

# Cloverleaf Metropolitan District

405 Urban Street, Suite 310  
Lakewood, Co 80228  
Phone: 720-213-6621

Website: <https://cloverleafmetrodistrict.org>

February 21, 2024

El Paso County Clerk & Recorder  
Attention: Clerk to the Board  
P.O. Box 2007  
Colorado Springs, Colorado 80901-2007  
*Via Email* [specialdistrictnotices@elpasoco.com](mailto:specialdistrictnotices@elpasoco.com)

State of Colorado  
Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203  
*Via E-Portal*

El Paso County Board of County Commissioners  
200 South Cascade Avenue, Suite 100  
Colorado Springs, CO 80903

El Paso County Assessor  
1675 W. Garden of the Gods Road  
Colorado Springs, CO 80907

El Paso County Treasurer  
1675 W. Garden of the Gods Road  
Colorado Springs, CO 80907

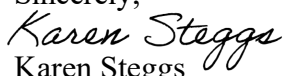
Division of Local Government 1313  
Sherman Street, Room 521  
Denver, CO 80203  
*Via E-Portal*

**Re: Cloverleaf Metropolitan District**  
Filing of 2023 Annual Reports

Dear Sir or Madam:

Enclosed for your information and records is a copy of the 2023 Annual Report and 2022 El Paso County Special Districts Annual Report & Disclosure Form for Cloverleaf Metropolitan District. These reports are being submitted as required by Section 32-1-207(3)(c), C.R.S. and the Service Plan approved by the El Paso County Board of County Commissioners on July 6, 2021. These Annual Reports are being submitted to satisfy the February 28, 2024 deadline.

Should you have any questions regarding the enclosed, please do not hesitate to contact our office.

Sincerely,  
  
Karen Steggs  
Administrative Manager

**ANNUAL REPORT and DISCLOSURE FORM**

1. Name of District(s)	Cloverleaf Metropolitan District
2. Report for Calendar Year	2023
3. Contact Information	<p>c/o Icenogle Seaver Pogue, P.C.  4725 South Monaco Street, Suite 360  Denver, Colorado 80237  Attn: Jennifer Ivey  (303) 867-3003  <a href="mailto:JIvey@ISP-Law.com">JIvey@ISP-Law.com</a></p> <p>c/o Public Alliance, LLC  405 Urban Street, Suite 310  Lakewood, CO 80228  Attn: Ann Finn  (720) 213-6621  <a href="mailto:ann@publicalliancellc.com">ann@publicalliancellc.com</a></p>
4. Meeting Information	<p>An Annual Meeting will be held on November 7, 2024 at 3:30 p.m. and a Regular Meeting will be held on November 7, 2024 at 4:00 p.m. via online meeting at <a href="https://zoom.us/j/7848826891">https://zoom.us/j/7848826891</a>, Meeting ID: 784 882 6891; and via telephone conference at 1 (719) 359-4580, Meeting ID: 784 882 6891, Participant Code: press #.</p> <p>Meeting dates, times, and locations are subject to change.</p> <p>The URL Domain <a href="http://cloverleafmetrodistrict.org">cloverleafmetrodistrict.org</a> is designated as the District’s official website and posting place for notices of meetings pursuant to Sections 24-6-402(2)(c) and 32-1-104.5, C.R.S. If the District is unable to post notice on the official website of the District, the following location is designated as the posting place for the District: the north side of Crimson Clover Drive at its intersection with Cloverleaf Road.</p>
5. Type of District(s)/Unique Representational Issues (if any)	Metropolitan District
6. Authorized Purposes of the District(s)	The Service Plan authorizes the District to provide the following facilities and services: water; sanitation; storm drainage; street improvements, transportation and safety protection; parks and recreation; mosquito control; fire protection; television relay and translation; covenant enforcement and design review; solid waste disposal; and security services.
7. Active Purposes of the District(s)	The primary active purpose of the District is to finance the construction of a part or all of various public improvements necessary and appropriate for the development of the Cloverleaf Subdivision. Additional major purposes include ongoing service

	and maintenance of open space, storm water quality and detention ponds, one interior non-dedicated street and trails.
8. Current Certified Mill Levies a. Debt Service b. Operational c. Special Purpose d. Total	a. 51.971 Mills b. 10.394 Mills c. 0.000 Mills d. 62.365 Mills
9. Sample Calculation of Current Mill Levy for a Residential and Commercial Property (as applicable)	<p>Assumptions:</p> <p>\$200,000.00 is the total actual value of a typical single family home as determined by El Paso County.</p> <p>Aggregate total mill levy for the <u>Cloverleaf Metropolitan District</u> is currently at 62.365 mills but could be increased by the Board of Directors in the future.</p> <p>Sample <u>Cloverleaf Metropolitan District</u> Mill Levy Calculation for a <u>Residential Property</u>:</p> <p><math>\\$200,000 \times .06700 = \\$13,400</math> (Assessed Value)  <math>\\$13,400 \times .0623</math> mills = <b>\$835 per year</b> in sample taxes owed solely to this District if the District imposes its projected total mill levy.</p> <p>A sample <u>Cloverleaf Metropolitan District</u> Mill Levy Calculation for a <u>Commercial Property</u> has not been included as the District is comprised of residential development only.</p>
10. Maximum Authorized Mill Levy Caps (Note: these are maximum allowable mill levies which could be certified in the future unless there was a change in state statutes or Board of County Commissioners approvals) a. Debt Service b. Operational c. Special Purpose d. Total	a. 50.000 Mills, subject to adjustment as set forth in the Service Plan b. 10.000 Mills, subject to adjustment as set forth in the Service Plan c. 5.000 Mills, subject to adjustment as set forth in the Service Plan d. 65.000 Mills, subject to adjustment as set forth in the Service Plan
11. Sample Calculation of Maximum Authorized Mill Levy Cap for a Residential and Commercial Property (as applicable)	<p>Assumptions:</p> <p>\$200,000.00 is the total actual value of a typical single-family home as determined by El Paso County.</p> <p>Sample <u>Cloverleaf Metropolitan District</u> Maximum Mill Levy Calculation for a <u>Residential Property</u>:</p> <p><math>\\$200,000 \times .0670 = \\$13,400</math> (Assessed Value)</p>

	<p>\$13,400 x .065000 mills = <b>\$871 per year</b> in sample taxes owed solely to this Special District if the District imposes its projected debt service and operations mill levy.</p> <p>A sample <u>Cloverleaf Metropolitan District Maximum Mill Levy Calculation for a Commercial Property</u> has not been included as the District is comprised of residential development only.</p>
12. Current Outstanding Debt of the District (as of the end of the year of this report)	<p>On June 30, 2022, Cloverleaf Metropolitan District issued its General Obligation Limited Tax Bonds, Series 2022A (“Series 2022A Bonds”) in the amount of \$4,655,000 and its Subordinate General Obligation Limited Tax Bonds, Series 2022B<sub>(3)</sub> (“Series 2022B Bonds”) in the amount of \$1,034,000 (the “Bonds”). The Series 2022A Bonds are currently outstanding in the principal amount of \$4,655,000 and the Series 2022B Bonds are currently outstanding in the principal amount of \$1,034,000.</p>
13. Total voter authorized debt of the District (including current debt)	<p>At the organizational election of the District, voters authorized a maximum principal amount of debt of \$72,000,000 for the various categories of public improvements, along with additional debt authorization for operations, refunding, intergovernmental agreements, mortgage, reimbursement agreements and construction management agreements. However, the District’s Service Plan only authorizes the District to issue Debt up to \$8,000,000 in principal amount for the proposed completion of on and off-site public improvements serving the Cloverleaf subdivision.</p>
14. Debt proposed to be issued, reissued or otherwise obligated in the coming year	<p>It is not currently anticipated that any debt will be issued, reissued or otherwise obligated in 2024.</p>
15. Major facilities/infrastructure improvements initiated or completed in the prior year	<p>Street, water and sanitation improvements were completed and conveyed to other entities. The District accepted the following for ownership and maintenance: underdrain system, retaining walls, monument, mail kiosk, park with exercise equipment, fire pit, trail, landscaping and irrigation improvements, and stormwater improvements.</p>
16. Summary of major property exclusion or inclusion activities in the past year	<p>There were no inclusions or exclusions of property in 2023.</p>

Reminder:

- A. As per Colorado Revised Statutes, Section 32-1-306, the special district shall maintain a current, accurate map of its boundaries and shall provide for such map to be on file with the County Assessor.
- B. Colorado Revised Statutes, Section 32-1-306, states a certificate of election results shall be filed with the County Clerk and Recorder.

Karen Steggs, Administrative Manager

---

Name and Title of Respondent

*Karen Steggs*

February 21, 2024

---

Signature of Respondent

Date

RETURN COMPLETED FORM TO: [specialdistrictnotices@elpasoco.com](mailto:specialdistrictnotices@elpasoco.com)

Or mail to:

El Paso County Clerk and Recorder  
Attention: Clerk to the Board  
P.O. Box 2007  
Colorado Springs, Colorado 80901-2007

**\*\*NOTE:** As per CRS Section 32-1-104(2), a copy of this report should also be submitted to:

County Assessor - 1675 W Garden of the Gods Rd, Colorado Springs, CO 80907

County Treasurer - 1675 W Garden of the Gods Rd, Colorado Springs, CO 80907

**CLOVERLEAF METROPOLITAN DISTRICT**  
**ANNUAL REPORT PURSUANT TO SECTION 32-1-207(3)(c), C.R.S.**

Pursuant to Section 32-1-207(3)(c), C.R.S., the Cloverleaf Metropolitan District (the “District”) is required to submit an annual report for the preceding calendar year commencing in 2024 for the 2023 calendar year to El Paso County, the Division of Local Government, the state auditor, and the El Paso County Clerk and Recorder. The District hereby submit this annual report pursuant to Section 32-1-207(3)(c), C.R.S. to satisfy the reporting requirement for the year 2023.

For the year ending December 31, 2022, the District makes the following report:

**(A) Boundary changes made.**

The District had no boundary changes in 2023.

**(B) Intergovernmental agreements entered into or terminated with other governmental entities.**

On June 27, 2023, the District entered into that certain Public Right of Way License Agreement (Cloverleaf Filing No. 2) for street lights.

**(C) Access information to obtain a copy of rules and regulations adopted by the board.**

For information concerning rules and regulations adopted by the District please contact the District’s manager:

Ann Finn  
Public Alliance, LLC  
405 Urban Street, Suite 310  
Lakewood, CO 80226  
Phone: (720) 213-6621  
Email: [aj@publicalliancecellc.com](mailto:aj@publicalliancecellc.com)

**(D) A summary of litigation involving public improvements owned by the special district.**

In 2023, the District was not involved in any litigation involving public improvements owned by the District.

**(E) The status of the construction of public improvements by the special district.**

In 2023, the District accepted street, water and sanitation improvements which were conveyed to other entities. Accepted for ownership and maintenance: underdrain system, retaining walls, monument, mail kiosk, park with exercise equipment, fire pit, trail, landscaping and irrigation improvements, stormwater improvements.

**(F) A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.**

In 2023, no facilities or improvements constructed by the District were conveyed to El Paso County.

**(G) The final assessed valuation of the special district as of December 31 of the reporting year.**

The final assessed valuation of the District is \$1,570,670 for the taxable year 2023.

**(H) A copy of the current year's budget.**

A copy of the District's 2024 Budget is attached hereto as **Exhibit A**.

**(I) A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

As of the date of filing this annual report, the audit for the District is not yet completed. A copy of the 2023 audited financial statements will be provided with the District's 2024 annual report.

**(J) Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.**

As of December 31, 2023, the District did not receive any notices of uncured defaults existing for more than ninety (90) days under any debt instrument.

**(K) Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.**

As of December 31, 2023, the District did not have any inability to pay their obligations as they come due under any obligation which continued beyond a ninety (90) day period.

**EXHIBIT A**  
**2024 ADOPTED BUDGET**



STATE OF COLORADO  
COUNTY OF EL PASO  
CLOVERLEAF METROPOLITAN DISTRICT  
2024 BUDGET RESOLUTION

The Board of Directors of the Cloverleaf Metropolitan District, El Paso County, Colorado held a special meeting on Thursday November 2, 2023 at the hour of 3:15 P.M. via video conference at <https://us02web.zoom.us/j/7636703470>, and via telephone conference at 1-720-707-2699, Meeting ID: 763 670 3470, Participant Code: press #.

The following members of the Board of Directors were present:

President:	Andrew Biggs
Treasurer:	Tamrin Apaydin
Secretary:	Joseph DesJardin
Assistant Secretary:	Charlie Williams

Also present were: Jennifer L. Ivey, and Alicia Corley, Icenogle Seaver Pogue, P.C.; AJ Beckman and Ann Finn, Public Alliance, LLC; and Diane Wheeler and Daisy Garcia, Simmons & Wheeler P.C.

Mr. Beckman reported that proper notice was made to allow the Board of Directors of the Cloverleaf Metropolitan District to conduct a public hearing on the 2024 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted on a public website of the District, [www.cloverleafmetrodistrict.org](http://www.cloverleafmetrodistrict.org), no less than twenty-four hours prior to the holding of the meeting, and to the best of his knowledge, remains posted to the date of this meeting.

Thereupon, Director Apaydin introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE CLOVERLEAF METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the “Board”) of the Cloverleaf Metropolitan District (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Friday, October 27, 2023 in *The Gazette*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher’s Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Thursday, November 2, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CLOVERLEAF METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the El Paso County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Senate Bill 23-303 and Proposition HH. That the passage of Proposition HH at the November 7, 2023 general election would result in the implementation of various provisions of Senate Bill 23-303 which will impact the District's budget, including, but not limited to, the addition of Section 29-1-306, C.R.S., which limits the increase in the District's property tax revenue to no more than a prescribed inflation amount subject to exclusion of revenue from certain sources. That, as part of the preparation of the proposed budget and [as included in Exhibit B], the District's accountant calculated the "property tax limit" as defined in and in the manner set forth in Section 29-1-306, C.R.S. and has determined that the District's property tax revenue for property tax year 2023 will not increase by more than "inflation" (as defined in in Section 29-1-306(1)(a), C.R.S.) from the District's property tax revenue for the property tax year 2022 and therefore the property tax limit will not be exceeded by imposition of the mill levies included in the budget of the District for fiscal year 2024. In performing the property tax limit calculation, the District has directed that for purposes of Section 29-1-306(2)(b), C.R.S. the most recently published estimate of inflation for the 2022 calendar year available at the time of preparation of the 2024 budget be utilized by the District's accountant. Finally, that the due to the timing of the November 7, 2023 general election and the requirement that the District be provided a proposed budget for its review and consideration on or before October 15, 2023, the District's accountant has made a good faith effort and used the best information available at the time of preparation of the budget to provide the District with alternative scenarios showing a proposed budget and mill

levies for fiscal year 2024 in the event that Proposition HH passes and alternatively in the event that Proposition HH does not pass. Due to the uncertainty of the outcome of the passage of Proposition HH and the significant possibility that the final assessed valuations differ from the preliminary assessed valuations, once the outcome of Proposition HH is known and the final assessed valuations are provided by the El Paso County Assessor's Office, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 4. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 5. Budget Certification. That the budget shall be certified by Joseph DesJardin, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 6. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$16,326 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$1,570,670 That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 10.394 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$81,629 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$1,570,670 That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 51.971 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 8. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Sections 2 and 3 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of El Paso County on or before December 15, 2023, for collection in 2024.

Section 9. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of El Paso County, the mill levy for the District hereinabove determined

and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**

The foregoing Resolution was seconded by Director Williams.

RESOLUTION APPROVED AND ADOPTED THIS 2<sup>ND</sup> DAY OF NOVEMBER 2023.

CLOVERLEAF METROPOLITAN DISTRICT

DocuSigned by:  
*Andrew Biggs*  
830CC12727494B8...

By: Andrew Biggs  
Its: President

ATTEST:

DocuSigned by:  
*Joe DesJardin*  
E976D347AEE64DB...

By: Joseph DesJardin  
Its: Secretary

STATE OF COLORADO  
COUNTY OF EL PASO  
CLOVERLEAF METROPOLITAN DISTRICT

I, Joseph DesJardin, hereby certify that I am a director and the duly elected and qualified Secretary of the Cloverleaf District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Cloverleaf Metropolitan District held on November 2, 2023, via video conference at <https://us02web.zoom.us/j/7636703470>, and via telephone conference at 1-720-707-2699, Meeting ID: 763 670 3470, Participant Code: press #, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 2<sup>nd</sup> day of November 2023.

DocuSigned by:  
*Joe DesJardin*  
E976D347AEE64DB...  
\_\_\_\_\_  
Joseph DesJardin, Secretary

[SEAL]



**EXHIBIT A**

Affidavit  
Notice as to Proposed 2024 Budget



181284

# AFFIDAVIT OF PUBLICATION

STATE OF COLORADO  
COUNTY OF EL PASO

I, Lorre Cosgrove, being first duly sworn, deposes and says that she is the Legal Sales Representative of The Colorado Springs Gazette, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Colorado Springs Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper **1 time(s) to wit 10/27/2023**

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.



Lorre Cosgrove  
Sales Center Agent

Subscribed and sworn to me this 10/30/2023, at said City of Colorado Springs, El Paso County, Colorado.  
My commission expires June 23, 2026.



Karen Hogan  
Notary Public

7  
**KAREN HOGAN  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20224024441  
MY COMMISSION EXPIRES 06/23/2026**

Document Authentication Number  
20224024441-192307



**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
CLOVERLEAF METROPOLITAN DISTRICT**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **CLOVERLEAF METROPOLITAN DISTRICT** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Suite 490, Englewood, Colorado 80112, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Cloverleaf Metropolitan District to be held at 3:15 P.M., on Thursday, November 2, 2023. The meeting will be held via video conference at <https://us02web.zoom.us/j/7636703470>, and via telephone conference at 1-720-707-2699, Meeting ID: 763 670 3470, Participant Code: press #. Any interested elector within the Cloverleaf Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

**BY ORDER OF THE BOARD OF DIRECTORS:  
CLOVERLEAF METROPOLITAN DISTRICT**

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

Publish In: *The Gazette*  
Publish On: Friday, October 27, 2023

**EXHIBIT B**

Budget Document  
Budget Message

**CLOVERLEAF METROPOLITAN DISTRICT**  
**2024**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2024 budget for the Cloverleaf Metropolitan District.

The Cloverleaf Metropolitan District has adopted budgets for three funds, a General Fund to provide for general operating expenditures; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the district; and a Debt Service Fund to provide for payments on the outstanding general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2024 will be tax revenue, developer advances, interest income and system development fees. The district intends to impose a 92.365 mill levy on property within the district for 2024, of which 10.394 mills will be allocated to the General Fund and the balance of 51.971 mills will be allocated to the Debt Service Fund.

**Cloverleaf Metropolitan District**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ 10,932	\$ 10,932	\$ -
Revenues:					
Property taxes	-	114	114	-	16,326
Specific ownership taxes	-	7	6	-	980
Developer Advance	52,453	49,882	17,553	34,018	68,637
Other income	<u>2,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>54,535</u>	<u>50,003</u>	<u>17,673</u>	<u>34,018</u>	<u>85,943</u>
Total funds available	<u>54,535</u>	<u>50,003</u>	<u>28,605</u>	<u>44,950</u>	<u>85,943</u>
Expenditures:					
Accounting/Audit	5,256	3,500	4,088	12,000	12,000
Legal	25,007	15,000	16,675	20,000	20,000
Insurance	2,577	3,500	3,299	3,300	5,000
Management	10,263	6,500	3,492	7,500	15,000
General Admin	-	1,500	-	-	1,500
Utilities	-	-	39	150	6,000
Snow removal	-	-	-	-	4,000
Landscape and other maintenance	-	-	-	-	5,600
Detention ponds	-	-	-	-	6,500
Miscellaneous Expense	500	500	1,010	2,000	2,000
Treasurer's Fees	-	2	2	-	245
Engineering verification costs	-	5,000	-	-	-
Contingency	-	13,586	-	-	5,000
Emergency reserve (3%)	<u>-</u>	<u>915</u>	<u>-</u>	<u>-</u>	<u>2,328</u>
Total expenditures	<u>43,603</u>	<u>50,003</u>	<u>28,605</u>	<u>44,950</u>	<u>85,173</u>
Ending fund balance	<u>\$ 10,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 770</u>
Assessed valuation		<u>\$ 11,410</u>			<u>\$ 1,570,670</u>
Mill Levy		<u>10.000</u>			<u>10.394</u>

**Cloverleaf Metropolitan District**  
**Adopted Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ 3,661,578	\$ 3,428,413	\$ 3,428,413	\$ 662,910
Revenues:					
Bond proceeds	5,689,000	-	-	-	-
Interest income	<u>50,201</u>	<u>15,000</u>	<u>28,329</u>	<u>35,000</u>	<u>15,000</u>
Total revenues	<u>5,739,201</u>	<u>15,000</u>	<u>28,329</u>	<u>35,000</u>	<u>15,000</u>
Total funds available	<u>5,739,201</u>	<u>3,676,578</u>	<u>3,456,742</u>	<u>3,463,413</u>	<u>677,910</u>
Expenditures:					
Issuance costs	367,711	-	-	-	-
Capital expenditures	687,177	3,676,578	2,800,503	2,800,503	677,910
Transfer to Debt Service	<u>1,255,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,310,788</u>	<u>3,676,578</u>	<u>2,800,503</u>	<u>2,800,503</u>	<u>677,910</u>
Ending fund balance	<u>\$ 3,428,413</u>	<u>\$ -</u>	<u>\$ 656,239</u>	<u>\$ 662,910</u>	<u>\$ -</u>

**Cloverleaf Metropolitan District**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2024**

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ 1,151,249	\$ 1,156,419	\$ 1,156,419	\$ 912,710
Revenues:					
Property taxes	-	571	571	571	81,629
Specific ownership taxes	-	34	29	29	4,898
System development fees	-	25,500	-	7,000	36,000
Transfer from Capital Projects	1,255,900	-	-	-	-
Interest income	<u>17,670</u>	<u>5,000</u>	<u>26,710</u>	<u>35,000</u>	<u>5,000</u>
Total revenues	<u>1,273,570</u>	<u>31,105</u>	<u>27,310</u>	<u>42,600</u>	<u>127,527</u>
Total funds available	<u>1,273,570</u>	<u>1,182,354</u>	<u>1,183,729</u>	<u>1,199,019</u>	<u>1,040,237</u>
Expenditures:					
Bond interest	117,151	279,300	139,650	279,300	279,300
Treasurer's fees	-	-	9	9	1,224
Trustee / paying agent fees	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>7,000</u>
Total expenditures	<u>117,151</u>	<u>286,300</u>	<u>139,659</u>	<u>286,309</u>	<u>287,524</u>
Ending fund balance	<u>\$ 1,156,419</u>	<u>\$ 896,054</u>	<u>\$ 1,044,070</u>	<u>\$ 912,710</u>	<u>\$ 752,713</u>
Assessed valuation		<u>\$ 11,410</u>			<u>\$ 1,570,670</u>
Mill Levy		<u>50.000</u>			<u>51.971</u>
Total Mill Levy		<u>60.000</u>			<u>62.365</u>

**EXHIBIT C**

Certification of Tax Levy



**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of El Paso County, Colorado.

On behalf of the Cloverleaf Metropolitan District,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Cloverleaf Metropolitan District  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,570,670 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 1,570,670 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 01/09/2024 for budget/fiscal year 2024.  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>10.394</u> mills	\$ <u>16,326</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>10.394</b> mills	<b>\$ 16,326</b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>51.971</u> mills	\$ <u>81,629</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>62.365</b> mills	<b>\$ 97,955</b>

Contact person: Diane K Wheeler Daytime phone: (303) 689-0833  
(print)  
Signed: Diane K Wheeler Title: District Accountant

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	<u>\$4,655,000 General Obligation Limited Tax Bonds</u>
	Series:	<u>2022A</u>
	Date of Issue:	<u>June 30, 2022</u>
	Coupon Rate:	<u>6.000%</u>
	Maturity Date:	<u>December 1, 2051</u>
	Levy:	<u>51.971</u>
	Revenue:	<u>\$81,629</u>
2.	Purpose of Issue:	<u>\$1,034,000 Subordinate General Obligation Limited Tax Bonds</u>
	Series:	<u>2022B(3)</u>
	Date of Issue:	<u>June 30, 2022</u>
	Coupon Rate:	<u>9.250%</u>
	Maturity Date:	<u>December 15, 2051</u>
	Levy:	<u>0.000</u>
	Revenue:	<u>\$0</u>

**CONTRACTS<sup>K</sup>:**

3.	Purpose of Contract:	<u>_____</u>
	Title:	<u>_____</u>
	Date:	<u>_____</u>
	Principal Amount:	<u>_____</u>
	Maturity Date:	<u>_____</u>
	Levy:	<u>_____</u>
	Revenue:	<u>_____</u>
4.	Purpose of Contract:	<u>_____</u>
	Title:	<u>_____</u>
	Date:	<u>_____</u>
	Principal Amount:	<u>_____</u>
	Maturity Date:	<u>_____</u>
	Levy:	<u>_____</u>
	Revenue:	<u>_____</u>

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cloverleaf Metropolitan District of El Paso County, Colorado on this 2<sup>nd</sup> day of November 2023.



DocuSigned by:

*Joe DesJardin*

E976D347AEE64DB...

Joseph DesJardin, Secretary

**EXHIBIT B**  
**2022 AUDITED FINANCIAL STATEMENTS**

CLOVERLEAF METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

## C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Debt Service Fund	18
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	19
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	20



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Cloverleaf Metropolitan District  
El Paso County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Cloverleaf Metropolitan District (the "District") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2022, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

### **Required Supplemental Information**

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

### **Supplemental Information**

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

The continuing disclosure annual financial information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is written in a cursive style and is underlined with a single horizontal line.

Castle Pines, Colorado  
January 25, 2024



**CLOVERLEAF METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>						
Cash and investments	\$ 11,774	\$ -	\$ -	\$ 11,774	\$ -	\$ 11,774
Cash and investments - restricted	915	1,156,419	3,428,413	4,585,747	-	4,585,747
Property taxes receivable	114	571	-	685	-	685
Receivable - Developer	3,043	-	-	3,043	(3,043)	-
Prepaid expenses	3,021	-	-	3,021	-	3,021
Capital assets not being depreciated	-	-	-	-	677,402	677,402
Total Assets	<u>\$ 18,867</u>	<u>\$ 1,156,990</u>	<u>\$ 3,428,413</u>	<u>\$ 4,604,270</u>	<u>674,359</u>	<u>5,278,629</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 4,821	\$ -	\$ -	\$ 4,821	-	4,821
Accrued interest on bonds	-	-	-	-	71,266	71,266
Long-term liabilities:						
Due in more than one year	-	-	-	-	5,742,241	5,742,241
Total Liabilities	<u>4,821</u>	<u>-</u>	<u>-</u>	<u>4,821</u>	<u>5,813,507</u>	<u>5,818,328</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	<u>114</u>	<u>571</u>	<u>-</u>	<u>685</u>	<u>-</u>	<u>685</u>
Total Deferred Inflows of Resources	<u>114</u>	<u>571</u>	<u>-</u>	<u>685</u>	<u>-</u>	<u>685</u>
<b>FUND BALANCES/NET POSITION</b>						
Fund Balances:						
Nonspendable:						
Prepays	3,021	-	-	3,021	(3,021)	-
Restricted:						
Emergencies	915	-	-	915	(915)	-
Debt service	-	1,156,419	-	1,156,419	(1,156,419)	-
Capital projects	-	-	3,428,413	3,428,413	(3,428,413)	-
Unassigned	<u>9,996</u>	<u>-</u>	<u>-</u>	<u>9,996</u>	<u>(9,996)</u>	<u>-</u>
Total Fund Balances	<u>13,932</u>	<u>1,156,419</u>	<u>3,428,413</u>	<u>4,598,764</u>	<u>(4,598,764)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,867</u>	<u>\$ 1,156,990</u>	<u>\$ 3,428,413</u>	<u>\$ 4,604,270</u>		
Net Position:						
Restricted for:						
Emergencies					915	915
Debt service					1,085,153	1,085,153
Capital projects					3,428,413	3,428,413
Unrestricted					<u>(5,054,865)</u>	<u>(5,054,865)</u>
Total Net Position					<u>\$ (540,384)</u>	<u>\$ (540,384)</u>

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

**CLOVERLEAF METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
Accounting and Audit	\$ 5,256	\$ -	\$ -	\$ 5,256	\$ -	\$ 5,256
Management	10,263	-	-	10,263	-	10,263
Insurance	2,577	-	-	2,577	-	2,577
Legal	25,007	-	-	25,007	-	25,007
Bond interest expense	-	117,151	-	117,151	71,266	188,417
Bond issuance costs	-	-	367,711	367,711	-	367,711
Cost verification costs	-	-	9,775	9,775	-	9,775
Capital improvements	-	-	677,402	677,402	(677,402)	-
Repay developer advances - interest	-	-	-	-	1,331	1,331
Total Expenditures	<u>43,103</u>	<u>117,151</u>	<u>1,054,888</u>	<u>1,215,142</u>	<u>(604,805)</u>	<u>610,337</u>
<b>GENERAL REVENUES</b>						
Interest income	-	17,670	50,201	67,871	-	67,871
Miscellaneous income	2,082	-	-	2,082	-	2,082
Total General Revenues	<u>2,082</u>	<u>17,670</u>	<u>50,201</u>	<u>69,953</u>	<u>-</u>	<u>69,953</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	<u>(41,021)</u>	<u>(99,481)</u>	<u>(1,004,687)</u>	<u>(1,145,189)</u>	<u>604,805</u>	<u>(540,384)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	-	-	5,689,000	5,689,000	(5,689,000)	-
Developer Advance	54,953	-	-	54,953	(54,953)	-
Transfers in/(out)	-	1,255,900	(1,255,900)	-	-	-
Total Other Financing Sources (Uses)	<u>54,953</u>	<u>1,255,900</u>	<u>4,433,100</u>	<u>5,743,953</u>	<u>(5,743,953)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	13,932	1,156,419	3,428,413	4,598,764	(4,598,764)	
<b>CHANGE IN NET POSITION</b>					(540,384)	(540,384)
<b>FUND BALANCES/NET POSITION:</b>						
BEGINNING OF YEAR	-	-	-	-	-	-
END OF YEAR	<u>\$ 13,932</u>	<u>\$ 1,156,419</u>	<u>\$ 3,428,413</u>	<u>\$ 4,598,764</u>	<u>\$ (5,139,148)</u>	<u>\$ (540,384)</u>

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

## CLOVERLEAF METROPOLITAN DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2022

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Miscellaneous income	\$ -	\$ 2,082	\$ 2,082
Total Revenues	-	2,082	2,082
<b>EXPENDITURES</b>			
Accounting and Audit	3,500	5,256	(1,756)
Management	6,500	10,263	(3,763)
Insurance	3,500	2,577	923
Legal	15,000	25,007	(10,007)
General admin	1,500	-	1,500
Miscellaneous expenses	500	-	500
Engineering	5,000	-	5,000
Contingency	13,585	-	13,585
Emergency reserve	915	-	915
Total Expenditures	50,000	43,103	6,897
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(50,000)	(41,021)	8,979
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	50,000	54,953	4,953
Total Other Financing Sources (Uses)	50,000	54,953	4,953
<b>NET CHANGE IN FUND BALANCE</b>	-	13,932	13,932
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	-	-	-
END OF YEAR	\$ -	\$ 13,932	\$ 13,932

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

# CLOVERLEAF METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

## Note 1: Summary of Significant Accounting Policies

The accounting policies of the Cloverleaf Metropolitan District, located in El Paso County (“County”), Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

### Definition of Reporting Entity

Cloverleaf Metropolitan District (“the District”) was organized as a quasi-municipal corporation established under the State of Colorado Special District Act, in accordance with a service plan approved by the County on July 6, 2021. The District was established to provide for the planning, design, financing, acquisition, construction, installation, operation, maintenance, repair and replacement of street, traffic and safety protection, water, sanitation, mosquito control, park and recreation, and solid waste disposal improvements and facilities within the boundaries of the District to serve the future taxpayers and inhabitants of the District. The District also has the power and authority to provide covenant enforcement and design review services, each subject to the limitations of the Special District Act. The District's primary source of revenues is developer advances. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

# CLOVERLEAF METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

# CLOVERLEAF METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

The District reports the following major governmental funds:

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

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

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

### Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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 appropriation is at the total fund expenditures level and lapses at year end.

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

#### Deposits and Investments

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

# CLOVERLEAF METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

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 minimum number of bank accounts. 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.

### Estimates

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

### Deferred Outflows/Inflows of Resources

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

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

### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical 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 assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

# CLOVERLEAF METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

### 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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

### Long-Term Obligations

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

### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$3,021 represents prepaid expenditures.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$915 of the General Fund balance has been reserved in compliance with this requirement.



# CLOVERLEAF METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

The restricted fund balance in the Debt Service Fund in the amount of \$1,156,419 is restricted for the payment of the debt service costs (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$3,428,413 is restricted for the payment of the costs for capital improvements within the District.

### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

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

### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

### Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

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

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

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

CLOVERLEAF METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

As of December 31, 2022, cash and investments is classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 11,774
Cash and investments - restricted	<u>4,585,747</u>
Total	<u>\$ 4,597,521</u>

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

Deposits with financial institutions	\$ 2,914
Investments - COLOTRUST	<u>4,594,607</u>
	<u>\$ 4,597,521</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Credit Risk

The District has elected to follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

## CLOVERLEAF METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2022

#### Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

#### Interest Rate Risk

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

#### Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method ("NAV") per share.

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

#### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. At December 31, 2022, the District had \$4,594,607 invested in COLOTRUST Plus+.

CLOVERLEAF METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

Note 3: Capital Assets

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

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2022</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ -	\$ 677,402	\$ -	\$ 677,402
Total capital assets not being depreciated	-	677,402	-	677,402
Government type assets, net	<u>\$ -</u>	<u>\$ 677,402</u>	<u>\$ -</u>	<u>\$ 677,402</u>

Note 4: Long-Term Debt

The following is an analysis of changes in long-term debt for the year ending December 31, 2022:

	<u>Balance 1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2022</u>	<u>Current Portion</u>
<b><u>General Obligation Bonds:</u></b>					
Series 2022	\$ -	\$ 4,655,000	\$ -	\$ 4,655,000	\$ -
Series 2022B(3)	-	1,034,000	-	1,034,000	-
	-	5,689,000	-	5,689,000	-
<b><u>Other:</u></b>					
Developer reimbursement	-	51,910	-	51,910	-
Developer reimbursement interest	-	1,331	-	1,331	-
Total	<u>\$ -</u>	<u>\$ 5,742,241</u>	<u>\$ -</u>	<u>\$ 5,742,241</u>	<u>\$ -</u>

A description of the long-term obligations as of December 31, 2022, is as follows:

Advance and Reimbursement Agreement (Operation and Maintenance Expenses)

The District and PT Cloverleaf, LLC (“PT Cloverleaf”), entered into an Advance and Reimbursement Agreement, (Operation and Maintenance Expenses) effective January 21, 2022 (the “O&M Reimbursement Agreement”) which establishes the terms and conditions upon which (a) PT Cloverleaf may advance funds to the District for the Operations Costs and (b) the District may make reimbursement to PT Cloverleaf for the advances.

## CLOVERLEAF METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2022

Pursuant to the O&M Reimbursement Agreement, PT Cloverleaf agrees to advance funds or expend funds on behalf of the District for Operation Costs in one or more installments, provided that in no event shall the total amount that PT Cloverleaf shall be obligated to advance to District or expend on behalf of the District exceed \$60,000, which amount constitutes the maximum amount that may be advanced or expended under the O&M Reimbursement Agreement. The District agrees to repay the Advances made together with interest at either the rate of the prime interest rate plus 2 points thereon or 8% per annum, whichever rate is lower, on such sums advanced. The amount due under this agreement at December 31, 2022, was \$53,241.

#### Advance and Reimbursement and Facilities Acquisition Agreement (Capital Expenses)

The District and PT Cloverleaf entered into the Cloverleaf Metropolitan District and PT Cloverleaf, LLC Advance and Reimbursement and Facilities Acquisition Agreement (Capital Expenses) effective January 21, 2022 (the “Facilities Acquisition Agreement”). The Facilities Acquisition Agreement establishes the terms and conditions (a) upon which PT Cloverleaf may advance funds to or expend funds on behalf of the District for any and all costs of any kind related to the provision of the Public Improvements that may be lawfully funded by the District under the Special District Act and the Service Plan, inclusive of Eligible Professional Service Costs) (the “District Eligible Costs”), and (b) upon which the District may make reimbursement to Developer for such advances and/or expenditures.

Pursuant to the Facilities Acquisition Agreement, the Advances and/or Certified District Eligible Costs accepted in accordance with the Facilities Acquisition Agreement shall bear interest rates at no more than the prime interest rate plus 2 points thereon or 8% per annum, whichever rate is lower from the date such costs are incurred by PT Cloverleaf, provided, however, that no interest shall begin to accrue on any Advance made to the District prior to the date on which an order declaring the District organized were recorded in the real property records of El Paso County, which date was November 19, 2021, and the interest shall stop accruing under this Agreement on the earlier of the date a Reimbursement Obligation (as defined in the Facilities Acquisition Agreement) is issued or the date of payment of such amount in full. Upon the issuance of a Reimbursement Obligation, the amount due and owing represented by said obligation shall accrue interest as provided for in such Reimbursement Obligation. At December 31, 2022 there were no amounts due under this agreement.

#### \$4,655,000 General Obligation Limited Tax Bonds, Series 2022A and \$1,034,000 Subordinate General Obligation Limited Tax Bonds, Series 2022B<sub>3</sub>

On June 30, 2022 the District issued \$4,655,000 General Obligation Limited Tax Bonds, Series 2022A and \$1,034,000 Subordinate General Obligation Limited Tax Bonds, Series 2022B<sub>3</sub> (“Series 2022B Bonds”) for the purpose of financing or reimbursing a portion of the costs of acquiring, constructing and/or installing certain public infrastructure to serve the District, funding the Senior Reserve and funding a portion of the interest to accrue on the Series 2022A Bonds and paying for the costs of issuance.

## CLOVERLEAF METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2022

The Series 2022A Bonds bear interest at 6.00%, are payable semiannually on each June 1 and December 1, commencing on December 1, 2022, and mature on December 1, 2051. The Series 2022 B Bonds bear interest at the rate of 9.25%, payable annually on December 15, commencing on December 15, 2022, to the extent that Subordinate Pledged Revenue is available, and mature on December 15, 2051.

The Series 2022A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2028, and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2027, upon payment of par, accrued interest plus a redemption premium ranging from 3.00% to 0.00%.

The Series 2022B Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on September 1, 2027, upon payment of par, accrued interest, and a redemption premium that ranges between 3.00% and 0.00%.

The Series 2022A Bonds are secured by the Required Mill Levy the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, capital fees if any and any other legally available moneys as determined by the District.

The Series 2022B Bonds are limited tax “cash flow” general obligations of the District and are secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, capital fees if any and any other legally available moneys as determined by the District.

In the event that any amounts of principal or interest on the Series 2022B Bonds remains unpaid after application of all available Subordinate Pledged Revenue on December 15, 2061, amounts shall be deemed discharged. On December 16, 2062, any amounts still outstanding on the Series 2022 B Bonds shall be deemed discharged.

Events of Default as defined in the Series 2022A Bonds and the Series 2022B Bonds Indentures include 1) the failure or refusal of the District to impose the Required Mill levy, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2022A Bonds or the Series 2022B Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2022A Bonds or the Series 2022B Bonds is not an available remedy for an Event of Default.

CLOVERLEAF METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2022 Bonds.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 279,300	\$ 279,300
2024	-	279,300	279,300
2025	-	279,300	279,300
2026	-	279,300	279,300
2027	-	279,300	279,300
2028-2032	310,000	1,365,000	1,675,000
2033-2037	540,000	1,244,100	1,784,100
2038-2042	825,000	1,050,600	1,875,600
2043-2047	1,215,000	759,600	1,974,600
2048-2051	1,765,000	309,300	2,074,300
Total	<u>\$ 4,655,000</u>	<u>\$ 6,125,100</u>	<u>\$ 10,780,100</u>

Because of the uncertainty of timing of payments under the Series 2022 B Bonds no related schedule of expected principal and interest payments is presented.

Debt Authorization

During 2021, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$72,000,000. After the issuance of the Series 2022A Bonds and the Series 2022 B Bonds, the remaining authorization is \$66,311,000. Per the District’s Service Plan, the District cannot issue debt in excess of \$8,000,000. \$2,311,000 of the Service Plan authorization remains as of December 31, 2022.

Note 5: Related Parties

All of the Board members are owners or members of or are otherwise associated with the Developer. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Tax, Spending and Debt Limitations

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

# CLOVERLEAF METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

During 2021, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

### Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.



CLOVERLEAF METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

Note 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds and developer advances payable and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

**CLOVERLEAF METROPOLITAN DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
DEBT SERVICE FUND

For the Year Ended December 31, 2022

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES			
Interest income	\$ -	\$ 17,670	\$ 17,670
Total Revenues	<u>-</u>	<u>17,670</u>	<u>17,670</u>
EXPENDITURES			
Bond interest expense	<u>520,000</u>	<u>117,151</u>	<u>402,849</u>
Total Expenditures	<u>520,000</u>	<u>117,151</u>	<u>402,849</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(520,000)</u>	<u>(99,481)</u>	<u>420,519</u>
OTHER FINANCING SOURCES			
Transfers in/(out)	<u>1,200,000</u>	<u>1,255,900</u>	<u>55,900</u>
Total Other Financing Sources	<u>1,200,000</u>	<u>1,255,900</u>	<u>55,900</u>
NET CHANGE IN FUND BALANCE	680,000	1,156,419	476,419
FUND BALANCE:			
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ 680,000</u>	<u>\$ 1,156,419</u>	<u>\$ 476,419</u>

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

## CLOVERLEAF METROPOLITAN DISTRICT

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2022

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Interest income	\$ -	\$ 50,201	\$ 50,201
Total Revenues	<u>-</u>	<u>50,201</u>	<u>50,201</u>
<b>EXPENDITURES</b>			
Capital improvements	6,480,000	677,402	5,802,598
Cost verification costs	-	9,775	(9,775)
Bond issuance costs	<u>320,000</u>	<u>367,711</u>	<u>(47,711)</u>
Total Expenditures	<u>6,800,000</u>	<u>1,054,888</u>	<u>5,745,112</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(6,800,000)</u>	<u>(1,004,687)</u>	<u>5,795,313</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond proceeds	8,000,000	5,689,000	(2,311,000)
Transfers in/(out)	<u>(1,200,000)</u>	<u>(1,255,900)</u>	<u>(55,900)</u>
Total Other Financing Sources (Uses)	<u>6,800,000</u>	<u>4,433,100</u>	<u>(2,366,900)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	3,428,413	3,428,413
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 3,428,413</u>	<u>\$ 3,428,413</u>

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

**CLOVERLEAF METROPOLITAN DISTRICT**

SUMMARY OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED

December 31, 2022

(Audited)

<u>December 31,</u>	<b>Prior Year Assessed Valuation for Current Year Property Tax Levy</b>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<b>Percent Collected to Levied</b>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
Estimated for December 31, 2023	\$ 11,410	10.000	50.000	\$ 685		

**NOTE**

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.