

# PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 · 800-741-3254

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[https:// www.prairiecentermd7.colorado.gov](https://www.prairiecentermd7.colorado.gov)

## NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Michael Tamblyn	President	2027/May 2027
Ashley Licursi	Treasurer	2025/May 2025
Melissa Zimmerman	Assistant Secretary	2025/May 2025
Amanda Coffey	Assistant Secretary	2025/May 2025
Ronald Johnson	Assistant Secretary	2027/May 2027
Peggy Ripko	Secretary	

DATE: Wednesday, August 7, 2024

TIME: 6:00 P.M.

PLACE: **Physical Location**

Holiday Inn Express & Suites Denver NE – Brighton  
2212 Medical Center Drive  
Brighton, CO 80601

### **Zoom information:**

<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>

Meeting ID: 862 6755 0643

Passcode: 987572

Dial in: 1-719-359-4580

*\* Individuals requiring special accommodation to attend and/or participate in the meeting please advise the District Manager (pripko@sdmsi.com or 303-987-0835) of their specific need(s) before the meeting.*

## I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflict of Interest.

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B. Confirm location of meeting and posting of meeting notices. Approve Agenda.

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C. Review and approve minutes of the December 4, 2023 Special Meeting, and the December 4, 2023 Statutory Annual Meeting (enclosures).

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D. Consider authorizing interested Board Members to attend the 2024 Special District Association's Annual Conference in Keystone on September 10, 11 and 12, 2024.

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- E. Discuss website accessibility matters and authorize necessary actions in connection therewith.
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II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
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III. COMMUNITY MANAGEMENT MATTERS

- A. Community Management Report.
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- B. Discuss status of possible Amendment to the Declaration of Master Design Review Covenant and Use Restrictions and delegation of rights and duties to the District.
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IV. FINANCIAL MATTERS

- A. Ratify approval of payment of claims for the period ending November 30, 2023 through August 1, 2024, totaling \$2 69,225.44 (enclosure).
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- B. Review and consider acceptance of unaudited financial statements for the period ending June 30, 2024 (enclosure).
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- C. Review and consider approval of 2023 Audit and authorize execution of Representations Letter (draft audit – enclosed).
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- D. Review and consider approval of Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 9, dated January 5, 2024, prepared by Independent District Engineering Services, LLC, for the amount of \$359,492.22 (“Report No. 9”) (enclosure).
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V. LEGAL MATTERS

- A. \_\_\_\_\_

VI. OPERATIONS AND MAINTENANCE MATTERS

- A. Ratify approval of Change Order No. 1 to the Service Agreement for Dog Station Services, for increases in service and bag costs, between the District and Poop 911 (enclosure).
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- B. Ratify approval of Change Order No. 1 to the Service Agreement for Landscape Maintenance of District Tracts – Village I between the District and Vargas Property Services, Inc., for October 2023 – September 2024 landscape maintenance services, in the amount of \$29,571.59 (enclosure).
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- C. Ratify approval of Change Order No. 2 to the Service Agreement for Landscape Maintenance of District Tracts – Village I between the District and Vargas Property Services, Inc., for backflow device replacement, in the amount of \$5,677.14 (enclosure).
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- D. Ratify approval of Change Order No. 3 to the Service Agreement for Landscape Maintenance of District Tracts – Village I between the District and Vargas Property Services, Inc., for additional backflow device replacement, in the amount of \$6,041.10 (enclosure).
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- E. Ratify approval of Change Order No. 1 to the Service Agreement for Exterior Light Inspection between the District and Colorado Lighting, Inc. (d/b/a CLI Services), for light inspection services from January 1, 2024 through December 31, 2024, on a time and materials basis (enclosure).
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- F. Ratify approval of Change Order No. 1 to the Service Agreement for Trash Removal Services between the District and Waste Management of Colorado, Inc., for a change in the scope of services/compensation effective May 1, 2024 (enclosure).
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- G. Ratify approval of Change Order No. 1 to the Service Agreement for Snow Removal between the District and Magnum Snow Removal, Inc., for snow removal services from November 1, 2023 through May 31, 2024 (to be distributed).
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VII. CAPITAL MATTERS

- A. Discuss the Prairie Center Village I Phase IV Improvements Projects.
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VIII. OTHER MATTERS

- A. \_\_\_\_\_

- IX. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR  
NOVEMBER 12, 2024.**

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 (THE “DISTRICT”) HELD DECEMBER 4, 2023

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No.7 (referred to hereafter as the “Board”) was convened on Monday, December 4, 2023, at 6:30 p.m., in person at the Holiday Inn Express & Suites Denver NE – Brighton 2212 Medical Center Drive Brighton, CO 80601 and via video / telephone conference. The meeting was open to the public.

#### ATTENDANCE

#### Directors In Attendance Were:

Michael Tamblyn, President  
Ashley Licursi, Treasurer  
Melissa Zimmerman, Assistant Secretary  
Amanda Coffey, Assistant Secretary  
Ronald Johnson, Assistant Secretary

#### Also, In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Kathy Kanda, Esq.; McGeady Becher P.C.

Thuy Dam; CliftonLarsonAllen LLP

Tom Gamache, Sage Sievert, Courtney Blanco, and other unidentified District Residents attending via Zoom or telephone

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Attorney Kanda that a disclosure of potential conflicts of interest was filed for Director Tamblyn with the Secretary of State, and no additional conflicts were disclosed at the meeting.

## RECORD OF PROCEEDINGS

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### ADMINISTRATIVE MATTERS

**Meeting Location/Posting of Notice:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director Licursi, seconded by Director Coffey, and upon vote unanimously carried, the Board determined to conduct the meeting at the above-stated date, time and location, which is within 20 miles of the District. It was further noted that notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.

**Agenda:** The Board reviewed the Agenda for the meeting.

Following discussion, upon motion duly made by Director Licursi, seconded by Director Coffey, and upon vote unanimously carried, the Board approved the Agenda.

**Resignation and Appointment of Secretary to the Board:** Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Johnson and, upon vote, unanimously carried, the Board accepted the resignation of Ann Finn as Secretary to the Board and appointed Peggy Ripko as Secretary to the Board.

**Minutes of June 8, 2023 Regular Meeting and the November 14, 2023 Work Session Meeting:** The Board reviewed the Minutes of the June 8, 2023 Regular Meeting and the November 14, 2023 Work Session Meeting.

Following review and discussion, upon motion duly made by Director Coffey, seconded by Director Zimmerman, and upon vote unanimously carried, the Board approved the Minutes, as presented.

**Resolution No. 2023-12-01, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:** The Board discussed the business to be conducted in 2024. The Board determined to schedule regular meetings for 2024 on July 8, 2024 and November 12, 2024 at 6:00 p.m., in person at the Holiday Inn Express & Suites Denver NE and via Zoom.

Following discussion, upon motion duly made by Director Licursi, seconded by Director Coffey, and upon vote unanimously carried, the Board adopted Resolution No. 2023-12-01, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

## RECORD OF PROCEEDINGS

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**Section 32-1-809, C.R.S., Compliance for 2024 (Transparency Notice):** Ms. Ripko discussed with the Board the requirements of Section 32-1-809, C.R.S., and the Board directed that the required Transparency Notice will be posted on the District website and the Special District Association website.

**Insurance Matters:**

*Cyber Security and increased Crime Coverage:* Attorney Kanda discussed with the Board the District’s current cyber security and crime coverage, and a potential increase to the limits of the crime coverage.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Zimmerman and, upon vote, unanimously carried, the Board authorized increasing the District’s crime coverage to \$100,000.

*Insurance Committee:* The Board discussed establishing an Insurance Committee to make final determinations regarding insurance. No action was taken.

*District’s Insurance and Special District Association Membership:* The Board discussed the renewal of the District’s Insurance and Special District Association (“SDA”) membership for 2024.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Licursi and, upon vote, unanimously carried, the Board authorized the renewal of the District’s insurance and SDA membership for 2024, with the previously authorized increase in the crime coverage limit.

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**PUBLIC COMMENT**

The Board and consultants answered questions posed by interested parties in attendance at the annual meeting.

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**FINANCIAL MATTERS**

**Payment of Claims:** Ms. Dam reviewed with the Board the claims for the period of June 1, 2023 through November 23, 2023 in the amount of \$288,968.05.

Following discussion, upon motion duly made by Director Johnson, seconded by Director Zimmerman, and upon vote the Board ratified approval of the payment of claims in the amount of \$288,968.05.

**Unaudited Financial Statements and Cash Position:** Ms. Dam reviewed the unaudited financial statements and cash position for the period ending September 30, 2023 with the Board.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Licursi, seconded by Director Zimmerman, and upon vote unanimously carried, the Board accepted the unaudited financial statements and cash position as presented.

**2023 Audit Preparation:** The reviewed the Board discussed the engagement of Wipfli, LLP to prepare the 2023 Audit.

Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Coffey, and upon vote unanimously carried, the Board approved the engagement of Wipfli, LLP to prepare the 2023 Audit, for an amount not to exceed \$6,000.

**2023 Budget Amendment Hearing:** Director Tamblyn opened the public hearing to consider an amendment to the 2023 Budget.

It was noted that publication of Notice stating that the Board would consider amendment of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Ms. Dam informed the Board that an amendment to the 2023 Budget was required.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Zimmerman, and upon vote unanimously carried, the Board adopted Resolution No. 2023-12-02 to Amend the 2023 Budget.

**2024 Budget Hearing:** Director Tamblyn opened the public hearing to consider the proposed 2024 Budget and to discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2024 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

Ms. Dam reviewed the estimated 2023 expenditures and the proposed 2024 expenditures.

After receiving public comments, the public hearing was closed.

Upon motion duly made by Director Licursi, seconded by Director Zimmerman, with Directors Tamblyn, Licursi, Zimmerman and Coffey voting



## RECORD OF PROCEEDINGS

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yes and Director Johnson voting no, the Board approved the 2024 Budget, subject to receipt of the final assessed valuation, and considered adoption of Resolution No. 2023-12-03 to Adopt the 2024 Budget and Appropriate Sums of Money and Resolution No. 2023-12-04 to Set Mill Levies (12.462 mills in the General Fund and 62.310 mills in the Debt Service Fund, for a total mill levy of 74.772 mills.) Following discussion, upon vote unanimously carried, the Board adopted the Resolutions and authorized execution of the Certification of Budget. The District Accountant was directed to transmit the Certification of Tax Levies to the Board of County Commissioners of Adams County not later than January 10 2024. District Counsel was directed to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2024.

*Resolution No. 2023-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan:* The Board reviewed Resolution No. 2023-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Following discussion, upon motion duly made by Director Licursi, seconded by Director Zimmerman, and upon vote unanimously carried, the Board adopted Resolution No. 2023-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

**DLG-70 Mill Levy Certification Form:** Following discussion, upon motion duly made by Director Licursi, seconded by Director Tamblyn, and upon vote unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification Form for certification to the Board of County Commissioners and other interested parties.

**Preparation of 2025 Budget:** Following discussion, upon motion duly made by Director Licursi, seconded by Director Tamblyn, and upon vote unanimously carried, the Board appointed the District Accountant to prepare the District's 2025 Budget.

**Engineer's Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 7, prepared by Independent District Engineering Services, LLC:** The Board reviewed Cost Certification Report No. 7, dated June 22, 2023, prepared by Independent District Engineering Services, LLC, certifying District Public Improvements and Primary Public Improvements in the amount of \$498,991.75 ("Report No. 7").

Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Licursi and, upon vote unanimously carried, the Board ratified approval of Report No. 7.

## RECORD OF PROCEEDINGS

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**Engineer’s Report and Verification of Costs Associated with District Public Improvements and Primary Public Improvements Report No. 8, prepared by Independent District Engineering Services, LLC:** The Board reviewed Cost Certification Report No. 8, dated September 21, 2023, prepared by Independent District Engineering Services, LLC, certifying District Public Improvements and Primary Public Improvements in the amount of \$324,339.76 (“Report No. 8”).

Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Licursi and, upon vote unanimously carried, the Board approved Report No. 8.

**CliftonLarsonAllen LLP 2024 Master Service Agreement and Statements of Work:** The Board reviewed the Master Service Agreement and Statements of Work between the District and CliftonLarsonAllen for 2024 Accounting Services (the “2024 MSA/SOW”).

Following discussion, upon motion duly made by Director Coffey, seconded by Director Tamblyn and, upon vote, unanimously carried, the Board approved the 2024 MSA/SOW, subject to review by District Counsel.

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### **COMMUNITY MANAGEMENT MATTERS**

**Community Management Report:** Mr. Ripko presented the Community Management Report to the Board.

**Amendment to the Declaration of Master Design Review Covenant and Use Restrictions:** The Board deferred discussion.

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### **LEGAL MATTERS**

**Memorandum of Understanding – Prairie Center Village I Subdivision Phase 3 Pipe Maintenance between the City of Brighton and the District:** Attorney Kanda reviewed with the Board the Memorandum of Understanding – Prairie Center Village I Subdivision Phase 3 Pipe Maintenance between the City of Brighton and the District (the “MOU”).

Following discussion, upon motion duly made by Director Zimmerman, seconded by Director Coffey and, upon vote, unanimously carried, the Board approved the MOU.

**Resolution No. 2023-12-06, Second Amended and Restated Resolution of the Board of Directors of Prairie Center Metropolitan District No. 7 Regarding the Imposition of District Fees:** Attorney Kanda reviewed with the Board Resolution No. 2023-12-06, Second Amended and Restated Resolution of the Board of Directors of Prairie Center Metropolitan District No. 7 Regarding the Imposition of District Fees.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Licursi, seconded by Director Coffey and, with Directors Tamblyn, Licursi, Zimmerman and Coffey voting yes and Director Johnson voting no, the Board adopted Resolution No. 2023-12-06, Second Amended and Restated Resolution of the Board of Directors of Prairie Center Metropolitan District No. 7 Regarding the Imposition of District Fees.

**Resolution No. 2023-12-07, Resolution Amending Policy on Colorado Open Records Act Requests:** Attorney Kanda reviewed with the Board Resolution No. 2023-12-07, Resolution Amending Policy on Colorado Open Records Act Requests.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Licursi and, upon vote, unanimously carried, the Board adopted Resolution No. 2023-12-07, Resolution Amending Policy on Colorado Open Records Act Requests.

### **OPERATIONS AND MAINTENANCE MATTERS**

**Change Order No. 1 to Service Agreement for Landscape Maintenance of District Tracts – Village I between the District and Vargas Property Services, Inc:** The Board reviewed Change Order No. 1 to the Service Agreement for Landscape Maintenance of District Tracts – Village I between the District and Vargas Property Services, Inc.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Zimmerman and, upon vote, unanimously carried, the Board approved Change Order No. 1 to Service Agreement for Landscape Maintenance of District Tracts – Village I between the District and Vargas Property Services, Inc in the amount of \$39,449.74, subject to negotiation and acceptance of terms regarding scope of work and compensation by Directors Tamblyn and Licursi.

**Change Order No. 1 to Service Agreement for Snow Removal between the District and Magnum Snow Removal, Inc:** The Board reviewed Change Order No. 1 to the Service Agreement for Snow Removal between the District and Magnum Snow Removal, Inc.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Zimmerman and, upon vote, unanimously carried, the Board approved Change Order No. 1 to Service Agreement for Snow Removal between the District and Magnum Snow Removal, Inc. subject to negotiation and acceptance of terms regarding scope of work and compensation by Directors Tamblyn and Licursi.

**RECORD OF PROCEEDINGS**

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**Change Order No. 1 to Service Agreement for Exterior Light Inspection between the District and Colorado Lighting, Inc. (d/b/a CLI Services):** The Board reviewed Change Order No. 1 to the Service Agreement for Exterior Light Inspection between the District and CLI Services.

Following discussion, upon motion duly made by Director Coffey, seconded by Director Zimmerman and, upon vote, unanimously carried, the Board approved Change Order No. 1 to Service Agreement for Exterior Light Inspection between the District and CLI Services, subject to negotiation and acceptance of terms regarding scope of work and compensation by Directors Tamblyn and Licursi.

**CAPITAL MATTERS**

**Prairie Center Village I Phase IV Improvements Projects:** Director Tamblyn discussed the Prairie Center Village I Phase IV Improvements Projects.

**OTHER MATTERS**

There were no other matters.

**ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Coffey and seconded by Director Zimmerman and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF THE STATUTORY ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 (THE “DISTRICT”) HELD DECEMBER 4, 2023

Pursuant to Section 32-1-903(6), C.R.S., a statutory annual meeting of the Board of Directors of the District (referred to hereafter as the “Board”) was convened on December 4, 2023, at 5:30 p.m., in person at the Holiday Inn Express & Suites Denver NE – Brighton 2212 Medical Center Drive Brighton, CO 80601 and via video / telephone conference. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Michael Tamblyn, President  
Ashley Licursi, Treasurer  
Melissa Zimmerman, Assistant Secretary  
Amanda Coffey, Assistant Secretary  
Ronald Johnson, Assistant Secretary

##### Also, In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Kathy Kanda, Esq.; McGeady Becher P.C.

Thuy Dam; CliftonLarsonAllen LLP

Tom Gamache, Sage Sievert, Courtney Blanco, and other unidentified District Residents attending via Zoom or telephone

#### ANNUAL MEETING ITEMS

**Confirmation of Posting of Annual Meeting Notice:** It was noted for the record that notice of the time, date and location of the annual meeting was duly posted on the District’s website and that no objections to the means of hosting the meeting by taxpaying electors within the District’s boundaries have been received.

**Presentation Regarding the Status of the Public Infrastructure Projects Within the District and Outstanding Bonds:** Director Tamblyn and the District Accountant presented information regarding the status of public infrastructure projects within the District, including the status of outstanding bonds.

## RECORD OF PROCEEDINGS

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**Unaudited Financial Statements, Including Year-to-Date Revenue and Expenditures of the District in Relation to its Adopted Budget, for the Calendar Year:** The District Accountant presented the District's Unaudited Financial Statements, including year-to-date revenue and expenditures of the District in relation to the District's adopted budget, for the calendar year.

**Public Questions:** The Board and consultants answered questions posed by interested parties in attendance at the annual meeting.

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### **ADJOURNMENT**

There being no further business to come before the Board at this time, the annual meeting was adjourned.

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Annual Meeting

**Prairie Center Metro District No. 7**  
**Check register**  
**November 30, 2023 - August 1, 2024**

<b>Date</b>	<b>Payee</b>	<b>Document no.</b>	<b>Amount</b>
		<b>Account no: 3661268427</b>	
12/14/2023	A510309-000016--Alliance CMS	1913	1,015.00
12/14/2023	A510309 - 000012--Brinkmann Construction	1914	3,165.12
12/14/2023	A510309 - 000016--City of Brighton		4,741.06
12/14/2023	A510309 - 000019--CliftonLarsonAllen LLP	1915	8,333.85
12/14/2023	A510309 - 000021--CO Special Dist. Prop & Liab Pool	1916	10,331.00
12/14/2023	A510309 - 000027--Colorado Lighting, Inc,	1917	20.00
12/14/2023	A510309 - 000032--Diversified Underground	1918	290.00
12/14/2023	A510309 - 000061--Magnum Snow Removal, LLC	1919	950.64
12/14/2023	A510309 - 000063--McGeady Becher, PC	1920	2,543.60
12/14/2023	A510309 - 000069--Omerta Storm Water Management	1921	2,839.44
12/14/2023	A510309 - 000091--Special District Mgmt. Services, Inc	1922	4,630.46
12/14/2023	A510309 - 000104--United Power Inc		158.73
12/14/2023	A510309 - 000105--Utility Notification Center of CO	1923	55.47
1/9/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool		450.00
1/16/2024	A510309 - 000117--ASHLEY & ANDREW MILLER	1924	150.00
1/16/2024	A510309 - 000016--City of Brighton		1,570.51
1/16/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool		10,331.00
1/16/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool	Voided - 1916	-10,331.00
1/16/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool	1925	450.00
1/16/2024	A510309 - 000027--Colorado Lighting, Inc,	1926	712.13
1/16/2024	A510309 - 000032--Diversified Underground	1927	310.00
1/16/2024	A510309 - 000048--Independent Dist. Engineering Services	1928	950.00
1/16/2024	A510309 - 000063--McGeady Becher, PC	1929	16,217.07
1/16/2024	A510309 - 000075--Poop 911	1930	180.00
1/16/2024	A510309 - 000080--Redland Consulting Group Inc	1931	805.00
1/16/2024	A510309 - 000091--Special District Mgmt. Services, Inc	1932	5,409.67
1/16/2024	A510309 - 000104--United Power Inc		24.76
1/16/2024	A510309 - 000104--United Power Inc		134.57
1/16/2024	A510309 - 000105--Utility Notification Center of CO	1933	83.85
1/16/2024	A510309 - 000106--Vargas Property Service Inc	1934	3,485.47
1/16/2024	A510309 - 000116--VM MASTER ISSUER LLC	1935	195.00
2/13/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool		-450.00
2/13/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool		450.00
2/13/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool	Voided - 1925	-450.00
2/19/2024	A510309 - 000016--City of Brighton		1,895.75
2/19/2024	A510309 - 000019--CliftonLarsonAllen LLP	1936	10,568.90
2/19/2024	A510309 - 000021--CO Special Dist. Prop & Liab Pool	1937	395.00
2/19/2024	A510309 - 000027--Colorado Lighting, Inc,	1938	30.00
2/19/2024	A510309 - 000032--Diversified Underground	1939	195.00
2/19/2024	A510309 - 000063--McGeady Becher, PC	1940	797.27
2/19/2024	A510309-000017--Special District Management Services, Inc.	1941	4,164.31
2/19/2024	A510309 - 000104--United Power Inc		160.66
2/19/2024	A510309 - 000105--Utility Notification Center of CO	1942	50.31
3/18/2024	A510309 - 000016--City of Brighton		1,895.75
3/18/2024	A510309 - 000019--CliftonLarsonAllen LLP	1943	7,784.05
3/18/2024	A510309 - 000027--Colorado Lighting, Inc,	1944	30.00
3/18/2024	A510309 - 000032--Diversified Underground	1945	465.00

<b>Date</b>	<b>Payee</b>	<b>Document no.</b>	<b>Amount</b>
3/18/2024	A510309 - 000048--Independent Dist. Engineering Services	1946	2,043.75
3/18/2024	A510309 - 000061--Magnum Snow Removal, LLC	1947	10,411.36
3/18/2024	A510309 - 000069--Omerta Storm Water Management	1948	457.60
3/18/2024	A510309 - 000075--Poop 911	1949	88.00
3/18/2024	A510309 - 000080--Redland Consulting Group Inc	1950	3,125.92
3/18/2024	A510309-000017--Special District Management Services, Inc.	1951	3,930.82
3/18/2024	A510309 - 000104--United Power Inc		158.43
3/18/2024	A510309 - 000105--Utility Notification Center of CO	1952	68.37
3/18/2024	A510309 - 000106--Vargas Property Service Inc	1953	6,970.94
4/17/2024	A510309 - 000016--City of Brighton		1,895.75
4/17/2024	A510309 - 000019--CliftonLarsonAllen LLP	1954	7,116.71
4/17/2024	A510309 - 000022--Colorado Community Media Group	1955	36.12
4/17/2024	A510309 - 000027--Colorado Lighting, Inc,	1956	30.00
4/17/2024	A510309 - 000032--Diversified Underground	1957	400.00
4/17/2024	A510309 - 000061--Magnum Snow Removal, LLC	1958	4,077.61
4/17/2024	A510309 - 000063--McGeady Becher, PC	1959	2,199.99
4/17/2024	A510309 - 000069--Omerta Storm Water Management	1960	3,701.10
4/17/2024	A510309 - 000075--Poop 911	1961	100.00
4/17/2024	A510309 - 000080--Redland Consulting Group Inc	1962	2,825.88
4/17/2024	A510309-000017--Special District Management Services, Inc.	1963	3,612.92
4/17/2024	A510309 - 000104--United Power Inc		159.09
4/17/2024	A510309 - 000105--Utility Notification Center of CO	1964	100.62
4/17/2024	A510309 - 000106--Vargas Property Service Inc	1965	3,485.47
5/16/2024	A510309 - 000003--Altitude Community Law P.C.	1966	23.00
5/16/2024	A510309 - 000011--Brightview Landscape Development, Inc.	1967	46,811.19
5/16/2024	A510309 - 000016--City of Brighton		-1,883.69
5/16/2024	A510309 - 000016--City of Brighton		1,883.69
5/16/2024	A510309 - 000019--CliftonLarsonAllen LLP	1968	7,500.54
5/16/2024	A510309 - 000024--Colorado Department of Public Health	1969	135.00
5/16/2024	A510309 - 000032--Diversified Underground	1970	380.00
5/16/2024	A510309 - 000063--McGeady Becher, PC	1971	1,537.98
5/16/2024	A510309 - 000075--Poop 911	1972	100.00
5/16/2024	A510309 - 000080--Redland Consulting Group Inc	1973	500.00
5/16/2024	A510309 - 000090--Special District Association	1974	607.12
5/16/2024	A510309-000017--Special District Management Services, Inc.	1975	3,268.91
5/16/2024	A510309 - 000104--United Power Inc		156.20
5/16/2024	A510309 - 000105--Utility Notification Center of CO	1976	98.04
5/16/2024	A510309 - 000106--Vargas Property Service Inc	1977	3,485.47
5/17/2024	A510309 - 000016--City of Brighton		1,745.17
6/14/2024	A510309 - 000019--CliftonLarsonAllen LLP	1978	7,328.04
6/14/2024	A510309 - 000027--Colorado Lighting, Inc,	1979	30.00
6/14/2024	A510309 - 000032--Diversified Underground	1980	420.00
6/14/2024	A510309 - 000063--McGeady Becher, PC	1981	1,350.58
6/14/2024	A510309 - 000069--Omerta Storm Water Management	1982	1,809.20
6/14/2024	A510309 - 000075--Poop 911	1983	190.00
6/14/2024	A510309-000017--Special District Management Services, Inc.	1984	4,285.13
6/14/2024	A510309 - 000105--Utility Notification Center of CO	1985	107.07
6/14/2024	A510309 - 000106--Vargas Property Service Inc	1986	7,107.83
6/18/2024	A510309 - 000016--City of Brighton		1,745.17
6/24/2024	A510309 - 000104--United Power Inc		155.97
7/15/2024	A510309 - 000117--ASHLEY & ANDREW MILLER	1987	150.00



<b>Date</b>	<b>Payee</b>	<b>Document no.</b>	<b>Amount</b>
7/15/2024	A510309-000021--Cassandra & Christopher May	1988	468.57
7/15/2024	A510309 - 000016--City of Brighton		8,655.66
7/15/2024	A510309 - 000019--CliftonLarsonAllen LLP	1989	8,032.65
7/15/2024	A510309 - 000027--Colorado Lighting, Inc,	1990	324.72
7/15/2024	A510309 - 000032--Diversified Underground	1991	195.00
7/15/2024	A510309 - 000075--Poop 911	1993	100.00
7/15/2024	A510309-000019--Richard Trujillo	1994	111.20
7/15/2024	A510309-000020--Robert Horsman	1995	395.00
7/15/2024	A510309-000017--Special District Management Services, Inc.	1996	4,113.23
7/15/2024	A510309 - 000104--United Power Inc		158.14
7/15/2024	A510309 - 000105--Utility Notification Center of CO	1997	50.31
7/27/2024	A510309-000018--JEFF 1, LLC	1992	412.50
	<b>Totals for 1st Bank</b>		<b><u>\$ 269,225.44</u></b>

PRAIRIE CENTER METRO DISTRICT NO. 7

FINANCIAL STATEMENTS

JUNE 30, 2024

**Prairie Center Metro District No. 7**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets</b>				
Checking Account	\$ 130,268.08	\$ -	\$ 277,762.30	\$ 408,030.38
UMB - Series 2020 Revenue	-	452,842.51	-	452,842.51
UMB - Series 2020 Reserve	-	822,093.66	-	822,093.66
UMB - Series 2020 Restricted Proj	-	-	1,038,817.46	1,038,817.46
UMB - Series 2020 Unrestricted Proj	-	-	1,492.56	1,492.56
UMB - Series 2020 Bond Interest	-	185,194.18	-	185,194.18
UMB - Series 2020 Mandatory Redemption	-	4,455.58	-	4,455.58
UMB - Series 2021 Sub Project	-	-	11,062.59	11,062.59
Due from Other Districts	-	433,711.49	-	433,711.49
Accounts Receivable	506.10	-	-	506.10
Receivable from County Treasurer	57,991.65	289,957.89	-	347,949.54
Due from Other Funds	4,035.94	-	-	4,035.94
Refundable Deposits	-	-	5,000.00	5,000.00
<b>Total Assets</b>	<u>\$ 192,801.77</u>	<u>\$ 2,188,255.31</u>	<u>\$ 1,334,134.91</u>	<u>\$ 3,715,191.99</u>
<b>Liabilities</b>				
Accounts Payable	\$ 32,361.94	\$ -	\$ 2,319.98	\$ 34,681.92
Retainage Payable	-	-	48,336.40	48,336.40
Due to Other Districts	-	100,760.00	-	100,760.00
Due to Other Funds	-	4,035.94	-	4,035.94
Project management fees payable	-	-	706,972.69	706,972.69
Project management fees interest payable	-	-	117,996.50	117,996.50
<b>Total Liabilities</b>	<u>32,361.94</u>	<u>104,795.94</u>	<u>875,625.57</u>	<u>1,012,783.45</u>
<b>Fund Balances</b>	<u>160,439.83</u>	<u>2,083,459.37</u>	<u>458,509.34</u>	<u>2,702,408.54</u>
<b>Liabilities and Fund Balances</b>	<u>\$ 192,801.77</u>	<u>\$ 2,188,255.31</u>	<u>\$ 1,334,134.91</u>	<u>\$ 3,715,191.99</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**Prairie Center Metro District No. 7**  
**General Fund Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending June 30, 2024**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
Administrative costs transfer fee	\$ 30,000.00	\$ 16,438.58	\$ 13,561.42
Property taxes	155,936.00	159,948.47	(4,012.47)
Specific ownership taxes	10,916.00	3,592.47	7,323.53
Operations and maintenance fee	233,000.00	116,216.73	116,783.27
Interest income	-	8.82	(8.82)
Other revenue	10,000.00	905.23	9,094.77
<b>Total Revenue</b>	<u>439,852.00</u>	<u>297,110.30</u>	<u>142,741.70</u>
<b>Expenditures</b>			
Accounting	45,000.00	25,178.86	19,821.14
Auditing	6,000.00	-	6,000.00
County Treasurer's Fee	2,339.00	2,338.85	0.15
Directors' fees	1,600.00	-	1,600.00
Dues and membership	1,500.00	607.12	892.88
Insurance	12,000.00	10,726.00	1,274.00
District management	30,000.00	6,710.38	23,289.62
Billing	24,000.00	11,333.95	12,666.05
Legal	33,000.00	7,078.82	25,921.18
Miscellaneous	15,561.00	2,700.84	12,860.16
Repairs and maintenance - District Tracts	2,500.00	1,838.24	661.76
Landscaping - District Tracts	70,000.00	23,141.66	46,858.34
Community management	35,000.00	16,664.94	18,335.06
Tree care program	15,000.00	-	15,000.00
Snow removal	30,000.00	14,488.97	15,511.03
Pet Station services	2,000.00	528.00	1,472.00
Underdrain system maintenance	5,000.00	-	5,000.00
Site lighting	2,500.00	-	2,500.00
Irrigation Water- DistrictTracts	95,000.00	17,833.25	77,166.75
Electricity - District Tracts	2,000.00	948.49	1,051.51
Contingency	30,000.00	-	30,000.00
<b>Total Expenditures</b>	<u>460,000.00</u>	<u>142,118.37</u>	<u>317,881.63</u>
<b>Other Financing Sources (Uses)</b>			
Developer advance	25,348.00	27,881.45	(2,533.45)
<b>Total Other Financing Sources (Uses)</b>	<u>25,348.00</u>	<u>27,881.45</u>	<u>(2,533.45)</u>
<b>Net Change in Fund Balances</b>	5,200.00	182,873.38	(177,673.38)
Fund Balance - Beginning	8,000.00	(22,433.55)	35,033.55
<b>Fund Balance - Ending</b>	<u>\$ 13,200.00</u>	<u>\$ 160,439.83</u>	<u>\$ (142,639.83)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

## SUPPLEMENTARY INFORMATION

**Prairie Center Metro District No. 7**  
**Debt Service Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending June 30, 2024**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 779,679.00	\$ 775,525.63	\$ 4,153.37
Specific ownership taxes	54,578.00	17,962.26	36,615.74
Interest income	50,000.00	40,645.56	9,354.44
Facilities fees	114,000.00	105,000.00	9,000.00
Credit public improvement fees	76,000.00	96,434.50	(20,434.50)
Add-On public improvement fees	76,000.00	96,434.49	(20,434.49)
Drainage impact fees	256,480.00	100,760.00	155,720.00
Rebated City fees	405,420.00	236,486.56	168,933.44
Neighborhood Park impact fees	110,376.00	94,608.00	15,768.00
Total Revenue	<u>1,922,533.00</u>	<u>1,563,857.00</u>	<u>358,676.00</u>
Expenditures			
County Treasurer's Fee	11,695.00	11,694.06	0.94
Paying agent fees	8,000.00	4,000.00	4,000.00
Bond interest	400,000.00	182,821.87	217,178.13
Bond principal	1,700,000.00	640,000.00	1,060,000.00
Contingency	80,305.00	-	80,305.00
Total Expenditures	<u>2,200,000.00</u>	<u>838,515.93</u>	<u>1,361,484.07</u>
Net Change in Fund Balances	(277,467.00)	725,341.07	(1,002,808.07)
Fund Balance - Beginning	1,265,024.00	1,358,118.30	948,821.70
Fund Balance - Ending	<u>\$ 987,557.00</u>	<u>\$ 2,083,459.37</u>	<u>\$ (53,986.37)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**Prairie Center Metro District No. 7**  
**Capital Projects Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending June 30, 2024**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest income	\$ 100,000.00	\$ 39,398.44	\$ 60,601.56
Credit public improvement fees - PRI	19,000.00	24,108.63	(5,108.63)
Total Revenue	<u>119,000.00</u>	<u>63,507.07</u>	<u>55,492.93</u>
Expenditures			
PPI Expenditures			
Village 1 - Phase 4	15,000.00	2,156.88	12,843.12
DPI Expenditures			
Accounting	30,000.00	8,769.18	21,230.82
Engineering	10,000.00	2,043.75	7,956.25
Project management fee	5,000.00	1,636.84	3,363.16
Village 1 - Phase 2	-	950.00	(950.00)
Village 1 - Phase 4	85,000.00	9,312.82	75,687.18
General			
Contingency	135,000.00	-	135,000.00
Total Expenditures	<u>280,000.00</u>	<u>24,869.47</u>	<u>255,130.53</u>
Other Financing Sources (Uses)			
Repay developer advance	(2,000,000.00)	(900,600.00)	(1,099,400.00)
Developer advance	1,393,320.00	-	1,393,320.00
Developer advance - Project Management Fee	5,000.00	1,636.84	3,363.16
Total Other Financing Sources (Uses)	<u>(601,680.00)</u>	<u>(898,963.16)</u>	<u>297,283.16</u>
Net Change in Fund Balances	(762,680.00)	(860,325.56)	97,645.56
Fund Balance - Beginning	762,680.00	1,318,834.90	3,793,167.10
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 458,509.34</u>	<u>\$ 3,890,812.66</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Prairie Center Metropolitan District No. 7 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, concurrently with Prairie Center Metropolitan District Nos 3-6 and 8-10, pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translation and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

During elections held on May 2, 2006, a majority of the District's electors authorized general obligation indebtedness of \$6,790,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 2, 2006, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

Pursuant to the Service Plans of District Nos. 2–10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively, is \$750,000,000.

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

**Revenues**

**Property Taxes**

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



**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (Continued)**

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District’s share will be equal to approximately 7% of the property taxes collected.

**Interest Income**

Investment earned on the District’s available funds has been estimated based on historical interest earnings.

**Developer Advances**

A portion of operations, maintenance, and capital costs of the District is expected to be funded by the Developer.

**Operations and Administrative Costs Transfer Fees**

The District established an operations fee on each residential lot along with a one-time administrative costs transfer fee upon closing to cover the costs of operations and maintaining the District improvements. In 2024, the District increases the operations fee to \$750 per year and the administrative costs transfer fee to \$500 per closing.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees**

The District entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA) with Prairie Center Metro District No. 3 (District No. 3). Per the IGA, District No. 3 agrees to transfer to the District its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. District No. 3 is relieved from providing any public improvements or management services related to Village I as it is being developed by the District, separately from the remaining development.

These assigned revenues include:

- *Facilities Fees* – being assessed for the use of the District’s improvements. The facilities fee is \$3,000 per single-family, detached dwelling unit, due on or before the date of issuance of a building permit by the City of Brighton.
- *Credit and Add-On PIF* – being assessed on use tax transactions and collected at the time of building permit issuance. The Credit PIF is calculated as 1.25% of 50% of the project valuation. The Add-On PIF is calculated as 1.00% of 50% of the project valuation.
- *Drainage Impact Fees* – the City of Brighton shall reimburse the District, on a quarterly basis from building permits issued, for the design, financing and construction of the stormwater improvements.
- *Rebated City Fees* – the City of Brighton shall remit a per-lot rebated fee to the District, on a quarterly basis from certificates of occupancy issued, in the amount of \$6,756.75 per single-family residential lot for a total reimbursement not to exceed \$2,500,000 at the completion of the Village 1 Subdivision.
- *Neighborhood Park Impact Fees* - the City of Brighton has agreed to remit the Neighborhood Park Impact Fees to the District as reimbursement for the costs of construction of certain Neighborhood Park Improvements in the amount of \$1,971 per residential unit.

**Expenditures**

**General and Administrative**

General and administrative expenditures include the estimated costs of services necessary to maintain the District’s administrative viability such as legal, management, accounting, insurance and other administrative expenses.

**Operations and Maintenance**

Operations and maintenance expenditures include estimated expenditures for improvements within the District related to repairs and maintenance, landscaping maintenance, park maintenance, utility costs and snow removal.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Debt Service**

Payments on Series 2020 Bonds are based on the amount of funds available. Therefore, a scheduled amortization has not been included in the budget.

Series 2021 Subordinate Bonds are also structured as cash flow bonds. A debt amortization schedule has not been provided as payments are made when funds are available.

**Capital Outlay**

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

**Debt and Leases**

**Limited Tax General Obligation Bonds, Series 2020**

The District issued Series 2020 Limited Tax General Obligation Bonds on August 12, 2020, in the par amount of \$12,225,000. Proceeds from the sale of the Bonds will be used to finance a portion of the costs of constructing certain public infrastructure to serve the Development and certain other property within Prairie Center and repay advances made by the Developer to the District to construct such public infrastructure. A portion of the proceeds of the Bonds will also be used to fund: (a) the Reserve Fund, (b) capitalized interest on the Bonds; and (c) costs of issuing the Bonds. The Bonds will be issued as two term bonds. The first term bond bears interest at 4.125% and matures on December 15, 2036. The second term bond bears interest at 4.875% and matures on December 15, 2044. Interest on the Bonds is payable semi-annually on June 15 and December 15 ("Interest Payment Dates"), beginning on December 15, 2020, to the extent of available Pledged Revenue.

The Bonds are structured as "cash flow" bonds, meaning that no regularly scheduled payments of principal are due on the term Bonds prior to their respective maturity dates. Instead, principal is payable on each June 15 and December 15 from available Pledged Revenue, if any, pursuant to a mandatory redemption, after paying interest due on such Interest Payment Date and after funding in full interest coming due on the next Interest Payment Date (the "Subsequent Interest Payment Date"), less any amounts on deposit in such account, including any deposits from capitalized interest. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond.

The Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF Revenues, PILOT revenues (if any), and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The forecast does not include Pledged PIF or PILOT revenues. The Bonds are also secured by amounts held in the Reserve Fund in the amount \$812,672.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (Continued)**

**Subordinate Limited Tax General Obligation Bonds, Series 2021**

The District issued Subordinate Limited Tax General Obligation Bonds (the Subordinate Bonds) on November 30, 2021, in the par amount of \$3,990,000. Proceeds from the sale of the Subordinate Bonds were used to repay advances made by the Developer to the District to construct such public infrastructure to serve the development and certain other property within Prairie Center, and to pay costs of issuing the Subordinate Bonds.

The Subordinate Bonds bear interest at the rate of 6.375% per annum and are payable annually on December 15, beginning December 15, 2022, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date of June 15, 2046. Principal on the Subordinate Bonds is payable on each December 15 from, and to the extent of, Subordinate Pledged Revenue available 45 days prior to such December 15.

Accrued unpaid interest on the Subordinate Bonds compounds annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment or until discharged. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor on December 15, 2056, the Subordinate Bonds will be deemed discharged. No payments are permitted to be made on the Subordinate Bonds until the 2020 Senior Bonds and any other Senior Obligations issued by the District have been paid in full or defeased.

The Subordinate Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (Continued)**

The following is analysis of anticipated changes in the District’s long-term obligations for the year ending December 31, 2023 and 2024:

	Balance - December 31, 2022	Additions	Retirements	Anticipated Balance - December 31, 2023
Bonds Payable				
Series 2020 - Senior	\$ 9,245,000	\$ -	\$ 1,290,000	\$ 7,955,000
Series 2021 - Subordinate	3,990,000	-	-	3,990,000
Accrued Interest on Bonds				
Series 2021 - Subordinate	264,961	271,254	-	536,215
Developer Advances:				
Operating	571,599	115,857	-	687,456
Capital	13,002,326	2,425,940	1,594,050	13,834,216
Accrued Interest				
Operating	72,881	63,000	-	135,881
Capital	37,511	1,250,000	1,250,000	37,511
Funding Fee Payable	67,837	136,000	-	203,837
Total	<u>\$ 27,252,115</u>	<u>\$ 4,262,051</u>	<u>\$ 4,134,050</u>	<u>\$ 27,380,116</u>
	Anticipated Balance - December 31, 2023	Additions	Retirements	Anticipated Balance - December 31, 2024
Bonds Payable				
Series 2020 - Senior	\$ 7,955,000	\$ -	\$ 1,700,000	\$ 6,255,000
Series 2021 - Subordinate	3,990,000	-	-	3,990,000
Accrued Interest on Bonds				
Series 2021 - Subordinate	536,215	288,546	-	824,761
Developer Advances:				
Operating	687,456	25,348	-	712,804
Capital	13,834,216	1,393,320	750,000	14,477,536
Accrued Interest				
Operating	135,881	77,000	-	212,881
Capital	37,511	1,250,000	1,250,000	37,511
Funding Fee Payable	203,837	145,000	-	348,837
Total	<u>\$ 27,380,116</u>	<u>\$ 3,179,214</u>	<u>\$ 3,700,000</u>	<u>\$ 26,859,330</u>

The District has no outstanding operating or capital leases.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve Funds**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

**Debt Service Reserve**

The Series 2020 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds, in the required amount of \$812,672.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**Property Taxes Reconciliation**  
**2024**

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 2,670.11	\$ -	\$ 2,693.97	\$ -	\$ (40.05)	-	\$ 5,324.03	0.29%	0.29%	\$ 2,044.78	0.00%	0.00%
February	367,998.20	-	3,899.51	-	(5,519.97)	-	366,377.74	39.33%	39.62%	\$ 218,164.13	41.70%	41.70%
March	20,317.09	-	3,884.71	-	(304.76)	-	23,897.04	2.17%	41.79%	\$ 32,156.45	5.65%	47.35%
April	109,406.61	4,843.15	3,724.65	26.10	(1,714.15)	-	116,286.36	12.21%	54.00%	\$ 32,021.37	6.02%	53.37%
May	80,799.54	-	3,600.16	26.79	(1,212.39)	-	83,214.10	8.64%	62.64%	\$ 28,542.01	4.61%	57.98%
June	349,439.40	-	3,751.73	-	(5,241.59)	-	347,949.54	37.35%	99.98%	\$ 215,257.32	41.15%	99.13%
July	-	-	-	-	-	-	-	0.00%	99.98%	\$ 4,858.28	0.33%	99.46%
August	-	-	-	-	-	-	-	0.00%	99.98%	\$ 3,373.28	0.00%	99.46%
September	-	-	-	-	-	-	-	0.00%	99.98%	\$ 3,395.86	0.00%	99.46%
October	-	-	-	-	-	-	-	0.00%	99.98%	\$ 4,820.07	0.36%	99.83%
November	-	-	-	-	-	-	-	0.00%	99.98%	\$ 4,848.34	0.29%	100.12%
December	-	-	-	-	-	-	-	0.00%	99.98%	\$ 2,939.05	0.00%	100.12%
	<b>\$ 930,630.95</b>	<b>\$ 4,843.15</b>	<b>\$ 21,554.73</b>	<b>\$ 52.89</b>	<b>\$ (14,032.91)</b>	<b>\$ -</b>	<b>\$ 943,048.81</b>	<b>99.98%</b>	<b>99.98%</b>	<b>\$ 552,420.94</b>	<b>100.12%</b>	<b>100.12%</b>

Taxes Levied	% of Levied	Property Taxes Collected	
General Fund	155,936.00	16.67%	\$ 155,105.32
Debt Service Fund	779,679.00	83.33%	775,525.63
<b>\$ 935,615.00</b>	<b>100.00%</b>	<b>\$ 930,630.95</b>	

Totals	
General	156,367.78
Debt Service	781,837.88
<b>Total</b>	<b>938,205.66</b>

**Property Taxes**

General Fund	\$ 155,936.00	16.67%	\$ 155,105.32
Debt Service Fund	779,679.00	83.33%	775,525.63
	<b>\$ 935,615.00</b>	<b>100.00%</b>	<b>\$ 930,630.95</b>

**Specific Ownership Taxes**

General Fund	\$ 10,916.00	16.67%	\$ 3,592.46
Debt Service	54,578.00	83.33%	17,962.27
	<b>\$ 65,494.00</b>	<b>100.00%</b>	<b>\$ 21,554.73</b>

**Treasurer's Fees**

General Fund	\$ (2,339.00)	16.67%	\$ (2,338.82)
Debt Service	(11,695.00)	83.33%	(11,694.09)
	<b>\$ (14,034.00)</b>	<b>100.00%</b>	<b>\$ (14,032.91)</b>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
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**INSERT INDEPENDENT AUDITOR'S REPORT**

## **BASIC FINANCIAL STATEMENTS**

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 9,257
Cash and Investments - Restricted	3,317,032
Accounts Receivable	305,301
Prepaid Expenses	10,331
Receivable from County Treasurer	2,939
Refundable Deposits	5,000
Property Taxes Receivable	935,615
Capital Assets, Not Being Depreciated:	
Construction in Progress	10,096,107
Capital Assets, Net	371,397
Total Assets	15,052,979
<b>LIABILITIES</b>	
Accounts Payable	75,223
Retainage Payable	95,148
Project Management Fee Payable	769,591
Project Management Fee Interest Payable	117,997
Accrued Interest Payable - Bonds	565,290
Noncurrent Liabilities:	
Due in More than One Year	27,099,710
Total Liabilities	28,722,959
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	935,615
Total Deferred Inflows of Resources	935,615
<b>NET POSITION</b>	
Net Investment in Capital Assets	(1,509,321)
Restricted for:	
Emergency Reserves	8,000
Unrestricted	(13,104,274)
Total Net Position	\$ (14,605,595)

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 533,161	\$ 164,450	\$ -	\$ 39,772	\$ (328,939)
Interest and Related Costs on Long-Term Debt	2,080,124	-	-	1,460,773	(619,351)
Conveyance of Capital Assets to Other Governments	4,822,083	-	-	-	(4,822,083)
Total Governmental Activities	\$ 7,435,368	\$ 164,450	\$ -	\$ 1,500,545	(5,770,373)
<b>GENERAL REVENUES</b>					
Property Taxes					524,772
Specific Ownership Taxes					35,250
Net Investment Income					222,927
Other Revenue					7,068
Total General Revenues					790,017
<b>CHANGE IN NET POSITION</b>					(4,980,356)
Net Position - Beginning of Year					(9,625,239)
<b>NET POSITION - END OF YEAR</b>					\$ (14,605,595)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 9,257	\$ -	\$ -	\$ 9,257
Cash and Investments - Restricted	8,000	1,053,723	2,255,309	3,317,032
Accounts Receivable	506	301,946	2,849	305,301
Prepaid Expenses	10,331	-	-	10,331
Receivable from County Treasurer	490	2,449	-	2,939
Property Taxes Receivable	155,936	779,679	-	935,615
Refundable Deposits	-	-	5,000	5,000
	<u>\$ 184,520</u>	<u>\$ 2,137,797</u>	<u>\$ 2,263,158</u>	<u>\$ 4,585,475</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 51,017	\$ -	\$ 24,206	\$ 75,223
Retainage Payable	-	-	95,148	95,148
Project Management Fee Payable	-	-	706,973	706,973
Project Management Fee Interest Payable	-	-	117,997	117,997
Total Liabilities	<u>51,017</u>	<u>-</u>	<u>944,324</u>	<u>995,341</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	155,936	779,679	-	935,615
Total Deferred Inflows of Resources	<u>155,936</u>	<u>779,679</u>	<u>-</u>	<u>935,615</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenses	10,331	-	-	10,331
Restricted for:				
Emergency Reserves	8,000	-	-	8,000
Debt Service	-	1,358,118	-	1,358,118
Capital Projects	-	-	1,318,834	1,318,834
Unassigned:				
General Government	(40,764)	-	-	(40,764)
Total Fund Balances	<u>(22,433)</u>	<u>1,358,118</u>	<u>1,318,834</u>	<u>2,654,519</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 184,520</u>	<u>\$ 2,137,797</u>	<u>\$ 2,263,158</u>	<u>\$ 4,585,475</u>

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023**

Fund Balances - Total Governmental Funds	\$ 2,654,519
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets, Not Being Depreciated	10,096,107
Capital Assets, Net	371,397
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(11,945,000)
Accrued Interest Payable - Bonds	(565,290)
Developer Advance Payable	(14,642,369)
Accrued Interest Payable - Developer Advances	(390,746)
Funding Fees on Developer Advances	(121,595)
Project Management Fees	(62,618)
	(14,605,595)
Net Position of Governmental Activities	\$ (14,605,595)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Credit Public Improvement Fees from Building Permits	\$ -	\$ 159,088	\$ -	\$ 159,088
Credit Public Improvement Fees from Building Permits - PRI	-	-	39,772	39,772
Add-On Public Improvement Fees from Building Permits	-	159,088	-	159,088
Facilities Fees	-	207,000	-	207,000
Drainage Impact Fees	-	361,820	-	361,820
Rebated City Fees	-	459,459	-	459,459
Neighborhood Park Impact Fees	-	114,318	-	114,318
Net Investment Income	44	78,279	144,604	222,927
Operations and Maintenance Fee	152,250	-	-	152,250
Other Revenue	7,068	-	-	7,068
Property Taxes	87,460	437,312	-	524,772
Specific Ownership Taxes	5,875	29,375	-	35,250
Administrative Costs Transfer Fees	12,200	-	-	12,200
Total Revenues	<u>264,897</u>	<u>2,005,739</u>	<u>184,376</u>	<u>2,455,012</u>
<b>EXPENDITURES</b>				
General and Operations	312,291	-	180,653	492,944
Debt Service	-	1,715,162	-	1,715,162
Capital Outlay	-	-	1,823,048	1,823,048
Total Expenditures	<u>312,291</u>	<u>1,715,162</u>	<u>2,003,701</u>	<u>4,031,154</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(47,394)	290,577	(1,819,325)	(1,576,142)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advances	43,585	-	2,200,710	2,244,295
Developer Advances - Project Management Fee	-	-	62,618	62,618
Repayment of Developer Advances	-	-	(2,233,600)	(2,233,600)
Total Other Financing Sources (Uses)	<u>43,585</u>	<u>-</u>	<u>29,728</u>	<u>73,313</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,809)	290,577	(1,789,597)	(1,502,829)
Fund Balances (Deficits) - Beginning of Year	<u>(18,624)</u>	<u>1,067,541</u>	<u>3,108,431</u>	<u>4,157,348</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ (22,433)</u>	<u>\$ 1,358,118</u>	<u>\$ 1,318,834</u>	<u>\$ 2,654,519</u>

See accompanying Notes to Basic Financial Statements.



**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (1,502,829)

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.

Capital Outlay	1,810,610
Depreciation	(21,223)
Conveyance of Capital Assets to Other Governments	(4,822,083)

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

Bond Principal Payment	1,290,000
Developer Advances	(2,244,295)
Repayment of Developer Advances - Principal	1,175,851

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:

Funding Fees on Developer Advances	(53,758)
Accrued Interest on Bonds Payable - Change in Liability	(269,657)
Accrued Interest on Developer Advances - Change in Liability	(280,354)
Project Management Fees	(62,618)

Change in Net Position of Governmental Activities \$ (4,980,356)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ -	\$ 44	\$ 44
Operations and Maintenance Fee	148,800	152,250	3,450
Other Revenue	8,028	7,068	(960)
Property Taxes	87,357	87,460	103
Specific Ownership Taxes	6,115	5,875	(240)
Administrative Costs Transfer Fees	14,400	12,200	\$ (2,200)
Total Revenues	<u>264,700</u>	<u>264,897</u>	<u>197</u>
<b>EXPENDITURES</b>			
Accounting	50,000	43,514	6,486
Auditing	5,000	4,900	100
Billing	24,000	25,232	(1,232)
Community Management	35,000	33,284	1,716
County Treasurer's Fee	1,310	1,311	(1)
Directors' Fees	-	1,200	(1,200)
District Management	30,000	13,982	16,018
Dues and Membership	700	1,238	(538)
Election	12,000	1,846	10,154
Electricity - District Tracts	2,500	1,531	969
Insurance	12,000	11,231	769
Irrigation Water- District Tracts	110,000	75,715	34,285
Landscape Maintenance - Park	10,000	-	10,000
Landscaping - District Tracts	55,000	43,897	11,103
Legal	27,000	24,668	2,332
Miscellaneous	11,090	14,558	(3,468)
Pet Station Services	2,500	1,238	1,262
Repairs and Maintenance - District Tracts	1,500	932	568
Site Lighting	2,400	-	2,400
Snow Removal	20,000	12,014	7,986
Tree Care Program	30,000	-	30,000
Underdrain System Maintenance	15,000	-	15,000
Total Expenditures	<u>457,000</u>	<u>312,291</u>	<u>144,709</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(192,300)	(47,394)	(144,906)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advances	195,700	43,585	(152,115)
Total Other Financing Sources (Uses)	<u>195,700</u>	<u>43,585</u>	<u>(152,115)</u>
<b>NET CHANGE IN FUND BALANCE</b>	3,400	(3,809)	(7,209)
Fund Balance (Deficit) - Beginning of Year	4,600	(18,624)	(23,224)
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 8,000</u>	<u>\$ (22,433)</u>	<u>\$ (30,433)</u>

See accompanying Notes to Basic Financial Statements.

(7)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Prairie Center Metropolitan District No. 7 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, concurrently with Prairie Center Metropolitan District Nos 3-6 and 8-10, pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translation and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

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

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

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

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

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

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

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

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

The District reports the following major governmental funds:

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

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

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

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

**Budgets**

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

The District has amended its annual budget for the year ended December 31, 2023.

**Pooled Cash and Investments**

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

**Capital Assets**

Capital assets, which include property and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported 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 at the date of donation. 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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Capital Assets (Continued)**

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress/not yet conveyed and are not included in the calculation of net investment in capital assets component of the District's net position.

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 that will be dedicated to the other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Landscape Improvements	20 Years
------------------------	----------

**Property Taxes**

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

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

**Operations and Maintenance and Administrative Costs Transfer Fees**

The District established an operations and maintenance fee of \$600 per year on each residential lot along with a one-time administrative costs transfer fee of \$200 upon closing to cover the costs of operations and maintaining the District improvements.

By resolution adopted on December 4, 2023, effective on January 1, 2024, the operations and maintenance fee will increase to \$750 per year and the administrative costs transfer fee will increase to \$500.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees, and Neighborhood Park Impact Fees**

According to the Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenues between the District and Prairie Center Metro District No. 3 (see Note 7), certain revenues are being assigned to the District, including but not limited to, the following:

*Facilities Fees* – The fees are \$3,000 per single-family, detached dwelling unit, due on or before the date of issuance of a building permit by the City of Brighton. Additional fees are \$1,500 per townhome/condominium, \$500 per apartment, and \$0.75 per square foot of nonresidential gross building space.

*Credit and Add-On Public Improvement Fees (PIF)* – The fees are assessed on use tax transactions and collected at the time of building permit issuance. The Credit PIF is calculated as 1.25% of 50% of the project valuation. The Add-On PIF is calculated as 1.00% of 50% of the project valuation.

*Drainage Impact Fees* – The City of Brighton shall reimburse the District, on a quarterly basis from building permits issued, for the design, financing and construction of the stormwater improvements.

*Rebated City Fees* – The City of Brighton shall remit a per-lot rebated fee to the District, on a quarterly basis from certificates of occupancy issued, in the amount of \$6,757 per single-family residential lot for a total reimbursement not to exceed \$2,500,000 at the completion of the Village I Subdivision.

*Neighborhood Park Impact Fees* – the City of Brighton has agreed to remit the Neighborhood Park Impact Fees to the District as reimbursement for the costs of construction of certain Neighborhood Park Improvements in the amount of \$1,700 per residential unit.

**Deferred Inflows of Resources**

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Equity**

Net Position

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

Fund Balance

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

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

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

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

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

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

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



**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Deficits**

The General Fund reported a deficit in the fund financial statements as of December 31, 2023. This deficit will be eliminated with the receipt of funds advanced by the Developer in 2024.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 9,257
Cash and Investments - Restricted	<u>3,317,032</u>
Total Cash and Investments	<u><u>\$ 3,326,289</u></u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with Financial Institutions	\$ 384,570
Investments	<u>2,941,719</u>
Total Cash and Investments	<u><u>\$ 3,326,289</u></u>

**Deposits with Financial Institutions**

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

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

At December 31, 2023, the District's cash deposits had a bank balance of \$394,428 and a carrying balance of \$384,570.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Investments**

The District has adopted a formal investment policy wherein the District follows state statutes regarding investments.

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

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

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

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Trust Fund (CSAFE)	Weighted-Average Under 60 Days	\$ 2,121,084
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	820,635
Total		<u>\$ 2,941,719</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**COLOTRUST**

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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

**CSAFE**

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

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE CASH FUND may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under Section 24-75-601.1, C.R.S.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**CSAFE (Continued)**

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

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

**NOTE 4 CAPITAL ASSETS**

The following is an analysis of the changes in the District’s capital assets for the year ended December 31, 2023:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed	\$ 13,107,580	\$ 1,810,610	\$ 4,822,083	\$ 10,096,107
Total Capital Assets, Not Being Depreciated	13,107,580	1,810,610	4,822,083	10,096,107
Capital Assets, Being Depreciated:				
Landscape Improvements	424,454	-	-	424,454
Total Capital Assets, Being Depreciated	424,454	-	-	424,454
Less Accumulated Depreciation for:				
Landscape Improvements	(31,834)	(21,223)	-	(53,057)
Total Accumulated Depreciation	(31,834)	(21,223)	-	(53,057)
Total Capital Assets, Being Depreciated, Net	392,620	(21,223)	-	371,397
Governmental Activities Capital Assets, Net	<u>\$ 13,500,200</u>	<u>\$ 1,789,387</u>	<u>\$ 4,822,083</u>	<u>\$ 10,467,504</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government \$ 21,223

During 2023, a significant portion of the capital assets constructed by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	<u>Balance at December 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2023</u>	<u>Current Portion</u>
<b>Bonds Payable:</b>					
Bonds Payable -					
Series 2020	\$ 9,245,000	\$ -	\$ 1,290,000	\$ 7,955,000	\$ -
Series 2021	3,990,000	-	-	3,990,000	-
Subtotal of Bonds Payable	<u>13,235,000</u>	<u>-</u>	<u>1,290,000</u>	<u>11,945,000</u>	<u>-</u>
<b>Other Debts:</b>					
Developer Advance -					
Operating	571,599	43,585	-	615,184	-
Accrued Interest on					
Developer Advance -					
Operating	72,881	63,035	-	135,916	-
Developer Advance -					
Capital	13,002,326	2,200,710	1,175,851	14,027,185	-
Accrued Interest on					
Developer Advance -					
Capital	37,511	1,275,068	1,057,749	254,830	-
Funding Fee Payable	67,837	53,758	-	121,595	-
Subtotal of Other Debts	<u>13,752,154</u>	<u>3,636,156</u>	<u>2,233,600</u>	<u>15,154,710</u>	<u>-</u>
 Total Long-Term Obligations	 <u><u>\$ 26,987,154</u></u>	 <u><u>\$ 3,636,156</u></u>	 <u><u>\$ 3,523,600</u></u>	 <u><u>\$ 27,099,710</u></u>	 <u><u>\$ -</u></u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Limited Tax General Obligation Bonds, Series 2020 (the Bonds)**

The District issued Series 2020 Limited Tax General Obligation Bonds on August 12, 2020, in the par amount of \$12,225,000. Proceeds from the sale of the Bonds are used to finance a portion of the costs of constructing certain public infrastructure to serve the Development and certain other property within Prairie Center and repay advances made by the Developer to the District to construct such public infrastructure. A portion of the proceeds of the Bonds are also used to fund: (a) the Reserve Fund, (b) capitalized interest on the Bonds; and (c) costs of issuing the Bonds. The Bonds will be issued as two term bonds. The first term bond in the amount of \$7,225,000 bears interest at 4.125% and matures on December 15, 2036. The second term bond in the amount of \$5,000,000 bears interest at 4.875% and matures on December 15, 2044. Interest on the Bonds is payable semi-annually on June 15 and December 15 (Interest Payment Dates), beginning on December 15, 2020, to the extent of available Pledged Revenue.

The Bonds are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the term Bonds prior to their respective maturity dates. Instead, principal is payable on each June 15 and December 15 from available Pledged Revenue, if any, pursuant to a mandatory redemption, after paying interest due on such Interest Payment Date and after funding in full interest coming due on the next Interest Payment Date (the Subsequent Interest Payment Date), less any amounts on deposit in such account, including any deposits from capitalized interest.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond.

The Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF Revenues, and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The Bonds are also secured by amounts held in the Reserve Fund in the amount \$812,672.

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. Acceleration of the Bonds shall not be an available remedy for an Event of Default. The Bonds do not have any unused lines of credit, and no assets have been pledged as collateral on the Bonds.

The annual debt service requirements of the Bonds are not currently determinable since they are payable only to the extent of available Pledged Revenue.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Subordinate Limited Tax General Obligation Bonds, Series 2021 (the Subordinate Bonds)**

The District issued the Subordinate Bonds on November 30, 2021, in the par amount of \$3,990,000. Proceeds from the sale of the Subordinate Bonds were used to repay advances made by the Developer to the District to construct public infrastructure to serve the development and certain other property within Prairie Center, and to pay costs of issuing the Subordinate Bonds. The Subordinate Bonds bear interest at the rate of 6.375% per annum and are payable annually on December 15, beginning December 15, 2022, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date of June 15, 2046. Principal on the Subordinate Bonds is payable on each December 15 from, and to the extent of, Subordinate Pledged Revenue on deposit in the Subordinate Mandatory Redemption Account of the Subordinate Bond Fund 45 days prior to such December 15.

Accrued unpaid interest on the Subordinate Bonds compounds annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment or until discharged. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor on December 15, 2056, the Subordinate Bonds will be deemed discharged. No payments are permitted to be made on the Subordinate Bonds until the 2020 Senior Bonds and any other Senior Obligations issued by the District have been paid in full or defeased.

The Subordinate Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Property Tax Revenues means all moneys derived from imposition by the District of the Subordinate Required Mill Levy and are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Subordinate Specific Ownership Tax Revenues means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy. The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2025, and on any date thereafter, upon payment of par and accrued interest, with no redemption premium.

Events of default occur if the District fails to impose the Subordinate Required Mill Levy, or to apply the Subordinate Pledged Revenues as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture. Acceleration of the Subordinate Bonds shall not be an available remedy for an Event of Default. The Subordinate Bonds do not have any unused lines of credit, and no assets have been pledged as collateral on the Subordinate Bonds.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Subordinate Limited Tax General Obligation Bonds, Series 2021 (the Subordinate Bonds) (Continued)**

The annual debt service requirements of the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**Authorized Debt**

On May 2, 2006, the District's voters authorized total indebtedness of \$5,290,000,000 for construction of public improvements and operating and maintenance expenditures and \$750,000,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 2, 2006	Authorization Used		Authorized But Unissued
		Series 2020	Series 2021	
		Bonds	Bonds	
Streets	\$ 750,000,000	\$ 8,707,455	\$ 3,511,200	\$ 737,781,345
Water	750,000,000	1,092,928	-	748,907,072
Sanitation	750,000,000	1,206,164	239,400	748,554,436
Parks and Recreation	750,000,000	1,218,453	239,400	748,542,147
Transportation	750,000,000	-	-	750,000,000
Traffic and Safety Controls	750,000,000	-	-	750,000,000
Mosquito Control	20,000,000	-	-	20,000,000
Tele Relay and Translation	20,000,000	-	-	20,000,000
Operations and Maintenance	750,000,000	-	-	750,000,000
Intergovernmental Agreements	750,000,000	-	-	750,000,000
Debt Refunding	750,000,000	-	-	750,000,000
<b>Total</b>	<b>\$ 6,790,000,000</b>	<b>\$ 12,225,000</b>	<b>\$ 3,990,000</b>	<b>\$ 6,773,785,000</b>

Pursuant to the Service Plans of District Nos. 2–10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively, is \$750,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**Developer Advances**

The District has entered into the Funding, Acquisition, and Reimbursement Agreement (Agreement) with the Developer (defined below) as amended wherein the District agrees to reimburse the Developer for advances made to the District (see Note 7). During 2023, total Developer advances recorded was \$2,244,295.



**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Developer Advances (Continued)**

As of December 31, 2023, outstanding advances under the Agreement totaled \$615,184 for operations and maintenance costs, and \$14,027,185 for capital costs. Accrued interest on Developer advances as of December 31, 2023, totaled \$135,916 for operations and maintenance costs, and \$254,830 for capital costs.

**Funding Fee**

Under the Funding, Acquisition, and Reimbursement Agreement (Agreement), at the Developer's discretion, the District shall pay an additional funding fee on outstanding Developer advances, subject to annual appropriation. As of December 31, 2023, the outstanding Funding Fee is \$121,595.

**NOTE 6 NET POSITION**

The District has net position consisting of three components – net investments in capital assets, restricted, and unrestricted.

The net investment in capital assets component of net position consists of 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, 2023, the District had the following net investment in capital assets, calculated as follows:

	<u>Governmental Activities</u>
Capital Assets, Net	\$ 371,397
Less Capital Related Debt:	
Noncurrent Portion of Long-Term Obligations	<u>(1,880,718)</u>
Net Investment in Capital Assets	<u><u>\$ (1,509,321)</u></u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2023, as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	<u>\$ 8,000</u>
Total Restricted Net Position	<u><u>\$ 8,000</u></u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 NET POSITION (CONTINUED)**

The unrestricted component of the District's net position is a deficit. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which have been conveyed and/or will be conveyed to other governmental entities.

**NOTE 7 AGREEMENTS**

**Comprehensive Agreement**

The Comprehensive Funding Plan, Master Development Agreement, Pre-Annexation Agreement and Intergovernmental Agreement for Prairie Center (Comprehensive Agreement) was made and entered into, in December 2005, by and between the City of Brighton, the City of Brighton Water, Sewer and Drainage Enterprise, THF Prairie Center Development L.L.C., THF Prairie Center Retail One L.L.C., Prairie Center Metropolitan District No. 1 (District No. 1) and Prairie Center Metropolitan District No. 2 (District No. 2) (collectively the Districts). The Comprehensive Agreement establishes the framework for the construction and financing of public infrastructures required by the Prairie Center Development and sets forth the terms and provisions pertaining to the imposition, collection and application of the privately imposed Credit Public Improvement Fee (Credit PIF) and privately imposed Add-On Public Improvement Fee (Add-On PIF), and the implementation of the City Sales/Use Tax Credit. The Comprehensive Agreement categorizes the public infrastructure required by the Development and legally permitted to be funded by the Districts into: 1) Primary Public Improvements (PPI), such as major and minor arterial streets and related landscaping and trails, collector streets and related landscaping and trails, traffic signals, certain potable and nonpotable water distribution lines, regional/community/neighborhood parks, trails and open spaces; 2) Parks and Recreation Public Improvements (PRI); and 3) District Public Improvements (DPI) which is comprised of all other improvements that may be provided by the Districts. The Comprehensive Agreement provides that the Districts' receipt of the 1.25% Credit PIF (for which the City grants a credit against the municipal sales and use taxes that would otherwise be payable on sales and use tax transactions) may only be used for PPI improvements. Further, the Comprehensive Agreement allows the Districts to receive a 1% Add-On PIF to finance any other public improvements or services (DPI) that the Districts are authorized by statute and its Service Plans to provide.

On November 8, 2006, an Assignment of Agreement was made between and among District No. 1, District No. 2, and District No. 3. As of the date of the assignment, District No. 1 and District No. 2 assigned to District No. 3, and District No. 3 assumed, all their rights, benefits, obligations and duties under the Comprehensive Agreement, with the exception of District No. 1's rights and obligations related to the operation of the London Mine Water Tunnel and Extension Tunnel Facility and activities related to such operation. Such rights and obligations were assigned to District No. 9 on January 1, 2008 and were conveyed by District No. 9 to a private entity in 2016. District No. 9 was dissolved in 2019.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Comprehensive Agreement (Continued)**

In July 2009, the First Amendment to the Comprehensive Agreement was executed to include certain properties to the Incorporated Property for all purposes under the Comprehensive Agreement and to increase maximum amount of PPI costs that the Districts can finance with Credit PIF Revenues (Cap Amount) from \$125,000,000 to \$146,476,240.

In February 2012, the Second Amendment to the Comprehensive Agreement (Second Amendment) was executed to modify certain terms of the Comprehensive Agreement. The Second Amendment, among other matters, redefined Shared Revenues to include Credit PIF Revenues, Shared City Fees, Shared Sales Tax Incremental Revenues (see Cooperation Agreement below), Shared General Fund Sales Taxes (see General Fund Sales Tax Sharing Agreement below), and other City or Brighton Urban Renewal Authority (BURA) revenues that the parties agree are to be shared by the City or BURA with District No. 3 to pay or reimburse Eligible Costs. The terms as to when and how the new Revenues (such as General Fund Sales Taxes) will be shared were also explained in the Second Amendment. Further, the Second Amendment restated and clarified the definitions of Eligible Costs, which is comprised of Hard Costs, Soft Costs, Interest Costs, and Financing Costs, that can be paid from Shared Revenues. With regard to the Interest Costs incurred by District No. 3 in connection with a Developer Advance and payable from Shared Revenues, the Second Amendment allows a simple rate of 5% per annum accruing from the date of such Developer Advance.

The Third Amendment to the Comprehensive Agreement (Third Amendment) was entered into as of June 16, 2015. The Third Amendment reduced the principal amount of the 1.25% Credit PIF to be applied to PRI Improvements from \$14 million to \$9 million and requires that \$2.5 million of such revenues be paid to the City for design and/or construction of the second phase of an adult recreation center and relieved District No. 3 of its obligations under the original Cooperation Agreement related to the initial phase of the adult recreation center. The Third Amendment also provides for the City to rebate portions of certain City bridge/crossing and traffic impact fees paid with respect to development of the phase of residential single-family dwelling units known as Prairie Center Residential Village One (Village I) in the total amount of \$2.5 million, which rebated fees shall be applied to specified street improvements and shall count against the Cap Amount. The rebated use tax and rebated building permit fees (or any other rebated fees approved by Council) do not need to be applied to eligible costs related to primary public improvements and do not count against the Cap Amount. Pursuant to the Intergovernmental Agreement (IGA) entered into between the District and District No. 3, the fees as described above that are related to Village I will be collected by or transferred to the District.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement Regarding Facilities Fee Collection**

On November 13, 2007, the District entered into the Intergovernmental Agreement Regarding Facilities Fee Collection with District Nos. 2-6 and 8-10; agreeing to let District No. 3 administer and collect facilities fees imposed by District Nos. 2-6 and 8-10; provided, however, that the revenue derived from facilities fees of a specific District shall remain the property and subject to the control of such District's Board of Directors. The agreement was amended on September 4, 2019 to remove District No. 9 as a party, due to that District's dissolution. Pursuant to the Intergovernmental Agreement Regarding Assignment of Revenues between the District and District No. 3 (described below), the District is entitled to receive certain assigned revenues, including facilities fees collected from Prairie Center Village I Subdivision No. 1.

**Funding, Acquisition, and Reimbursement Agreement**

On October 1, 2017, the District entered into the Funding, Acquisition and Reimbursement Agreement (the FARA) with GKT Brighton Residential Development, L.L.C. (the Developer) establishing certain expectations as to the financing, construction, and reimbursement on improvements located within Village I. The Agreement was amended on July 22, 2020. Pursuant to the FARA, the Developer agrees to advance funds to the District to pay for capital and operational expenses when the District's revenues are not sufficient to pay for such expenses. The District will pay the Developer interest compounding semi-annually, from the date of each Developer advance, at the rate of 3% per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri, compounding semi-annually, provided that the maximum rate of such interest shall not exceed 9%. In addition, at the Developer's discretion, the District shall pay an additional funding fee of 1% on amounts outstanding 24 months from the funding date, said fee being charged once every 24 months while the amounts remain outstanding. The District's payment of Developer advances under this agreement is subject to annual appropriation.

**Project Management Agreement**

On October 1, 2017, the District entered into the Project Management Agreement (Project Agreement) with GKT Brighton Residential Management, L.L.C. (Project Manager), an entity affiliated with the Developer. Pursuant to the Project Agreement, the Project Manager shall provide all management services relating to the planning, design, construction, and installation of and obtaining municipal approval of the public improvements. The Project Manager's duties also include supervision, on behalf of the District, of the Construction Manager. As compensation for services provided by the Project Manager, the District shall pay, on a monthly basis, a fee of four percent (4%) of the actual cost of public improvements. Any unpaid fees will accrue interest at the rate of two percent (2%) per annum above the prime rate announced by Bank of America, N.A., St. Louis, Missouri. The Project Agreement is for one year and shall renew annually thereafter for a period of twenty (20) years. As of December 31, 2023, the outstanding balances of the project management fees and related interest are \$706,973 and \$42,828, respectively.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Prairie Center Village 1 Subdivision Filing No. 1 Development Agreement**

On December 19, 2017, the District, the City of Brighton, and the Developer entered into the Prairie Center Village 1 Subdivision Filing No. 1 Development Agreement (Development Agreement). The agreement was amended on December 17, 2019. In connection with the approval of the final plat for Prairie Center Village I Subdivision Filing No. 1 the City, District, and Developer entered into the Development Agreement to memorialize their agreement regarding their respective obligations relating to the construction of certain public improvements for the Development. In the Development Agreement, the City acknowledged that the obligation to construct the Public Improvements is assigned to the District (provided that the District is not obligated to construct improvements that are not permitted by its Service Plan), and that such obligation is the joint and several obligation of the Developer and the District. The Development Agreement also acknowledges that the District has provided or will provide an improvement guarantee required by the Development Agreement.

The Development Agreement also provides the following: (1) the development of the Property is subject to the terms and conditions of the Comprehensive Agreement; (2) no residential building permits are to be issued prior to the preliminary acceptance of Public Improvements with respect to the applicable phase of development (Phase), and no certificates of occupancy are to be issued prior to preliminary acceptance of such Public Improvements (excepting the final asphalt lift for streets within the Phase); (3) Developer or the District is required to maintain, repair and replace the Public Improvements for a one-year period from the date of preliminary acceptance of any improvement; (4) the City is required to impose and collect a "neighborhood park impact fee" pursuant to the City's applicable fee resolution, and that such fees are to be used to pay for or reimburse the expenses incurred by the District in connection with construction of Golden Eagle Park; (5) the District will install an underdrain system within the Development to serve the residential lots therein; (6) the District is responsible for the extension of the nonpotable water system improvements into the Development; (7) the City agrees to provide water and water taps to adequately serve the Development, subject to the applicable provisions of the Comprehensive Agreement, including provisions relating to the payment of certain water fees by the Developer or the applicable building permit applicant; (8) the City agrees to provide sanitary sewer collection and treatment services for the Development, subject to the provisions of the Comprehensive Agreement; (9) the District or the Developer is required to purchase water taps for all community landscape areas in the Development; (10) the District is required to complete all landscaping for such areas for the applicable Phase prior to issuance of any certificates of occupancy within such Phase; and (11) in the event of a breach, the City may exercise certain remedies available to it under the Development Agreement and applicable law including, withholding of any additional infrastructure permits, building permits, certificates of occupancy, or provision of new utilities fixtures or services.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement Regarding Assignment of Revenues (IGA)**

On May 23, 2019, the District and District No. 3 entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA). On July 22, 2020, the District amended and restated the IGA, with an effective date of December 19, 2017. Per the IGA, District No. 3 agrees to transfer to the District its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. District No. 3 is relieved from providing any public improvements or management services related to Village I as it is being developed by the District, separately from the remaining development.

**NOTE 8 RELATED PARTY**

The developer of the property which constitutes the District is GKT Brighton Residential Development, L.L.C., a Colorado limited liability company (Developer). The Developer has advanced funds to the District. Two members of the Board of Directors are officers or employees of an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District.

The Developer advanced funds to the District pursuant to following agreement (see Note 5 Long-Term Obligations and Note 7 Agreements for additional information):

**Funding, Acquisition and Reimbursement Agreement**

- Purpose: To fund public improvements within the District and to pay general, administrative, operations and maintenance costs of the District.
- Parties: The District and GKT Brighton Residential Development, L.L.C.
- Date: October 1, 2017, as amended July 22, 2020.
- Interest Rate: 3% per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri, compounding semi-annually, not to exceed 9%.
- Principal Balance at December 31, 2023: \$14,027,185 for capital costs; \$615,184 for general fund costs.
- Accrued Interest Balance at December 31, 2023: \$254,830 for capital costs; \$135,916 for general fund costs.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 RISK MANAGEMENT**

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

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

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

**NOTE 10 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 which apply to the state of Colorado and all local governments.

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

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 benefit increases.

On May 2, 2006, a majority of the District's electors authorized the District to increase property taxes \$10,000,000 annually, without limitation to rate, to pay the District's operations and maintenance costs. Additionally, the District's voters authorized the District to collect, retain and spend all revenue in excess of TABOR spending, revenue raising, or other limitations.

The District's management has taken steps it believes are necessary to comply with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**



**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Credit Public Improvement Fees			
from Building Permits	\$ 138,600	\$ 159,088	\$ 20,488
Add-On Public Improvement Fees			
from Building Permits	138,600	159,088	20,488
Drainage Impact Fees	320,600	361,820	41,220
Facilities Fees	210,000	207,000	(3,000)
Net Investment Income	20,000	78,279	58,279
Neighborhood Park Impact Fees	137,970	114,318	(23,652)
Property Taxes	436,795	437,312	517
Rebated City Fees	439,205	459,459	20,254
Specific Ownership Taxes	30,576	29,375	(1,201)
Total Revenues	<u>1,872,346</u>	<u>2,005,739</u>	<u>133,393</u>
<b>EXPENDITURES</b>			
Bond Interest	403,985	410,606	(6,621)
Bond Principal	1,450,000	1,290,000	160,000
County Treasurer's Fees	6,552	6,556	(4)
Paying Agent Fees	10,000	8,000	2,000
Miscellaneous/Contingency	14,463	-	14,463
Total Expenditures	<u>1,885,000</u>	<u>1,715,162</u>	<u>169,838</u>
<b>NET CHANGE IN FUND BALANCE</b>	(12,654)	290,577	303,231
Fund Balance - Beginning of Year	<u>1,041,916</u>	<u>1,067,541</u>	<u>25,625</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,029,262</u>	<u>\$ 1,358,118</u>	<u>\$ 328,856</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Credit Public Improvement Fees from Building Permits - PRI	\$ 34,650	\$ 34,650	\$ 39,772	\$ 5,122
Net Investment Income	30,000	140,000	144,604	4,604
Total Revenues	<u>64,650</u>	<u>174,650</u>	<u>184,376</u>	<u>9,726</u>
<b>EXPENDITURES</b>				
PPI				
Village 1 - Phase 3	-	15,006	15,707	(701)
Village 1 - Phase 4	1,000,000	1,431,465	913,288	518,177
DPI				
Village 1 - Phase 3	-	44,000	46,607	(2,607)
Village 1 - Phase 4	-	530,820	835,008	(304,188)
General				
Accounting	34,000	27,000	29,010	(2,010)
District Management	20,000	16,000	-	16,000
Legal	18,000	20,000	13,856	6,144
Project Management Fee	43,000	81,000	62,618	18,382
Project Management Fee Interest	28,650	-	75,169	(75,169)
Engineering	5,000	18,000	12,438	5,562
Contingency	100,650	72,659	-	72,659
Total Expenditures	<u>1,249,300</u>	<u>2,255,950</u>	<u>2,003,701</u>	<u>252,249</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,184,650)	(2,081,300)	(1,819,325)	261,975
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advances	2,700,000	2,425,940	2,200,710	(225,230)
Developer Advances - Project Management Fee	71,650	81,000	62,618	(18,382)
Repayment of Developer Advances	(3,500,000)	(2,844,050)	(2,233,600)	610,450
Total Other Financing Sources (Uses)	<u>(728,350)</u>	<u>(337,110)</u>	<u>29,728</u>	<u>366,838</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,913,000)	(2,418,410)	(1,789,597)	628,813
Fund Balance - Beginning of Year	<u>4,349,322</u>	<u>3,108,431</u>	<u>3,108,431</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,436,322</u>	<u>\$ 690,021</u>	<u>\$ 1,318,834</u>	<u>\$ 628,813</u>

## **OTHER INFORMATION**

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2023**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2019	\$ 6,820	55.277	-	\$ 377	\$ 377	100.00 %
2020	2,933,470	66.796	-	195,944	195,943	100.00
2021	3,360,630	11.132	55.664	224,477	224,139	99.85
2022	5,580,670	11.132	55.664	372,766	373,636	100.23
2023	7,919,270	11.031	55.156	524,152	524,772	100.12
Estimated for Year Ending December 31, 2024	\$ 12,512,910	12.462	62.310	\$ 935,615		

# Prairie Center Metropolitan District No. 7 Cost Certification



**Report #9**  
**January 2024**

INDEPENDENT  
**DES**  
District Engineering  
SERVICES

1626 Cole Blvd, Suite 125  
Lakewood, CO 80401

# Prairie Center Metropolitan District No. 7 Cost Certification

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January 5, 2024

Prairie Center Metropolitan District No. 7 Board  
C/o Paula Williams  
McGeady Becher, P.C.  
450 E 17<sup>th</sup> Ave, Suite 400  
Denver, CO 80203

## **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7 COST CERTIFICATION REPORT #9**

### **INTRODUCTION**

Independent District Engineering Services, LLC (Engineer) was hired by the Prairie Center Metropolitan District No. 7 (District) to provide review of expenditures paid by GKT Brighton Residential Development, L.L.C. (Developer). This is to summarize and report the expenditures for the Prairie Center development located in the City of Brighton, Colorado (Project). This Cost Certification report summarizes the Engineer's approach and findings for the Project.

The expenditures for public improvements discussed in this report were paid for by the Developer and are being certified as District eligible in the amount of **\$359,492.22**. From that total, **\$0.00** are classified as District Public Improvements (DPI) and **\$359,492.22** are classified as Primary Public Improvements (PPI).

This report generally covers landscaping improvements in Filing 1.

### **GOVERNING DOCUMENTS**

The following governing documents were used in determining recommendations for District eligible expenses:

- Funding, Acquisition, and Reimbursement Agreement, by and between Prairie Center Metropolitan District No. 7 and GKT Brighton Residential Development, L.L.C., dated October 1, 2017
- First Amendment to Funding, Acquisition, and Reimbursement Agreement, by and between Prairie Center Metropolitan District No. 7 and GKT Brighton Residential Development, L.L.C., dated July 22, 2020.
- Comprehensive Agreement, by and between the City of Brighton, the City of Brighton Water, Sewer, and Drainage Enterprise, THF Prairie Center Development, L.L.C., THF Prairie Center Retail One L.L.C., Prairie Center Metropolitan District No. 1, and Prairie Center Metropolitan District No. 2, dated December 2005.
- Prairie Center Village I Construction Plans, prepared by Redland Consulting Group, Inc., stamped on December 7, 2017

The Engineer used the above governing documents only as a general guideline for eligibility in certification of costs.

### **ACTIVITIES CONDUCTED**

For this report, the following activities were performed:

- Governing documents provided by the District and the Developer were reviewed as the basis for recommendation for this report.
- Invoices provided by the Developer were reviewed. A summary was created and is attached as Attachment B.
- A site visit was conducted. Project improvements were photographed.
- Contact was made with Developer to verify knowledge of the work or services performed.
- Some contract unit items were compared to other projects constructed in the Denver Metropolitan Area.

- A plat was not provided for review. However, from review of the agreements and drawings made available, it appears improvements included in this report were constructed on public property or easements.

## **ASSUMPTIONS**

Due to the specific scope authorized for this report, the following assumptions were made.

- It is assumed that geotechnical pavement designs have been performed and followed. It is assumed materials testing was performed during construction.
- It is our understanding that the Developer will be responsible for all Storm Water Management Practice (SWMP) activities until the conditions of State and Local permits are met. No SWMP inspections or recommendations were conducted as part of this report.
- It is assumed that the contractors have obtained all SWMP permitting in the name of the Developer.
- It is our understanding that all local jurisdiction acceptances will be completed by the Developer as required by the Funding, Acquisition, and Reimbursement Agreement. The District shall have no obligations for local jurisdiction acceptance of infrastructure acquired by the District.
- It is assumed that the Developer has obtained or will obtain final unconditional lien waivers from all contractors performing work or consultants providing services for the Project. It is our recommendation these lien waivers be provided to the District.
- Nothing in this report shall be construed as acceptance of any public infrastructure by any governmental entity, including but not limited to the District. The Developer remains responsible for completing public improvements according to plan and obtaining the proper acceptance by any applicable governmental entity.
- This report was prepared with a specific scope and an elaborate analysis was not performed, but rather a realistic and reasonable analysis to estimate the public expenditures for the invoices provided. A more detailed analysis or submission of additional expenditures may result in adjustments to our cost certification.

## **DISCUSSION**

This report consists of expenditures provided between September of 2023 and December of 2023. The improvements reviewed are generally represented in Attachment B.

### **Vendor Participation**

All contractors, consultants, and vendors whose invoice information was submitted, were evaluated for their participation on the Project and services performed, materials provided, or work completed. A summary of vendor participation is included as Attachment A.

### **Review of Invoices and Summary of Expenditures**

To provide a cost certification of District improvements, invoices provided by the Developer were reviewed. Invoice costs were allocated as District or Non-District and a summary is included as Attachment B. Invoices provided were reviewed to determine that the work and cost value were appropriated correctly, and that proof of payment was provided.



## SUMMARY OF EXPENDITURES BY CATEGORY AND SERVICE PLAN DIVISION

The table below provides a summary of expenditures by category and Service Plan division. The major elements of the improvements were allocated across these specific categories.

Cost Certification Expenditures by Bond Category		
Category	Amount	Percent
<i>District Public Improvements (DPI)</i>		
Water	\$0.00	0.00%
Sanitary (inc. Storm)	\$0.00	0.00%
Street	\$0.00	0.00%
Parks and Rec	\$0.00	0.00%
<i>Primary Public Improvements (PPI)</i>		
Water	\$0.00	0.00%
Sanitary (inc. Storm)	\$0.00	0.00%
Street	\$0.00	0.00%
Parks and Rec	\$359,492.22	100.00%
<b>Total</b>	<b>\$359,492.22</b>	<b>100.00%</b>

## FIELD INVESTIGATION RESULTS

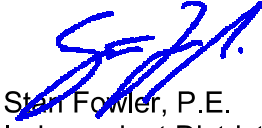
A site visit was conducted in December of 2023. Photos were taken of the Project to memorialize the construction of infrastructure and are included in Attachment C. From our visual inspection, it appears the completed improvements were constructed in a quality manner consistent with other similar projects and meeting generally accepted construction requirements.

## RECOMMENDATION

In our professional opinion the expenditures for the improvements were reviewed and found to be reasonable. The costs of improvements are comparable to other similar projects in Colorado. At this time and based on the information provided, the Engineer certifies the expenditures provided by the Developer as District eligible expenditures as shown in Attachment B and subject to the level of review presented in this report. These expenditures are certified in the amount of **\$359,492.22**.

Should you have any questions or require further information please feel free to contact me.

Respectfully Submitted,

  
Stan Fowler, P.E.  
Independent District Engineering Services, LLC

Digitally signed by Stanley E.  
Fowler Jr. P.E.  
Date: 2024.03.04 14:59:57-07'00'

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# Attachment A

## Vendor Participation

# Attachment A

## Vendor Participation

Following is a summary of the contractors, consultants and vendor participation in work and services for the report.

**Colorado DesignScapes, Inc.** Landscape and Irrigation Contractor responsible for installing Irrigation systems and landscaping for the project. This work is associated with local streets and district tracts, therefore, classified as Public Improvements. The entire scope reviewed in this report was eligible for public financing.

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# Attachment B

## Expenditure Data

**Attachment B**  
**Prairie Center Metropolitan District No. 7**

**Engineer's Summary for Cost Certification 9**

Invoice #	Invoice Date	Invoice Provided	Check #	Check Date	Description	Invoiced Amount	District Eligible Expenses	Non-Eligible Expenses	Notes
<b>Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation</b>									
Pay App #18	9/20/2023	Yes	016385	11/10/2023	Landscape and Irrigation Contractor	\$82,653.63	\$82,653.63	\$0.00	
Pay App #19	10/20/2023	Yes	016385	11/10/2023	Landscape and Irrigation Contractor	\$18,082.20	\$18,082.20	\$0.00	
Pay App #20	11/20/2023	Yes	016394	12/10/2023	Landscape and Irrigation Contractor	\$52,632.22	\$52,632.22	\$0.00	
Pay App #21	12/20/2023	Yes	016399	12/10/2023	Landscape and Irrigation Contractor	\$92,282.05	\$92,282.05	\$0.00	
Pay App #22 - Retainage	12/20/2023	Yes	016399	12/10/2023	Landscape and Irrigation Contractor	\$113,843.08	\$113,842.12	\$0.96	
<b>Subtotal Colorado DesignScapes, Inc - Schedule E - Landscape and Irrigation</b>						<b>\$359,493.18</b>	<b>\$359,492.22</b>	<b>\$0.96</b>	
<b>Total</b>						<b>\$359,493.18</b>	<b>\$359,492.22</b>	<b>\$0.96</b>	

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# Attachment C

## Project Photos



# Prairie Center Metropolitan District Project Photos



Overall View – Facing Northwest



Overall View – Facing West



Entrance Landscape Improvements – Facing North



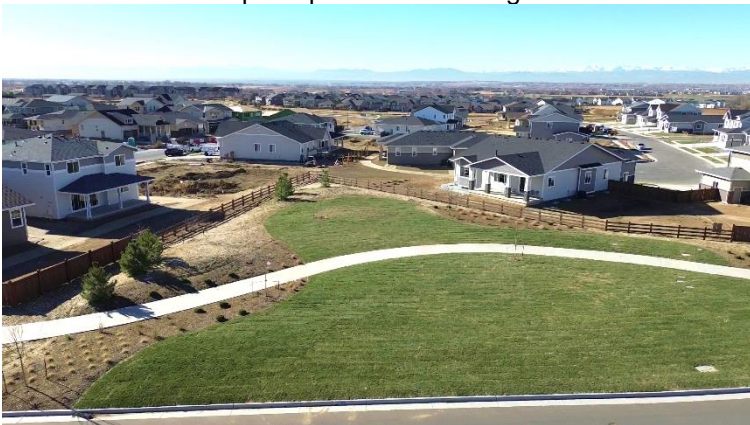
Entrance Landscape Improvements – Facing South



Landscape Improvements along Median



Entrance Landscape Improvements



Landscape Improvements along S 35th Avenue



Landscape Improvements along Boral Owl Drive



<b>Change Order No:</b> 1	<b>Date Issued:</b> May 15, 2024
<b>Name of Agreement:</b> Service Agreement for Dog Station Services	
<b>Date of Agreement:</b> September 17, 2021	<b>District(s):</b> Prairie Center Metropolitan District No. 7
<b>Other Party/Parties:</b> Poop 911 Colorado	

**CHANGE IN SCOPE OF SERVICES (describe):**  
**Section 3. 1** is hereby deleted and replaced in its entirety as follows.

3.1 Term. The term of this Agreement shall extend through December 31, 2024, and shall automatically renew annually until terminated by one of the Parties pursuant to Section 3.2.

**EXHIBIT A AND B** is hereby amended to provided that the Services to be provided and compensation to be paid shall be as follows:

**Regular service of 5 installed pet waste stations.** Four stations are at the locations depicted on the map appended to the Agreement plus an additional station located at or near the intersection of Snowy Owl and Grey Owl.

Removing pet waste from the trash can and adding pet waste pages when required and adding pet waste bags when required.

Pet waste bags are \$10 per roll (200 bags per roll) extra when added.

**\$50.00 per weekly visit.**

<b>CHANGE IN AGREEMENT PRICE:</b>	<b>CHANGE IN TERM OF AGREEMENT:</b>
Original Price plus Change: \$N/A	Original Term: Expires December 31, 2024
Increase of this Change Order: \$N/A	New Term: Automatically renews annually
Price with all Approved Change Orders: \$N/A	Agreement Time with all Approved Change Orders:

<b>APPROVED:</b>	<b>APPROVED:</b>
By: _____	By: _____
<b>District</b>	<b>Consultant</b>



<b>Change Order No:</b> 1	<b>Date Issued:</b> December 4, 2023 <b>Effective:</b> October 1, 2023
<b>Name of Agreement:</b> Service Agreement for Landscape Maintenance of District Tracts – Village I	
<b>Date of Agreement:</b> November 10, 2022	<b>District(s):</b> Prairie Center Metropolitan District No. 7
<b>Other Party/Parties:</b> Vargas Property Services, Inc.	

**CHANGE IN SCOPE OF SERVICES (describe):** The Agreement is hereby amended to extend the Services for the period October 2023 – September 2024, including the addition of Phase 3 Native Maintenance), as described below at the rates set forth herein.

Description	Qty	Rate	Total
Turf Mowing, Edging, Weed Control, Tree, Shrub, Litter Control Maintenance (Weekly), Spring and Fall Clean-up, Aeration x 1 year, Native Mows 2 x year (March 2024 – September 2024) – Phase 3 begins May 2024	20	1,045.04	20,900.80
Irrigation System Bi-Weekly Checks – Spring Start Up & Winterizing Irrigation System (March 2024 – September 2024)	15	501.63	7,524.45
Weed Control Application 2x year & Fertilization 2x year	2	2,711.61	5,423.22
Litter Control & Disposal (Weekly October through December 2023 & January through February 2024)	12	-439.74	-5,276.88
<b>TOTAL</b>			<b>\$29,571.59</b>

<b>CHANGE IN AGREEMENT PRICE:</b>	<b>CHANGE IN TERM OF AGREEMENT:</b>
Original Price: \$39,449.74	Original Term: Expires September 30, 2023
Increase of this Change Order: \$29,571.59	New Term: Expires September 30, 2024
Price with all Approved Change Orders: \$	Agreement Time with all Approved Change Orders: As described above

<b>APPROVED:</b>	<b>APPROVED:</b>
By:	By:
District	Consultant

<b>Change Order No:</b> 2	<b>Date Issued:</b> May 2, 2024
<b>Name of Agreement:</b> Service Agreement for Landscape Maintenance of District Tracts – Village I	
<b>Date of Agreement:</b> November 10, 2022	<b>District(s):</b> Prairie Center Metropolitan District No. 7
<b>Other Party/Parties:</b> Vargas Property Services, Inc.	

**CHANGE IN SCOPE OF SERVICES (describe):** The Agreement is hereby amended to add to the Services emergency replacement of backflow device on corner of 27<sup>th</sup> and Kestrel. Total compensation for such work shall be **\$5,677.14** for time and materials including:

<b>Inventory</b>	<b>Qty</b>	<b>Rate</b>	<b>Total</b>
2” 825YA Febco Backflow	1 ea.	\$3,310.06	\$3,310.06
2” Adapter Copper Male	2 ea.	\$46.38	\$92.76
2” Union Copper	2 ea.	\$195.25	\$390.50
Copper Pipe 2”	5 ft.	\$57.96	\$289.80

<b>CHANGE IN AGREEMENT PRICE:</b>	<b>CHANGE IN TERM OF AGREEMENT:</b>
Original Price plus Change Order No. 1: \$81,302.45	Original Term: Expires September 30, 2023
Increase of this Change Order: \$5,677.14	New Term: Expires September 30, 2024
Price with all Approved Change Orders: \$86,979.59	Agreement Time with all Approved Change Orders: As described above

<b>APPROVED:</b>	<b>APPROVED:</b>
By:	By:
District	Consultant

<b>Change Order No:</b> 3	<b>Date Issued:</b> May 24, 2024
<b>Name of Agreement:</b> Service Agreement for Landscape Maintenance of District Tracts – Village I	
<b>Date of Agreement:</b> November 10, 2022	<b>District(s):</b> Prairie Center Metropolitan District No. 7
<b>Other Party/Parties:</b> Vargas Property Services, Inc.	

**CHANGE IN SCOPE OF SERVICES (describe):** The Agreement is hereby amended to add to the Services emergency replacement of backflow device on corner of Eagle Boulevard and Peregrine. Total compensation for such work shall be **\$6,041.10** for time and materials including:

<b>Inventory</b>	<b>Qty</b>	<b>Rate</b>	<b>Total</b>
2” 825YA Febco Backflow	1 ea.	\$3,310.08	\$3,310.08
2” Adapter Copper Male	2 ea.	\$46.38	\$92.76
2” Union Copper	2 ea.	\$195.25	\$390.50
Copper Pipe 2”	6 ft.	\$57.96	\$347.76
<b>Employees:</b>			
Isidoro Hernandez Rodriguez	10 hrs.	\$95.00	\$950.00
Jorge Parra	10 hrs.	\$95.00	\$950.00

<b>CHANGE IN AGREEMENT PRICE:</b>	<b>CHANGE IN TERM OF AGREEMENT:</b>
Original Price: \$ _____	Original Term: Expires September 30, 2023
Increase of this Change Order: \$6,041.10	New Term: Expires September 30, 2024
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders: As described above

<b>APPROVED:</b>	<b>APPROVED:</b>
By: _____	By: _____
<b>District</b>	<b>Consultant</b>

<b>Change Order No:</b> 1	<b>Date Issued:</b> December 4, 2023
<b>Name of Agreement:</b> Service Agreement for Exterior Light Inspection	
<b>Date of Agreement:</b> November 10, 2023	<b>District(s):</b> Prairie Center Metropolitan District No. 7
<b>Other Party/Parties:</b> Colorado Lighting, Inc. (d/b/a CLI Services)	

**CHANGE IN SCOPE OF SERVICES (describe):**  
The term of the Agreement is hereby extended to the Services as described on Exhibit A of the Agreement for the period January 1, 2024, through December 31, 2024.

Additionally, the Monthly Fee (as defined in Exhibit B of the Agreement) is hereby increased from \$25.00 per month to \$30.00 per month, commencing in January 2024.

<b>CHANGE IN AGREEMENT PRICE:</b>	<b>CHANGE IN TERM OF AGREEMENT:</b>
Original Price: \$ N/A (T&M)	Original Term: Expires December 31, 2023
Increase of this Change Order: \$ N/A (T&M)	New Term: Expires December 31, 2024
Price with all Approved Change Orders: \$	Agreement Time with all Approved Change Orders:

<b>APPROVED:</b>	
By:	
	<b>District</b>

<b>APPROVED:</b>	
By:	
	<b>Consultant</b>

<b>Change Order No:</b> 1	<b>Date Issued:</b>
<b>Name of Agreement:</b> Service Agreement for Trash Removal Services	
<b>Date of Agreement:</b> January 23, 2019	<b>District(s):</b> Prairie Center Metropolitan District No. 7
<b>Other Party/Parties:</b> Waste Management of Colorado, Inc.	

**CHANGE IN SCOPE OF SERVICES (describe):**  
 Effective as of May 1, 2024, Exhibit A: Scope of Services/Compensation shall be deleted in its entirety and replace with Exhibit A attached to this Change Order.

<b>CHANGE IN AGREEMENT PRICE:</b>	<b>CHANGE IN TERM OF AGREEMENT:</b>
Original Price: \$ N/A	Original Term: Expires N/A, 20
Increase of this Change Order: \$ <u>N/A</u>	New Term: Expires <u>      </u> N/A, 20
Price with all Approved Change Orders: \$	Agreement Time with all Approved Change Orders:

**APPROVED:**

By: \_\_\_\_\_  
 District

**APPROVED:**

By: \_\_\_\_\_  
 Consultant

**EXHIBIT A  
SCOPE OF SERVICES/COMPENSATION**

<b>Equipment &amp; Service Summary</b>				
<b>Material Stream Waste Materials Recyclables</b>	<b>Cart Size</b> 96 gallon 96 gallon	<b>Collection Frequency</b> Weekly Every Other Week	<b>Total Unit Count<sup>1</sup></b> 350 350	<b>Monthly Rate<sup>2&amp;3</sup> (per Unit)</b> 14.39 +RMO Included in Rate
<b>Schedule of Supplemental Charges <sup>3</sup></b>				
<b>Valet/Walk-up Service (per month)</b>	NA		<b>Container Exchange (per cart)</b>	NA
<b>Overage (per incident)</b>	NA		<b>Cart Removal (per cart)</b>	NA
<b>Contamination (per incident)</b>	NA		<b>Additional Cart (per cart)</b>	\$5.00
<b>Hard to Service (per unit)</b>	NA		<b>Administrative Fee <sup>4</sup></b>	\$8.50
<b>Delivery Charge (per cart)</b>	NA			
<b>Special Program Instruction/Comments</b>				
<ul style="list-style-type: none"> <li>• 350 homes at \$14.39 per home, per month + Recycle Material Offset Charge. Rate includes all fees and will be detailed on the invoice to show totals. Energy, and RMO Charges are variable and will fluctuate with energy, and re cycle markets.</li> <li>• Rate includes use of 64-gallon, or 96-gallon carts for trash and recycle. All Trash and Recycle must be inside carts.</li> <li>• Includes weekly trash collection and every other week recycle collection. All Trash and recycle must be inside carts</li> <li>• Rate guaranteed for 12 months. Future increases to be based on Consumer Price Index.</li> </ul>				

<sup>1</sup> Total unit count subject to change monthly based on new unit builds .

<sup>2</sup> The above listed monthly rates are for recurring regularly scheduled services only. Charges for all additional services will be at rates specified in the Schedule of Supplemental Charges.

<sup>3</sup> **The monthly rate and supplemental charges do not include, and are subject to, a Fuel Surcharge (“FSC”), Environmental Charge (“EVC”) and, if applicable, a Recycle Material Offset. Information about these charges can be found [at www.wm.com/billhelp](http://www.wm.com/billhelp). State & Local fees and/or taxes will also be added to the Charges.**

<sup>4</sup> An Administrative Fee will be assessed per invoice and can be removed by enrolling in paperless statements and automated payments.