Section 2.03(c) of the Series 2006 Bonds Indenture, to the extent principal of any Series 2006 Bond is not paid when due, such principal shall remain outstanding and shall continue to accrue interest until paid at the interest rate borne by the Series 2006 Bonds. To the extent interest on any Series 2006 Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by such Series 2006 Bond until paid.

Pursuant to Section 3.05 of both the Series 2005 and 2006 Bond Indentures, in the event that on any payment date moneys available in the Debt Service Fund are insufficient for the payment of the principal, premium, if any, and interest on the Bonds including any accrued but unpaid amounts and any interest due as a result of compounding that have accrued or are payable on that date, the amounts that are available shall be allocated by the Trustee proportionately among such Bonds on such date, as partial payment of the amount due in the following order of priority:

- First:* Accrued but unpaid interest (except Series 2006 Bonds Supplemental Interest) and any interest due as a result of compounding;
- Second:* current interest (except Series 2006 Bonds Supplemental Interest);
- Third:* principal that has not been paid on the nominal due date thereof;
- Fourth:* current principal;
- Fifth:* accrued but unpaid Series 2006 Bonds Supplemental Interest;
- Sixth:* *current* Series 2006 Bonds Supplemental Interest; and
- Seventh:* prior redemption premium, if any.

After applying the above allocations, the remaining insufficiencies as of December 31, 2024, on the Series 2005 and Series 2006 Bonds are as follows:

Insufficiencies	Principal	Interest	Total
Series 2005 GO bonds	\$ 5,515,000	\$ 13,297,833	\$ 18,812,833
Series 2006 GO Bonds	-	3,858,461	3,858,461
Supplemental interest coupon	4,695,000	-	4,695,000
<b>Total</b>	<b>\$ 10,210,000</b>	<b>\$ 17,156,294</b>	<b>\$ 27,366,294</b>

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 5 – Long-term Obligations (continued)**

Future Maturity

Due to the uncertainty in the timing of payments of principal and interest, a schedule of the timing of these payments is not presented.

Events of Default

For the Series 2005 Bonds and the Series 2006 Bonds, the occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Indenture: (a) the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by this Indenture; (b) the District defaults in the performance or observance of any other covenants, agreements or conditions on its part to be performed or observed as provided in this Indenture or the Authorizing Resolution, and the District fails to remedy the same after notice thereof pursuant to Section 6.02 hereof; or (c) the District files a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Senior Obligations. The District has the opportunity to cure a default within 30 days of being notified of such default by the trustee. Remedies include receivership, suit for judgement and mandamus or other suit. Acceleration of the Senior Obligations shall not be an available remedy for an Event of Default.

According to the Trustee, the insufficiency of funds from the District to pay the Bonds is in and of itself not an Event of Default under Section 6.01 of the Amended and Restated Indenture of Trust dated as of June 30, 2006.

Supplemental District Contract Funding and Reimbursement Agreements

The District and the original developer of the project, Conifer Town Center, LLC ("CTC"), entered into a series of Supplemental District Contract Funding and Reimbursement Agreements that set forth certain covenants between the parties concerning the funding of certain public improvements. The agreements provided that CTC agreed to timely remit payments as may be required by the referenced agreements. The District agreed to repay any amounts advanced to the extent it had funds available from bond proceeds and the imposition of system development fees, but only after the payment of its annual debt service obligations and annual operations and maintenance expenses. On September 1, 2014, CTC transferred and assigned all payments due from the District pursuant to the Reimbursement Agreement to Mountain Rising Development LLC. The balance due Mountain Rising Development LLC as of December 31, 2024, was \$5,795,724 which is not accruing interest since satisfaction of this amount is not expected.

Debt authorization

As of December 31, 2024, the District had no remaining voted debt authorization. The District does not intend to issue any debt in 2025.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 6 – Fund Balances and Net Position/(Deficit)**

Fund Balances

The District’s total fund balance consists of the following components:

Fund balance - non-spendable:	
Prepaid expenses	\$ 12,990
Fund balance - restricted for:	
Emergencies (TABOR)	8,232
Debt service	522,588
Capital projects	<u>-</u>
Total restricted fund balance	530,820
Fund balance - unassigned	<u>538,478</u>
Total fund balance	<u>\$ 1,082,288</u>

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation. Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9). December 31, 2024, the restricted portion of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund is restricted for the payment of the debt service costs associated with the District’s long-term obligations (see Note 5).

The unassigned fund balance represents the residual portion of fund balance that does not meet any of the above-described criteria and is available for general use by the District.

Net Position/(Deficit)

The District’s net position/(deficit) consists of the following components:

Net position - restricted for:	
Emergencies (TABOR)	\$ 8,232
Debt service	175,107
Capital projects	<u>-</u>
Total restricted net position	183,339
Net position/(deficit) - unrestricted	<u>(40,324,280)</u>
Total net position/(deficit)	<u>\$ (40,140,941)</u>

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 6 – Fund Balances and Net Position/(Deficit) (continued)**

Net Position/(Deficit) (continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, developer advances, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024, the District had net investment in capital assets in the amount of \$(23,975,218) which is included in unrestricted net position/(deficit).

Restricted assets include net position that are restricted for use either externally by creditors, granters, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2024, the District had restricted net position for Emergency Reserves and for roads and bridges.

The unrestricted net position includes all other net position that does not meet the definition of the above two components and is available for general use by the District. The District had a deficit in unrestricted net position at December 31, 2024 for governmental activities. The deficit amount in the governmental activities is a result of the District being responsible for repayment of bonds issued for public improvements and insufficient revenues for repayment of those bonds.

**Note 7 – Order Granting Unopposed Verified Motion for Ex Parte Appointment of Receiver**

On January 5, 2016, the District Court of Jefferson County, Colorado, issued an Order appointing Edward B. Cordes as Receiver for the District (the "Order Appointing Receiver"). The Receiver was ordered to take physical possession of, manage, operate, and protect the District and its assets until terminated or modified further by Order of the Court.

This Order was Amended on June 7, 2016, and these two documents set forth the authority, responsibilities and obligations of the Receiver on behalf of the District. On August 22, 2019, the District Court of Jefferson County, Colorado, issued an Order appointing Michael L. Staheli as Receiver for the District and removing and releasing Edward B. Cordes as the Receiver and Custodian.

Specified in these orders is the authority of the Receiver to apply fees, revenues, income and profits collected in connection with the management, operation and protection of the Receivership estate as follows: first, to the Receiver's compensation; second, to other costs and expenses of the receivership; third, to the costs of operating, maintaining and repairing the Receivership Estate as limited by the Second Amended and Restated Indenture of Trust (see Note 5); fourth, to payment of expenses of the Receivership Estate; fifth, to repay all sums borrowed by the Receiver as evidenced by Receiver's certificates; sixth, whenever sufficient funds are available for such purpose, the Receiver shall make payments toward any obligations to the Plaintiff or other claimants pursuant to the Second Amended and Restated Indenture of Trust; and seventh, to a fund to be held by the Receiver in an interest-bearing account, pending further order of the Court.

During the year, Receivership fees incurred were \$75,973, of which \$13,756 was included in accounts payable at year-end.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 8 – Risk Management**

The District is exposed to various risks of loss related to 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”) as of December 31, 2024. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**Note 9 – Tax, Spending and Debt Limitations**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer’s Bill of Rights (“TABOR”), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future 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.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

On November 2, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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.

**Conifer Metropolitan District**  
Notes to the Financial Statements  
For the Year Ended December 31, 2024

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**Note 10 – Noncompliance with Laws and Regulations**

According to the Indenture of Trust for the Series 2005 and Series 2006 General Obligation Bonds, the District shall deposit all Pledged revenues (required mill levy, capital fees, specific ownership taxes, and any other legally available moneys) with the Trustee as soon as may be practicable upon receipt thereof.

For the year ended December 31, 2024, the District collected property and specific ownership taxes (net of fees) of \$337,524 and deposited \$319,825 with the Trustee for purposes of payment of interest (see Note 5).

The District is required to deposit Pledged Revenues with the Trustee; however, under the Receivership, the order of distribution is such that other payments take priority and only funds remaining are used for debt service purposes. During the year, the Bondholder consented to a transfer for Receivership costs and costs for operating and maintaining the system of up to \$78,000, which the District transferred from the Debt Service Fund to the General Fund (see Note 7).

**Note 11 – Interfund and Operating Transfers**

The transfer from the Debt Service Fund to the General Fund was transferred for the purpose of paying Receivership costs and costs (see Note 10).

Required Supplemental Information

**Conifer Metropolitan District**  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended December 31, 2024

	Original & Final Budgeted Amounts	Actual Amounts	Variance with Budget - Favorable/ (Unfavorable)
<b>Revenues</b>			
Transportation tax	\$ 150,000	\$ 151,718	\$ 1,718
Interest income	-	17,298	17,298
Total revenues	<u>150,000</u>	<u>169,016</u>	<u>19,016</u>
<b>Expenditures</b>			
Accounting and audit fees	10,000	8,800	1,200
Admin. supplies/dues/subscriptions	2,000	581	1,419
Legal fees	30,000	-	30,000
Management fees (including receiver)	78,000	75,973	2,027
Transportation expenses	35,000	15,541	19,459
Transportation reserve	115,000	-	115,000
Miscellaneous	-	2,197	(2,197)
Total expenditures	<u>270,000</u>	<u>103,092</u>	<u>166,908</u>
<b>Excess/(deficiency) of revenues over expenditures</b>	(120,000)	65,924	185,924
<b>Other financing sources/(uses)</b>			
Transfer (to)/from other funds	<u>120,000</u>	<u>78,000</u>	<u>(42,000)</u>
Net other financing sources/(uses)	120,000	78,000	(42,000)
<b>Net changes in fund balances</b>	-	143,924	143,924
<b>Fund balances</b>			
Beginning of year	-	415,776	415,776
End of year	<u>\$ -</u>	<u>\$ 559,700</u>	<u>\$ 559,700</u>

Note: The accompanying notes are an integral part of these financial statements.

## Supplemental Information

**Conifer Metropolitan District**

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Debt Service Fund

For the Year Ended December 31, 2024

	Original & Final Budgeted Amounts	Actual Amounts	Variance with Budget - Favorable/ (Unfavorable)
<b>Revenues</b>			
Property taxes	\$ 326,000	\$ 321,877	\$ (4,123)
Specific ownership taxes	21,000	19,561	(1,439)
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>347,000</u>	<u>341,438</u>	<u>(5,562)</u>
<b>Expenditures</b>			
Bond interest	260,000	250,000	10,000
Trustee fees	3,750	3,650	100
Treasurer's fees	4,600	4,825	(225)
Miscellaneous	650	-	650
Total expenditures	<u>269,000</u>	<u>258,475</u>	<u>10,525</u>
<b>Excess/(deficiency) of revenues over expenditures</b>	78,000	82,963	4,963
<b>Other financing sources/(uses)</b>			
Transfer (to)/from other funds	<u>(78,000)</u>	<u>(78,000)</u>	<u>-</u>
Net other financing sources/(uses)	(78,000)	(78,000)	-
<b>Net changes in fund balances</b>	-	4,963	4,963
<b>Fund balances</b>			
Beginning of year	-	517,625	517,625
End of year	<u>\$ -</u>	<u>\$ 522,588</u>	<u>\$ 522,588</u>

**Conifer Metropolitan District**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
(Budgetary Basis)  
Proprietary Fund  
For the Year Ended December 31, 2024

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Budget - Favorable/ (Unfavorable)
<b>Revenues</b>				
Water usage charges	\$ 64,000	\$ 64,000	\$ 117,320	\$ 53,320
Sewer usage charges	321,000	321,000	353,675	32,675
Administrative fee	73,000	73,000	18,391	(54,609)
Pro rata ELC monitoring	9,500	9,500	8,532	(968)
Reserve replacement fees	108,000	108,000	122,154	14,154
Reimbursable expenses	5,000	5,000	325	(4,675)
Grants	-	-	3,586	3,586
Interest	-	-	4,070	4,070
Miscellaneous income	1,000	1,000	1,532	532
Total operating revenues	<u>581,500</u>	<u>581,500</u>	<u>629,585</u>	<u>48,085</u>
<b>Expenditures</b>				
Bad debts	5,000	5,000	5,898	(898)
Chemical fees	25,000	25,000	20,748	4,252
Consulting services	20,000	20,000	10,906	9,094
Fees/permits	4,000	4,000	1,288	2,712
Fire alarm monitoring	-	-	890	(890)
Insurance	42,000	42,000	30,732	11,268
Lab test	12,000	12,000	13,247	(1,247)
Legal fees - administrative	-	-	24,150	(24,150)
Legal fees - water rights	10,000	10,000	4,078	5,922
Maintenance and repairs	108,000	108,000	143,021	(35,021)
Miscellaneous	-	20,000	-	20,000
Reimbursable expenses	5,000	5,000	1,100	3,900
Service operations	115,000	115,000	114,136	864
Sludge haul	50,000	50,000	45,213	4,787
Supplies	38,000	38,000	12,419	25,581
Telephone	3,600	3,600	2,363	1,237
Trash	1,500	1,500	859	641
Utilities	70,000	70,000	66,590	3,410
Water/well monitoring	26,000	26,000	21,600	4,400
Water right expense	4,000	4,000	4,114	(114)
Capital expenditures	-	-	28,512	(28,512)
Total expenditures	<u>539,100</u>	<u>559,100</u>	<u>551,864</u>	<u>7,236</u>
<b>Excess/(deficiency) of revenues over expenditures</b>	42,400	22,400	77,721	40,849
<b>Other financing sources/(uses)</b>				
Transfer (to)/from other funds	(42,000)	(42,000)	-	(42,000)
Total Other financing sources/(uses)	<u>(42,000)</u>	<u>(42,000)</u>	<u>-</u>	<u>(42,000)</u>
<b>Excess/(deficiency) of revenues and other sources over expenditures and other uses</b>	400	(19,600)	77,721	(1,151)
<b>Funds available</b>				
Beginning of year	-	-	(165,268)	(165,268)
End of year	<u>\$ 400</u>	<u>\$ (19,600)</u>	<u>\$ (87,547)</u>	<u>\$ (166,419)</u>

Funds available are defined as follows:

Current assets	\$ 103,212
Less: current liabilities	(190,759)
Ending funds available	<u>\$ (87,547)</u>

**Conifer Metropolitan District**  
 Reconciliation of Revenues and Expenditures (Budgetary Basis Actual) to Statement of  
 Revenue, Expenses and Changes in Net Position  
 Proprietary Fund  
 For the Year Ended December 31, 2024

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Revenues:	
Operating revenues	\$ 625,515
Total revenues - GAAP basis and budgetary basis	<u>\$ 625,515</u>
Expenditures:	
Operating expenses	\$ 765,854
Total expenditures - GAAP basis	765,854
Add /(Less)	
Transfers to/from other funds	-
Capital improvements	28,512
Depreciation	<u>(242,502)</u>
Total expenditures - budgetary basis	<u>\$ 551,864</u>