

# SIENA LAKE METROPOLITAN DISTRICT

## 2022 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) for Siena Lake Metropolitan District (the “**District**”) is required to provide an annual report with regard to the following matters:

For the year ending December 31, 2022, the District(s) make the following report:

### §32-1-207(3) Statutory Requirements

**1. Boundary changes made.**

None

**2. Intergovernmental Agreements entered into or terminated with other governmental entities.** None

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

<https://colo-communities.org/siena-lake-metro>

**4. A summary of litigation involving public improvements owned by the District.**

A Statement of Mechanics’ Lien was filed by Hobbs Excavating and Trucking, LLC against the Siena Lake, LLC & Brivar Construction (developer) for unpaid labor and materials in the amount of \$1,746,627.89. This claim was not made directly against the District.

**5. The status of the construction of public improvements by the District.**

Raw Water System & Ponds-\$1,233,120

Raw Water Pumpback System-\$1,294,740

Potable Water System-to be conveyed to Town of Gypsum-\$1,875,913

Sewer & Storm Sewer System-to be conveyed to Town of Gypsum-\$1,697,437

**6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the town.** None

**7. The final assessed valuation of the District as of December 31<sup>st</sup> of the reporting year.**

\$847,810

**8. A copy of the current year’s budget.**

A copy of the 2023 Budget is attached hereto as **Exhibit A**

**9. 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.**

The 2022 Audit is attached hereto as **Exhibit B**.

10. **Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.** None
  
11. **Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.** None

**EXHIBIT A**  
**2023 Budget**

# SIENA LAKE METROPOLITAN DISTRICT

January 27, 2023

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203

VIA: Electronic Filing LGID# 65047

Attached is the 2023 Budget for the Siena Lake Metropolitan District (formerly Saddleridge Metropolitan District) in Eagle County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 8, 2022. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Eagle County is 15.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 35.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$847,810 the total property tax revenue is \$42,390.50. A copy of the certification of mill levies sent to the County Commissioners for Eagle County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Eagle County, Colorado.

Sincerely,



Eric Weaver  
District Administrator

Enclosure(s)

---

*Administrative & Financial Management Provided By Marchetti & Weaver, LLC*

**Mountain Office**  
28 Second Street, Suite 213  
Edwards, CO 81632  
(970) 926-6060

**Website & Email**  
www.mwcpaa.com  
Admin@mwcpaa.com

**Front Range Office**  
245 Century Circle, Suite 103  
Louisville, CO 80027  
(720) 210-9136

## **SIENA LAKE METROPOLITAN DISTRICT**

### **2023 BUDGET MESSAGE**

Siena Lake Metropolitan District, formerly Saddleridge Metropolitan District, is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of Public Improvements such as streets, water, sanitary sewer, traffic and safety controls, parks and recreation improvements, transportation improvements, mosquito control and fire protection.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

### **2023 BUDGET STRATEGY**

The District's primary responsibilities in 2023 are to levy and collect property taxes which will be used to pay operating and debt service expenditures as well as use of bond proceeds for construction and/or acceptance of infrastructure. Shortfalls in available funding will be funded through Developer advances.

**RESOLUTIONS OF SIENA LAKE METROPOLITAN DISTRICT**

**TO ADOPT 2023 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE SIENA LAKE METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of the Siena Lake Metropolitan District has appointed a budget committee to prepare and submit a proposed 2023 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on November 8, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Siena Lake Metropolitan District, Eagle County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Siena Lake Metropolitan District for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

**RESOLUTIONS OF SIENA LAKE METROPOLITAN DISTRICT (CONTINUED)**

**TO SET MILL LEVIES**

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2022, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE SIENA LAKE METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Siena Lake Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on November 8, 2022 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$12,717.15 and;

WHEREAS, the Siena Lake Metropolitan District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$29,673.35, and;

WHEREAS, the 2022 valuation for assessment for the Siena Lake Metropolitan District, as certified by the County Assessor is \$847,810.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the SIENA LAKE METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Siena Lake Metropolitan District during the 2023 budget year, there is hereby levied a tax of 15.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2023 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the Siena Lake Metropolitan District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

**RESOLUTIONS OF SIENA LAKE METROPOLITAN DISTRICT (CONTINUED)**

**TO SET MILL LEVIES (CONTINUED)**

Section 4. That for the purpose of meeting all payments for bonds and interest of the Siena Lake Metropolitan District during the 2023 budget year, there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Siena Lake Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Siena Lake Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)



**RESOLUTIONS OF SIENA LAKE METROPOLITAN DISTRICT (CONTINUED)**

**TO APPROPRIATE SUMS OF MONEY**  
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE SIENA LAKE METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on November 8, 2022 and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SIENA LAKE METROPOLITAN DISTRICT, EAGLE COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Current Operating Expenditures	\$	105,182
--------------------------------	----	---------

DEBT SERVICE FUND:

Current Debt Service Expenditures	\$	961,140
-----------------------------------	----	---------

CAPITAL FUND:

Current Capital Expenditures	\$	7,386,302
------------------------------	----	-----------

RESOLUTIONS OF SIENA LAKE METROPOLITAN DISTRICT (CONTINUED)

TO ADOPT 2023 BUDGET, SET MILL LEVIES AND  
APPROPRIATE SUMS OF MONEY  
(CONTINUED)

The above resolutions to adopt the 2023 budget, set the mill levies and to appropriate sums of money were adopted this 8th day of November, 2022.

Attest:  11/8/22

Title: President

Siena Lake Metropolitan District  
Statement of Net Position  
09/30/22

	General Fund	Debt Service Fund	Capital Fund	Fixed Assets & Long-Term Debt	Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Alpine Bank Checking	33,492				33,492
Colostrust Savings 3.07%	11,632				11,632
Due From Treasurer	-				-
Prepaid Expense	2,521				2,521
Property Taxes Receivable	0	0			0
UMB Bank - Project Fund - Restricted			6,246,876		6,246,876
UMB Bank - Project Fund - Unrestricted			6,995,500		6,995,500
UMB Bank - Capitalized Interest Account		2,149,859			2,149,859
UMB Bank - Bond Surplus Fund		1,810,587			1,810,587
UMB Bank - Cost of Issuance Fund		-			-
Pooled Cash	10,396	(292)	(10,104)		-
<b>Fixed Assets</b>					
Roads				-	-
Parks & Recreation				-	-
Sewer				1,697,437	1,697,437
Water				3,106,033	3,106,033
Accumulated Depreciation				(6,851)	(6,851)
<b>TOTAL ASSETS</b>	<b>58,042</b>	<b>3,960,154</b>	<b>13,232,272</b>	<b>4,796,619</b>	<b>22,047,087</b>
<b>LIABILITIES &amp; DEFERRED INFLOWS</b>					
<b>Current Liabilities &amp; Deferred Inflows</b>					
Accounts Payable	26,646				26,646
Deferred Property Taxes	0	0			0
Retainage Payable			-		-
<b>Long-Term Liabilities:</b>					
Bonds Payable - Series 2021				24,565,000	24,565,000
Developer Payable- Red Table Ventures- Operations				24,000	24,000
Developer Payable- Siena Lake LLC- Operations				136,000	136,000
Developer Payable- Siena Lake LLC- Capital				357,035	357,035
Accrued Interest- Series 2021 Bonds				79,271	79,271
Accrued Interest- Red Table Ventures- Operations				4,336	4,336
Accrued Interest- Siena Lake LLC- Operations				133	133
Accrued Interest- Siena Lake LLC- Capital				11,524	11,524
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>26,646</b>	<b>0</b>	<b>-</b>	<b>25,177,299</b>	<b>25,203,945</b>
<b>NET POSITION</b>					
Investment in Capital Assets				4,796,619	4,796,619
Investment in Long-Term Debt				(25,177,299)	(25,177,299)
Fund Balance- Nonspendable	2,521				2,521
Fund Balance- Restricted for Emergencies	2,716				2,716
Fund Balance- Restricted for Debt Service & Capital		3,960,154	13,232,272		17,192,426
Fund Balance- Unassigned	26,159				26,159
<b>TOTAL NET ASSETS</b>	<b>31,396</b>	<b>3,960,154</b>	<b>13,232,272</b>	<b>(20,380,680)</b>	<b>(3,156,858)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>58,042</b>	<b>3,960,154</b>	<b>13,232,272</b>	<b>4,796,619</b>	<b>22,047,087</b>
	=	=	=	=	=

No assurance is provided on these financial statements;  
substantially all disclosures required by GAAP omitted.

Siena Lake Metropolitan District  
 Statement of Revenues, Expenditures, & Changes In Fund Balance  
 Modified Accrual Basis For the Period Indicated

Print Date: 12/4/2022

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Budget Comments
<b>PROPERTY TAXES</b>									
Assessed Valuation	578,730	865,950		865,950				847,810	November Final Cert of Values
Mill Levy - Operations	50.000	15.000		15.000			15.000	15 Mills Estimated Long-Term Need	
Mill Levy - Debt Service Fund	0.000	35.000		35.000			35.000	35 Minimum Per Bond Documents	
<b>Total Mill Levy</b>	<b>50.000</b>	<b>50.000</b>		<b>50.000</b>			<b>50.000</b>	Total of 50 Mills- Estimated Long-Term Need	
Property Tax Revenue - Operations	28,937	12,989		12,989			12,717	AV X Mill Levy / 1,000	
Property Tax Revenue - Debt Service Fund	-	30,308		30,308			29,673	AV X Mill Levy / 1,000	
<b>Total Property Taxes</b>	<b>28,937</b>	<b>43,298</b>		<b>43,298</b>			<b>42,391</b>	AV X Mill Levy / 1,000	

Siena Lake Metropolitan District  
Statement of Revenues, Expenditures, & Changes In Fund Balance  
Modified Accrual Basis For the Period Indicated

Print Date: 12/4/2022

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Budget Comments
<b>COMBINED FUNDS</b>									
<b>REVENUE</b>									
Property Taxes	28,267	43,298	-	43,298	43,297	43,298	(0)	42,391	Total of 50 Mills- Estimated Long-Term Need
Specific Ownership Taxes	1,579	1,948	216	2,165	1,596	1,299	298	2,120	5% of taxes
Water System Fees	-	-	-	-	-	-	-	-	TBD
Interest & Other Income	2,507	13,000	213,200	226,200	129,787	9,750	120,037	385,000	Interest on Bond Funds at 3%
<b>TOTAL REVENUE</b>	<b>32,353</b>	<b>58,246</b>	<b>213,416</b>	<b>271,662</b>	<b>174,681</b>	<b>54,346</b>	<b>120,335</b>	<b>429,510</b>	
<b>EXPENDITURES</b>									
<b>Administration</b>									
Accounting, Audit, Legal, & Other Prof Fees	102,145	107,500	23,285	84,215	63,413	81,000	17,587	69,000	Per General Fund
Treasurer's Fees	848	1,299	(11)	1,310	1,310	1,299	(12)	1,272	3% of Taxes
Election, Insurance, SDA Dues, Misc Other	5,597	10,700	4,778	5,922	5,427	10,700	5,273	10,800	Property, Liability, & WC Coverage
Contingency	-	50,000	50,000	-	-	37,500	37,500	5,000	Per Developer
<b>Operations</b>									
Landscape Maintenance	-	50,000	50,000	-	-	41,667	41,667	10,000	Per Developer
Raw Water Management	-	-	-	-	-	-	-	5,000	Per Developer
Snowplowing	-	35,000	35,000	-	-	-	-	5,000	Per Developer
<b>Debt Service</b>									
Bond Interest	272,163	951,250	-	951,250	475,625	475,625	-	951,250	Per Amortization Schedule
Bond Principal	-	-	-	-	-	-	-	-	Per Amortization Schedule
Developer Note Repayment	4,446,435	-	-	-	-	-	-	-	
Debt Issuance Expense & Trustee Fees	904,359	4,000	-	4,000	4,000	4,000	-	4,000	Annual Fee
Contingency	-	25,000	25,000	-	-	25,000	25,000	5,000	Unforeseen Needs
<b>Capital Outlay</b>	<b>4,913,449</b>	<b>7,897,530</b>	<b>6,557,790</b>	<b>1,339,740</b>	<b>1,322,180</b>	<b>7,890,030</b>	<b>6,567,850</b>	<b>7,386,302</b>	See Capital Fund
<b>TOTAL EXPENDITURES</b>	<b>10,644,996</b>	<b>9,132,279</b>	<b>6,745,842</b>	<b>2,386,437</b>	<b>1,871,955</b>	<b>8,566,821</b>	<b>6,694,865</b>	<b>8,452,624</b>	
<b>REVENUE OVER / (UNDER) EXPENDITURES</b>	<b>(10,612,643)</b>	<b>(9,074,033)</b>	<b>6,959,259</b>	<b>(2,114,774)</b>	<b>(1,697,274)</b>	<b>(8,512,474)</b>	<b>6,815,200</b>	<b>(8,023,114)</b>	
<b>OTHER SOURCES / (USES)</b>									
Developer Advances	4,877,470	251,000	(182,000)	69,000	62,000	188,250	(126,250)	97,000	To Cover Shortfall
Bond Proceeds & Premium	24,565,000	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>29,442,470</b>	<b>251,000</b>	<b>(182,000)</b>	<b>69,000</b>	<b>62,000</b>	<b>188,250</b>	<b>(126,250)</b>	<b>97,000</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>18,829,827</b>	<b>(8,823,033)</b>	<b>6,777,259</b>	<b>(2,045,774)</b>	<b>(1,635,274)</b>	<b>(8,324,224)</b>	<b>6,688,950</b>	<b>(7,926,114)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>29,270</b>	<b>18,478,418</b>	<b>380,679</b>	<b>18,859,096</b>	<b>18,859,096</b>	<b>18,478,418</b>	<b>380,679</b>	<b>16,813,322</b>	
<b>ENDING FUND BALANCE</b>	<b>18,859,096</b>	<b>9,655,385</b>	<b>7,157,937</b>	<b>16,813,322</b>	<b>17,223,822</b>	<b>10,154,194</b>	<b>7,069,629</b>	<b>8,887,208</b>	See Breakout Below
<b>COMPONENTS OF FUND BALANCE</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
Non-Spendable	12,345	7,350	(350)	7,000	2,521			7,350	Prepaid Insurance
TABOR Emergency Reserve	3,258	7,937	(5,221)	2,716	2,716			3,311	3% of General Fund Revenue/Expenditures
Restricted For Debt Service	4,388,928	3,432,600	69,093	3,501,693	3,960,154			2,664,710	See Breakout in Debt Service Fund
Restricted for Capital Projects	14,445,150	6,200,000	7,094,302	13,294,302	13,232,272			6,200,000	Restricted Until Commercial Included
Restricted For Raw Water System	-	-	-	-	-			-	
Unassigned	9,415	7,498	113	7,611	26,159			11,838	Remaining Funds Available
<b>TOTAL ENDING FUND BALANCE</b>	<b>18,859,096</b>	<b>9,655,385</b>	<b>7,157,937</b>	<b>16,813,322</b>	<b>17,223,822</b>			<b>8,887,208</b>	

No assurance is provided on these financial statements;  
substantially all disclosures required by GAAP omitted.

Siena Lake Metropolitan District  
 Statement of Revenues, Expenditures, & Changes In Fund Balance  
 Modified Accrual Basis For the Period Indicated

Print Date: 12/4/2022

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Budget Comments
<b>GENERAL FUND</b>									
<b>REVENUES</b>									
Property Taxes	28,267	12,989	-	12,989	12,989	12,989	(0)	12,717	15 Mills Estimated Long-Term Need
Specific Ownership Taxes	1,579	585	65	649	479	390	89	636	5% of taxes
Interest Income	-	-	200	200	143	-	143	-	
Other Income	493	-	-	-	-	-	-	-	
<b>TOTAL REVENUE</b>	<b>30,339</b>	<b>13,574</b>	<b>265</b>	<b>13,839</b>	<b>13,611</b>	<b>13,379</b>	<b>232</b>	<b>13,353</b>	
<b>EXPENDITURES</b>									
<b>GENERAL OPERATIONS</b>									
Accounting	39,348	50,000	8,000	42,000	30,357	36,000	5,643	36,000	Per Developer
Audit	-	7,500	285	7,215	7,215	7,500	285	8,000	Required by Bonds
Election	1,999	2,500	1,500	1,000	850	2,500	1,650	2,500	Assume Cancelled
Engineering	2,015	-	-	-	-	-	-	-	None Anticipated
Insurance & SDA Dues	2,484	7,000	3,278	3,722	3,722	7,000	3,279	7,000	Property, Liability, & WC Coverage
Legal	60,782	50,000	15,000	35,000	25,840	37,500	11,660	25,000	Per Developer
Office Overhead and Supplies	1,115	1,200	-	1,200	856	1,200	344	1,300	Bill.com & Misc Other
Treasurers Fees	848	390	(3)	393	393	390	(3)	382	3% of Taxes
Contingency	-	50,000	50,000	-	-	37,500	37,500	5,000	Per Developer
<b>TOTAL GENERAL OPERATIONS</b>	<b>108,591</b>	<b>168,590</b>	<b>78,060</b>	<b>90,530</b>	<b>69,233</b>	<b>129,590</b>	<b>60,357</b>	<b>85,182</b>	
<b>DEBT SERVICE</b>									
Developer Repayment- Principal	-	-	-	-	-	-	-	-	
Developer Repayment- Interest	-	-	-	-	-	-	-	-	
<b>TOTAL DEBT SERVICE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>MAINTENANCE</b>									
Landscaping	-	50,000	50,000	-	-	41,667	41,667	10,000	Per Developer
Raw Water Irrigation Management	-	-	-	-	-	-	-	5,000	Per Developer
Snow Plowing & Other Operations	-	35,000	35,000	-	-	-	-	5,000	Per Developer
<b>TOTAL MAINTENANCE EXPENDITURES</b>	<b>-</b>	<b>85,000</b>	<b>85,000</b>	<b>-</b>	<b>-</b>	<b>41,667</b>	<b>41,667</b>	<b>20,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>108,591</b>	<b>253,590</b>	<b>163,060</b>	<b>90,530</b>	<b>69,233</b>	<b>171,256</b>	<b>102,024</b>	<b>105,182</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>(78,252)</b>	<b>(240,016)</b>	<b>163,325</b>	<b>(76,691)</b>	<b>(55,622)</b>	<b>(157,877)</b>	<b>102,256</b>	<b>(91,829)</b>	
<b>OTHER FINANCING SOURCES AND (USES)</b>									
Developer Advance- Operations	74,000	251,000	(182,000)	69,000	62,000	188,250	(126,250)	97,000	To Cover Shortfall
Transfers In/(Out)	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES (USES)</b>	<b>74,000</b>	<b>251,000</b>	<b>(182,000)</b>	<b>69,000</b>	<b>62,000</b>	<b>188,250</b>	<b>(126,250)</b>	<b>97,000</b>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,252)</b>	<b>10,984</b>	<b>(18,675)</b>	<b>(7,691)</b>	<b>6,378</b>	<b>30,373</b>	<b>(23,994)</b>	<b>5,171</b>	
<b>BEGINNING FUND BALANCE</b>	<b>29,270</b>	<b>11,801</b>	<b>13,217</b>	<b>25,018</b>	<b>25,018</b>	<b>11,801</b>	<b>13,217</b>	<b>17,327</b>	
<b>ENDING FUND BALANCE</b>	<b>25,018</b>	<b>22,785</b>	<b>(5,458)</b>	<b>17,327</b>	<b>31,396</b>	<b>42,174</b>	<b>(10,778)</b>	<b>22,498</b>	

No assurance is provided on these financial statements;  
 substantially all disclosures required by GAAP omitted.

Siena Lake Metropolitan District  
Statement of Revenues, Expenditures, & Changes In Fund Balance  
Modified Accrual Basis For the Period Indicated

Print Date: 12/4/2022

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Budget Comments
<b>DEBT SERVICE FUND</b>									
<b>REVENUES</b>									
Property Taxes	-	30,308	-	30,308	30,308	30,308	(0)	29,673	35 Minimum Per Bond Documents
Specific Ownership Taxes	-	1,364	152	1,515	1,118	909	208	1,484	5% of taxes
Interest Income	450	3,000	44,000	47,000	30,234	2,250	27,984	93,000	Interest on Bond Funds at 3%
<b>TOTAL REVENUES</b>	<b>450</b>	<b>34,672</b>	<b>44,152</b>	<b>78,824</b>	<b>61,660</b>	<b>33,467</b>	<b>28,192</b>	<b>124,157</b>	
<b>EXPENDITURES</b>									
Treasurer's Fees	-	909	(8)	917	917	909	(8)	890	3% of Property Taxes
Bond Interest	272,163	951,250	-	951,250	475,625	475,625	-	951,250	Per Amortization Schedule
Bond Principal	-	-	-	-	-	-	-	-	Per Amortization Schedule
Paying Agent / Trustee Fees	-	4,000	-	4,000	4,000	4,000	-	4,000	Annual Fee
Cost of Issuance	904,359	-	-	-	-	-	-	-	
Contingency	-	25,000	25,000	-	-	25,000	25,000	5,000	Unforeseen Needs
<b>TOTAL EXPENDITURES</b>	<b>1,176,522</b>	<b>981,159</b>	<b>24,992</b>	<b>956,167</b>	<b>480,542</b>	<b>505,534</b>	<b>24,992</b>	<b>961,140</b>	
<b>REVENUE OVER (UNDER) EXP</b>	<b>(1,176,072)</b>	<b>(946,487)</b>	<b>69,144</b>	<b>(877,344)</b>	<b>(418,882)</b>	<b>(472,067)</b>	<b>53,184</b>	<b>(836,983)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfer To Capital Fund	(19,000,000)	-	(9,892)	(9,892)	(9,892)	-	(9,892)	-	
Bond Proceeds	24,565,000	-	-	-	-	-	-	-	
Bond Premium	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>5,565,000</b>	<b>-</b>	<b>(9,892)</b>	<b>(9,892)</b>	<b>(9,892)</b>	<b>-</b>	<b>(9,892)</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>4,388,928</b>	<b>(946,487)</b>	<b>59,252</b>	<b>(887,236)</b>	<b>(428,774)</b>	<b>(472,067)</b>	<b>43,293</b>	<b>(836,983)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>4,379,087</b>	<b>9,842</b>	<b>4,388,928</b>	<b>4,388,928</b>	<b>4,379,087</b>	<b>9,842</b>	<b>3,501,693</b>	
<b>ENDING FUND BALANCE</b>	<b>4,388,928</b>	<b>3,432,600</b>	<b>69,093</b>	<b>3,501,693</b>	<b>3,960,154</b>	<b>3,907,020</b>	<b>53,134</b>	<b>2,664,710</b>	
<b>COMPONENTS OF FUND BALANCE:</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
Cost of Issuance Fund	9,892	-	-	-	-	-	-	-	
Capitalized Interest Fund	2,581,859	1,626,337	272	1,626,609	2,149,859	-	-	671,359	Used To Fund Future Shortfalls
Bond Surplus Fund	1,797,178	1,806,263	68,821	1,875,084	1,810,587	-	-	1,993,351	Fills to \$4.913M until Debt/AV 50%
Bond Payment Fund / Internal Balances	-	-	-	-	(292)	-	-	-	
<b>TOTAL FUND BALANCE - ENDING</b>	<b>4,388,928</b>	<b>3,432,600</b>	<b>69,093</b>	<b>3,501,693</b>	<b>3,960,154</b>	<b>3,907,020</b>	<b>53,134</b>	<b>2,664,710</b>	
	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements;  
substantially all disclosures required by GAAP omitted.

Siena Lake Metropolitan District  
Statement of Revenues, Expenditures, & Changes In Fund Balance  
Modified Accrual Basis For the Period Indicated

Print Date: 12/4/2022

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Budget Comments
<b>CAPITAL FUND</b>									
<b>REVENUES</b>									
Interest Income	1,564	10,000	169,000	179,000	99,411	7,500	91,911	292,000	Interest on Project Funds at 3%
<b>TOTAL REVENUES</b>	<b>1,564</b>	<b>10,000</b>	<b>169,000</b>	<b>179,000</b>	<b>99,411</b>	<b>7,500</b>	<b>91,911</b>	<b>292,000</b>	
<b>EXPENDITURES</b>									
Accounting	11,365	15,000	5,000	10,000	5,684	11,250	5,566	15,000	Bond Draws & Cost Cert Reviews
Legal	53,914	15,000	(10,000)	25,000	17,682	11,250	(6,432)	15,000	Capital Related Legal Work
Surveying & Sitework	-	-	-	-	-	-	-	-	
Engineering	44,701	20,000	10,000	10,000	4,074	20,000	15,926	20,000	Cost Certification Work
Streets & Traffic Safety	-	-	-	-	-	-	-	-	
Sewer & Storm Sewer System	1,697,437	-	-	-	-	-	-	-	
Potable Water System	1,872,913	-	-	-	-	-	-	-	
Raw Water System & Ponds	1,233,120	2,115,000	820,260	1,294,740	1,294,740	2,115,000	820,260	-	
Budget Contingency /Other	-	5,732,530	5,732,530	-	-	5,732,530	5,732,530	7,336,302	Remaining Unrestricted Funds Available
<b>TOTAL EXPENDITURES</b>	<b>4,913,449</b>	<b>7,897,530</b>	<b>6,557,790</b>	<b>1,339,740</b>	<b>1,322,180</b>	<b>7,890,030</b>	<b>6,567,850</b>	<b>7,386,302</b>	
<b>REVENUE OVER (UNDER) EXP</b>	<b>(4,911,885)</b>	<b>(7,887,530)</b>	<b>6,726,790</b>	<b>(1,160,740)</b>	<b>(1,222,770)</b>	<b>(7,882,530)</b>	<b>6,659,760</b>	<b>(7,094,302)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfer From Debt Service Fund	19,000,000	-	9,892	9,892	9,892	-	9,892	-	
Developer Advance	4,803,470	-	-	-	-	-	-	-	
Developer Repayment	(4,446,435)	-	-	-	-	-	-	-	
<b>TOTAL OTHER FINANCING</b>	<b>19,357,035</b>	<b>-</b>	<b>9,892</b>	<b>9,892</b>	<b>9,892</b>	<b>-</b>	<b>9,892</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>14,445,150</b>	<b>(7,887,530)</b>	<b>6,736,682</b>	<b>(1,150,848)</b>	<b>(1,212,878)</b>	<b>(7,882,530)</b>	<b>6,669,652</b>	<b>(7,094,302)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>14,087,530</b>	<b>357,620</b>	<b>14,445,150</b>	<b>14,445,150</b>	<b>14,087,530</b>	<b>357,620</b>	<b>13,294,302</b>	
<b>ENDING FUND BALANCE</b>	<b>14,445,150</b>	<b>6,200,000</b>	<b>7,094,302</b>	<b>13,294,302</b>	<b>13,232,272</b>	<b>6,205,000</b>	<b>7,027,272</b>	<b>6,200,000</b>	Restricted Until Commercial Included
	=	=	=	=	=	=	=	=	



Siena Lake Metropolitan District  
 Statement of Revenues, Expenditures, & Changes In Fund Balance  
 Modified Accrual Basis For the Period Indicated

Print Date: 12/4/2022

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Budget Comments
<b>WATER FUND</b>									
<b>REVENUES</b>									
Water Assessments	-	-	-	-	-	-	-	-	TBD
Tap Fees	-	-	-	-	-	-	-	-	TBD
Interest Income	-	-	-	-	-	-	-	-	
<b>TOTAL REVENUES</b>	-	-	-	-	-	-	-	-	
<b>EXPENDITURES</b>									
Water Contract	-	-	-	-	-	-	-	-	TBD
General Irrigation Maintenance	-	-	-	-	-	-	-	-	TBD
Service Calls	-	-	-	-	-	-	-	-	TBD
Electricity- Eagle River 75 HP Pump	-	-	-	-	-	-	-	-	TBD
Electricity- Cason Booster 85 HP Pump	-	-	-	-	-	-	-	-	TBD
Pump Alarm Monitoring	-	-	-	-	-	-	-	-	TBD
Buckhorn Pond Maintenance	-	-	-	-	-	-	-	-	TBD
Saddle Ridge Ponds (Including Ewing)	-	-	-	-	-	-	-	-	TBD
Pump replacement	-	-	-	-	-	-	-	-	TBD
Utilities	-	-	-	-	-	-	-	-	TBD
Contingency	-	-	-	-	-	-	-	-	TBD
<b>TOTAL EXPENDITURES</b>	-	-	-	-	-	-	-	-	TBD
<b>REVENUE OVER (UNDER) EXP</b>	-	-	-	-	-	-	-	-	
<b>OTHER FINANCING SOURCES (USES)</b>									
Developer Advance	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER FINANCING</b>	-	-	-	-	-	-	-	-	
<b>CHANGE IN FUND BALANCE</b>	-	-	-	-	-	-	-	-	
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	-	-	-	-	
<b>ENDING FUND BALANCE</b>	-	-	-	-	-	-	-	-	

= = = = = = = = = =

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

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

On behalf of the Siena Lake Metropolitan District (Formerly Saddleridge Metropolitan District)  
(taxing entity)<sup>A</sup>

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

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


Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 847,810  
(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: \$ 847,810  
(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:** 12/4/2022 for budget/fiscal year 2023  
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	<u>15.000</u> mills	\$ <u>12,717.15</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<u>(0.000)</u> mills	\$ <u>-</u>
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>15.000</u> mills</b>	<b><u>\$ 12,717.15</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>35.000</u> mills	\$ <u>29,673.35</u>
4. Contractual Obligations <sup>K</sup>	<u>0.000</u> mills	\$ <u>-</u>
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ <u>-</u>
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ <u>-</u>
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ <u>-</u>
	<u>0.000</u> mills	\$ <u>-</u>
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>50.000</u> mills</b>	<b><u>\$ 42,390.50</u></b>

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x 6  
(print)  
Signed:  Title: District Administrator

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, Colorado 80203. Questions? Call DLG (303) 864-7720.

<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**  
**SIENA LAKE METROPOLITAN DISTRICT**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.)**

Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, 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: Finance Public Improvements Related to the Development.  
Series: General Obligation Limited Tax Bonds Series 2021  
Date of Issue: August 18, 2021  
Coupon rate: 3.25-4.00%  
Maturity Date: December 1, 2051  
Levy: 35.000  
Revenue: \$29,673.35

2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

3. Purpose of Issue: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

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

4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

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

**EXHIBIT B**  
**2022 Audit**

**Siena Lake Metropolitan District  
Eagle County, Colorado**

**FINANCIAL STATEMENTS**

**With Independent Auditor's Report**

**December 31, 2022**

**Siena Lake Metropolitan District**

**TABLE OF CONTENTS**

**December 31, 2022**

**Independent Auditor’s Report** ..... 1

**Basic Financial Statements:**

    Government-Wide Financial Statements:

        Statement of Net Position ..... 1

        Statement of Activities ..... 2

    Fund Financial Statements:

        Balance Sheet – Governmental Funds ..... 3

        Statement of Revenues, Expenditures, and Changes in Fund Balances –  
            Governmental Funds ..... 4

        Reconciliation of the Statement of Revenues, Expenditures, and  
            Changes in Fund Balances to the Statement of Activities ..... 5

        Statement of Revenues, Expenditures, and Changes in Fund Balances –  
            Budget and Actual – General Fund..... 6

    Notes to Financial Statements ..... 7

**Supplemental Information:**

    Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
        Budget and Actual – Debt Service Fund ..... 23

    Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
        Budget and Actual – Capital Projects Fund ..... 24



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Siena Lake Metropolitan District  
Eagle County, Colorado

### Opinions

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

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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




## **Supplemental Information**

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

## **Other Matters**

### *Economic Dependency*

As disclosed in Note 8 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer for funding continued operations.

A handwritten signature in cursive script that reads "Fiscal Services Partners, LLC".

Arvada, Colorado  
March 14, 2023

SIENA LAKE METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2022

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 38,334
Cash and investments - restricted	16,863,357
Due from county treasurer	170
Prepaid expense	3,758
Property taxes receivable	42,390
Capital assets, not being depreciated	3,570,350
Capital assets, net	<u>2,458,326</u>
<b>Total assets</b>	<u><u>22,976,685</u></u>
<b>LIABILITIES</b>	
Accounts payable	25,369
Accrued interest payable	79,271
Noncurrent liabilities:	
Due in more than one year	<u>25,144,250</u>
<b>Total liabilities</b>	<u><u>25,248,890</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax revenue	<u>42,390</u>
<b>Total deferred inflows of resources</b>	<u><u>42,390</u></u>
<b>NET POSITION</b>	
Restricted for:	
Emergencies	2,734
Debt service	3,514,908
Capital outlay	13,348,118
Unrestricted	<u>(19,180,355)</u>
<b>Total net position</b>	<u><u>\$ (2,314,595)</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**SIENA LAKE METROPOLITAN DISTRICT**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
<b>Functions/Programs:</b>				<b>Governmental</b>	
<b>Primary government</b>				<b>Activities</b>	
General government	\$ 183,798	\$ -	\$ -	\$ -	\$ (183,798)
Interest on long-term debt and related costs	995,389	-	-	-	(995,389)
Total primary government	<u>\$ 1,179,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,179,187)</u>
<b>General Revenues:</b>					
					43,297
					2,330
					278,042
					506
					<u>324,175</u>
					<b>(855,012)</b>
					<u>(1,459,583)</u>
					<u>\$ (2,314,595)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**SIENA LAKE METROPOLITAN DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**December 31, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 38,334	\$ -	\$ -	\$ 38,334
Cash and investments - restricted	450	3,514,789	13,348,118	16,863,357
Due from county treasurer	51	119	-	170
Prepaid expense	3,758	-	-	3,758
Property taxes receivable	12,717	29,673	-	42,390
<b>Total assets</b>	<u>\$ 55,310</u>	<u>\$ 3,544,581</u>	<u>\$ 13,348,118</u>	<u>\$ 16,948,009</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 25,369	\$ -	\$ -	\$ 25,369
<b>Total liabilities</b>	<u>25,369</u>	<u>-</u>	<u>-</u>	<u>25,369</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	12,717	29,673	-	42,390
<b>Total deferred inflows of resources</b>	<u>12,717</u>	<u>29,673</u>	<u>-</u>	<u>42,390</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid expenses	3,758	-	-	3,758
Restricted for:				
Emergencies	2,734	-	-	2,734
Debt service	-	3,514,908	-	3,514,908
Capital projects	-	-	13,348,118	13,348,118
Unassigned	10,732	-	-	10,732
<b>Total fund balances</b>	<u>17,224</u>	<u>3,514,908</u>	<u>13,348,118</u>	<u>16,880,250</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 55,310</u>	<u>\$ 3,544,581</u>	<u>\$ 13,348,118</u>	

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

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

Capital assets, net 6,028,676

Long-term liabilities, including bonds payable, developer advances and accrued interest, are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable (24,565,000)  
Developer advances (524,035)  
Accrued interest payable - bonds (79,271)  
Accrued interest payable - developer advances (55,215)

Net position of governmental activities \$ (2,314,595)

**SIENA LAKE METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 12,989	\$ 30,308	\$ -	\$ 43,297
Specific ownership tax	699	1,631	-	2,330
Miscellaneous income	506	-	-	506
Investment income	143	60,099	217,800	278,042
<b>Total revenues</b>	<u>14,337</u>	<u>92,038</u>	<u>217,800</u>	<u>324,175</u>
<b>EXPENDITURES</b>				
General government				
Accounting	39,126	-	6,016	45,142
Audit	7,215	-	-	7,215
Election	850	-	-	850
Engineering	-	-	6,002	6,002
Insurance	3,722	-	-	3,722
Legal	38,698	-	17,966	56,664
Office overhead and expense	1,127	-	-	1,127
Treasurers fees	393	917	-	1,310
Debt Service				
Bond interest	-	951,250	-	951,250
Trustee fee	-	4,000	-	4,000
Capital				
Raw water system and ponds	-	-	1,294,740	1,294,740
<b>Total expenditures</b>	<u>91,131</u>	<u>956,167</u>	<u>1,324,724</u>	<u>2,372,022</u>
<b>Excess of revenues over (under) expenditures</b>	(76,794)	(864,129)	(1,106,924)	(2,047,847)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer advance	69,000	-	-	69,000
Transfers in/(out)	-	(9,892)	9,892	-
<b>Total other financing sources (uses)</b>	<u>69,000</u>	<u>(9,892)</u>	<u>9,892</u>	<u>69,000</u>
<b>Net change in fund balances</b>	(7,794)	(874,021)	(1,097,032)	(1,978,847)
<b>Fund balances - beginning</b>	<u>25,018</u>	<u>4,388,929</u>	<u>14,445,150</u>	<u>18,859,097</u>
<b>Fund balances - ending</b>	<u>\$ 17,224</u>	<u>\$ 3,514,908</u>	<u>\$ 13,348,118</u>	<u>\$ 16,880,250</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**SIENA LAKE METROPOLITAN DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2022**

Net change in fund balances - governmental funds	\$ (1,978,847)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays 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 assets over the estimated useful life of the asset.	
Capital outlay	1,294,740
Depreciation expense	(62,683)
Long-term debt (e.g. bonds, Developer advance) provides current resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Developer advances	(69,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest payable on developer advances - change in liability	<u>(39,222)</u>
Change in net position of governmental activities	<u>\$ (855,012)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**SIENA LAKE METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 12,989	\$ 12,989	\$ -
Specific ownership tax	585	699	114
Miscellaneous income	-	506	506
Investment income	-	143	143
<b>Total revenues</b>	<u>13,574</u>	<u>14,337</u>	<u>763</u>
<b>EXPENDITURES</b>			
Accounting	50,000	39,126	10,874
Audit	7,500	7,215	285
Election	2,500	850	1,650
Insurance	7,000	3,722	3,278
Legal	50,000	38,698	11,302
Office overhead and expense	1,200	1,127	73
Treasurers fees	390	393	(3)
Landscaping	50,000	-	50,000
Snow plowing and other operations	35,000	-	35,000
Contingency	50,000	-	50,000
<b>Total expenditures</b>	<u>253,590</u>	<u>91,131</u>	<u>162,459</u>
<b>Excess of revenue over (under) expenditures</b>	(240,016)	(76,794)	163,222
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer advance	251,000	69,000	(182,000)
<b>Total other financing sources (uses)</b>	<u>251,000</u>	<u>69,000</u>	<u>(182,000)</u>
<b>Net change in fund balances</b>	10,984	(7,794)	(18,778)
<b>Fund balances - beginning</b>	<u>11,801</u>	<u>25,018</u>	<u>13,217</u>
<b>Fund balances - ending</b>	<u>\$ 22,785</u>	<u>\$ 17,224</u>	<u>\$ (5,561)</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**Note 1 – Definition of Reporting Entity**

Siena Lake Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on November 20, 2001 as Saddle Ridge Metropolitan District. On June 18, 2018, the District's name was changed to Siena Lake Metropolitan District. The District's service area boundaries are located in the Town of Gypsum, Colorado (Town) in Eagle County, Colorado (County). The District was established principally to coordinate the financing of public improvements, including transportation, streets and safety control, street lighting, landscaping, water, sanitary sewer, storm drainage, television relay, and park and recreation improvements.

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

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

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

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

**Government-Wide and Fund Financial Statements**

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

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



**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

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.

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 source of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. 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.

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 reported in another fund.

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

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**Budgetary Information**

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 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 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.

**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 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.

**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 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 sales of the tax liens on delinquent properties are 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 of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include infrastructure (e.g., potable water and sanitary sewer systems, streets, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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

Raw water systems and ponds	30 years
-----------------------------	----------

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 other governmental entities are not depreciated.

**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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Equity**

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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

## Siena Lake Metropolitan District

### NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2022

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:

Non-spendable 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 is legally or contractually required to be maintained intact.

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

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

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

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

#### **Note 3 – Cash and Investments**

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

Statement of net position:

Cash and investments	\$ 38,334
Cash and investments-Restricted	<u>16,863,357</u>
Total cash and investments	<u><u>\$ 16,901,691</u></u>

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

Deposits with financial institutions	\$ 25,921
Investments	<u>16,875,770</u>
Total cash and investments	<u><u>\$ 16,901,691</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 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.

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$25,921.

**Investments**

The District has not adopted a formal investment policy; however the District follows state statute regarding investments.

The District generally limits its concentration of investments to those 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.

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

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 repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

<b>Investment</b>	<b>Amount</b>
Colorado Liquid Asset Trust (Colotrust)	<u>\$ 16,875,770</u>
Total investments	<u><u>\$ 16,875,770</u></u>

**Colotrust**

The District invested in the Colorado Local Government Liquid Asset Trust (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 offers shares in three portfolios: Colotrust Prime, Colotrust Plus, and Colotrust Edge.

Colotrust Prime and Colotrust Plus operate similarly to a money market fund and each share is equal in value to \$1.00. 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. Both portfolios are rated AAAM by Standard and Poor's.

Colotrust Edge, 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

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

obligations of U.S. government agencies, highest rated commercial paper. Colotrust Edge is rated AAAf/S1 by Fitch Ratings.

A designated custodial bank serves as custodian for the Trust's investment 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 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. The District invested in the Colotrust Plus portfolio during 2022.

**Note 4 – Capital assets**

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

	Balance at December 31, 2021	Additions	Deletions	Balance at December 31, 2022
Capital assets, not being depreciated:				
Infrastructure to be conveyed to the Town of Gypsum				
Potable water	\$ 1,872,913	\$ -	\$ -	\$ 1,872,913
Sanitary sewer and storm drainage	1,697,437	-	-	1,697,437
Total capital assets, not being depreciated	<u>3,570,350</u>	<u>-</u>	<u>-</u>	<u>3,570,350</u>
Capital assets, being depreciated:				
Raw water system and ponds	1,233,120	-	-	1,233,120
Raw water pumpback system	-	1,294,740	-	1,294,740
Total capital assets, being depreciated	<u>1,233,120</u>	<u>1,294,740</u>	<u>-</u>	<u>2,527,860</u>
Less accumulated depreciation for:				
Raw water system and ponds	6,851	41,104	-	47,955
Raw water pumpback system	-	21,579	-	21,579
Total accumulated depreciation	<u>6,851</u>	<u>62,683</u>	<u>-</u>	<u>69,534</u>
Total capital assets being depreciated, net	<u>1,226,269</u>	<u>1,232,057</u>	<u>-</u>	<u>2,458,326</u>
Governmental activities capital asset, net	<u>\$ 4,796,619</u>	<u>\$ 1,232,057</u>	<u>\$ -</u>	<u>\$ 6,028,676</u>

Depreciation expense was charged to the general government function.

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

**Note 5 – Long-Term Obligations**

Changes in long-term debt for the year ended December 31, 2022 are summarized as follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
General Obligation Limited Tax Bonds - Series 2021	\$ 24,565,000	\$ -	\$ -	\$ 24,565,000	\$ -
Other:					
Developer Advances - Operating	98,000	69,000	-	167,000	-
Accrued Interest - Operating	4,469	10,659	-	15,128	-
Developer Advances - Capital	357,035	-	-	357,035	-
Accrued Interest - Capital	11,524	28,563	-	40,087	-
	<u>\$ 25,036,028</u>	<u>\$ 108,222</u>	<u>\$ -</u>	<u>\$ 25,144,250</u>	<u>\$ -</u>

**General Obligation Limited Tax Bonds Series 2021**

**Bond Details**

On August 18, 2021, the District issued \$24,565,000 General Obligation Limited Tax Bonds, Series 2021 (the Bonds). The Bonds were issued for the purposes of: i) financing public improvements related to the development; ii) funding the initial surplus fund deposit; iii) funding the capitalized interest on the Bonds; and iv) paying the costs incurred in connection with the issuance of the Bonds.

The Bonds bear interest at rates ranging from 3.25% to 4.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2028. The Bonds mature on December 1, 2051. To the extent principal of any Bond is not paid when due, such principal is to remain outstanding until paid and is to continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the Bond. The District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.



**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District on September 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
September 1, 2026, to August 31, 2027	3.00%
September 1, 2027, to August 31, 2028	2.00%
September 1, 2028, to August 31, 2029	1.00%
September 1, 2029, and thereafter	0.00%

**Security**

The Bonds are secured by and payable from moneys derived by the District from the following sources, net of any costs of collection: i) the Required Mill Levy; ii) the portion of Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and iii) any other legally available moneys which the District determines, in its absolute discretion to transfer to the Trustee for application as pledged revenue.

The Bonds are also secured by amounts on deposit in the Surplus Fund which will be funded from pledged revenue that is not needed to pay debt service on the Bonds in any year, up to the Maximum Surplus Amount of \$4,913,000 (Maximum Surplus Amount). As of December 31, 2022, the balance in the Surplus Fund was \$1,826,774.

**Required Mill Levy**

Pursuant to the Bond Indenture, the District has covenanted to impose a Required Mill Levy in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due and, if necessary, an amount sufficient to replenish the Surplus Fund to the Minimum Surplus Amount of \$500,000 (Minimum Surplus Amount), but i) not in excess of 50 mills, ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 35 mills, or such lesser mill levy which will fund the Bond Fund for the relevant Bond Year, pay the Bonds as they come due, and will fund the Surplus Fund up to the Maximum Surplus Amount, and iii) in the event that the amount of the Surplus Fund is less than the Minimum Surplus Amount, 50 mills, or such lesser mill levy which will fund the Bond Fund for the relevant Bond Year, pay the Bonds as they come due, and will fund the Surplus Fund up to the Minimum Surplus Amount. If after January 1, 2001, there are changes in the ratio of actual valuation to assessed valuation, then the minimum and maximum mill levies shall be increased or decreased to offset such changes.

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

The District's Amended and Restated Service Plan limits the District's imposition of ad valorem taxes for debt to 50 mills (subject to adjustment). The maximum Debt Mill Levy is 50 mills for so long as the total amount of aggregate debt of the District exceeds fifty percent of the District's assessed valuation.

**Restricted Project Funds**

\$6,200,000 of proceeds from the Bonds were placed in a restricted account and can only be released for use by the District as additional property is included in the boundaries of the District at a rate of \$188,450 released per acre included. If any amounts on deposit in such Restricted Account are not released by August 19, 2024, then such amounts are to be applied to debt service on the bonds through a mandatory excess proceeds redemption.

The District's long-term obligations will mature as follows:

Year Ended December 31,	Principal	Interest	Total
2023	\$ -	\$ 951,250	\$ 951,250
2024	-	951,250	951,250
2025	-	951,250	951,250
2026	-	951,250	951,250
2027	-	951,250	951,250
2028-2032	2,175,000	4,648,026	6,823,026
2033-2037	3,560,000	4,136,189	7,696,189
2038-2042	4,705,000	3,386,189	8,091,189
2043-2047	6,135,000	2,359,800	8,494,800
2048-2051	7,990,000	921,800	8,911,800
	<u>\$ 24,565,000</u>	<u>\$ 20,208,254</u>	<u>\$ 44,773,254</u>

**Funding and Reimbursement Agreement**

The District entered into a Funding and Reimbursement Agreement for Operations and Maintenance dated April 2, 2018, which was amended on October 1, 2019 with an effective date of January 1, 2020 (First Amendment), with Red Table Ventures, LLC. Red Table Ventures, LLC agreed to advance funds for ongoing operations and maintenance expenses incurred by the District in an amount of \$50,000 per annum with a maximum loan amount of \$200,000. The District is to reimburse Red Table Ventures, LLC, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expense of the District. Reimbursement is to include interest at the rate of 6% per annum. Any obligation to reimburse Red Table Ventures, LLC for any advances made pursuant to this agreement after 30 years from

## **Siena Lake Metropolitan District**

### **NOTES TO FINANCIAL STATEMENTS (continued)**

**December 31, 2022**

the execution of the agreement shall expire. Any amount of principal and accrued interest outstanding at such date shall be deemed to be forever discharged and satisfied in full. As of December 31, 2022, the principal and accrued interest outstanding is \$24,000 and \$5,776, respectively.

The District entered into a Funding and Reimbursement Agreement for Operations and Maintenance dated January 1, 2022 with Siena Lake, LLC. Siena Lake, LLC agreed to advance funds for ongoing operations and maintenance expenses incurred by the District in an amount of \$135,000 per annum with a maximum loan amount of \$540,000 through December 31, 2025. The District is to reimburse Siena Lake, LLC, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expense of the District. Reimbursement is to include interest at the rate of 8.2% per annum. Siena Lake, LLC advanced funds in the amount of \$74,000 prior to the effective date of this agreement for which reimbursement shall be made based on the terms of this agreement. Any obligation to reimburse Siena Lake, LLC for any advances made pursuant to this agreement after 10 years from the execution of the agreement shall expire. Any amount of principal and accrued interest outstanding at such date shall be deemed to be forever discharged and satisfied in full. The obligation was declared to be subordinate to the obligation from the Funding and Reimbursement Agreement with Red Table Ventures, LLC. As of December 31, 2022, the principal and accrued interest outstanding is \$143,000 and \$9,352, respectively.

#### **Infrastructure Acquisition and Reimbursement Agreement**

The District entered into an Infrastructure Acquisition and Reimbursement Agreement dated April 20, 2021 with Siena Lake, LLC to repay advances and/or costs incurred by Siena Lake, LLC for certain verified capital improvement costs. The District agrees to repay Siena Lake, LLC for such capital improvement advances plus simple interest accruing at the rate of 8% per annum from the date of the applicable District Acceptance Resolution for District Eligible Costs until paid in full. The District is to reimburse Siena Lake, LLC, subject to annual appropriation and budget approval. Any obligation to reimburse Siena Lake, LLC for any advances made pursuant to this agreement after 10 years from the execution of the agreement shall expire. Any amount of principal and accrued interest outstanding at such date shall be deemed to be forever discharged and satisfied in full. As of December 31, 2022, the principal and accrued interest outstanding is \$357,035 and \$40,087, respectively.

#### **Debt Authorization**

On November 6, 2018, the District's electorate authorized the issuance of indebtedness in an amount not to exceed \$647,435,000 at an interest rate not to exceed 18% per annum.

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

Pursuant to the District’s Amended and Restated Service Plan approved September 25, 2018, the District is limited to issuing \$28,000,000 in debt. After the issuance of the 2021 Bonds, the District has \$3,435,000 remaining debt authorization under its Service Plan. In addition, the maximum mill levy for debt service of the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value property within the District. The Service Plan does not limit the mill levy for operations of the District.

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

**Note 6 – Net Position**

The District’s net position consists of two components – restricted and unrestricted.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022:

	<b>Governmental Activities</b>
Restricted net position:	
Emergency reserve	\$ 2,734
Debt service	3,514,908
Capital projects	13,348,118
Total restricted net position	\$ 16,865,760

As of December 31, 2022, the District has unrestricted net position of \$(19,180,355).

**Note 7 – Related Parties**

The Developer of the property which constitutes the District is Siena Lake, LLC a Colorado limited liability company. Members of the Board of Directors are officers, employees, or associated with the Developer and may have conflicts of interest in dealing with the District. A reimbursement was made to the Developer in the amount of \$1,294,740 during 2022 from the Project Fund for the Raw Water Pumpback System.

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

**Note 8 – Economic Dependency**

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

**Note 9 – Interfund Transfers**

The transfer from the Debt Service Fund to the Capital Projects Fund was made to transfer the remaining funds in the cost of issuance account to the project fund per the indenture.

**Note 10 – 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 an intergovernmental agreement to provide property, liability, public officials’ liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**Note 11 - Tax, Spending and Debt Limitation**

Article X, Section 20 of the Colorado Constitution, referred to 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

**Siena Lake Metropolitan District**  
**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**December 31, 2022**

service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary and benefit increases.

A majority of the District's electors has authorized the District to collect revenues without regard to the TABOR limits.

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.

\* \* \* \* \*

SUPPLEMENTAL INFORMATION

**SIENA LAKE METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE FUND**

**For the Year Ended December 31, 2022**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 30,308	\$ 30,308	\$ -
Specific ownership tax	1,364	1,631	267
Investment income	3,000	60,099	57,099
<b>Total revenues</b>	<u>34,672</u>	<u>92,038</u>	<u>57,366</u>
<b>EXPENDITURES</b>			
General government			
County treasurer's fees	909	917	(8)
Contingency	25,000	-	25,000
Debt Service			
Bond interest	951,250	951,250	-
Trustee fee	4,000	4,000	-
<b>Total expenditures</b>	<u>981,159</u>	<u>956,167</u>	<u>24,992</u>
<b>Excess of revenue over (under) expenditures</b>	(946,487)	(864,129)	82,358
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in/(out)	-	(9,892)	(9,892)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(9,892)</u>	<u>(9,892)</u>
<b>Net change in fund balances</b>	(946,487)	(874,021)	72,466
<b>Fund balances - beginning</b>	<u>4,379,087</u>	<u>4,388,929</u>	<u>9,842</u>
<b>Fund balances - ending</b>	<u>\$ 3,432,600</u>	<u>\$ 3,514,908</u>	<u>\$ 82,308</u>



**SIENA LAKE METROPOLITAN DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND**

**For the Year Ended December 31, 2022**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Investment income	\$ 10,000	\$ 217,800	\$ 207,800
<b>Total revenues</b>	<u>10,000</u>	<u>217,800</u>	<u>207,800</u>
<b>EXPENDITURES</b>			
General government			
Accounting	15,000	6,016	8,984
Engineering	20,000	6,002	13,998
Legal	15,000	17,966	(2,966)
Contingency	5,732,530	-	5,732,530
Capital outlay			
Raw water system and ponds	<u>2,115,000</u>	<u>1,294,740</u>	<u>820,260</u>
<b>Total expenditures</b>	<u>7,897,530</u>	<u>1,324,724</u>	<u>6,572,806</u>
<b>Excess of revenue over (under) expenditures</b>	(7,887,530)	(1,106,924)	6,780,606
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in/(out)	<u>-</u>	<u>9,892</u>	<u>9,892</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>9,892</u>	<u>9,892</u>
<b>Net change in fund balances</b>	(7,887,530)	(1,097,032)	6,790,498
<b>Fund balances - beginning</b>	<u>14,087,530</u>	<u>14,445,150</u>	<u>357,620</u>
<b>Fund balances - ending</b>	<u>\$ 6,200,000</u>	<u>\$ 13,348,118</u>	<u>\$ 7,148,118</u>