

Sunlight Metropolitan District

July 26, 2023

City of Steamboat Springs & City Council

E-Mail: gsuiter@steamboatsprings.net

Email: jfranklin@steamboatsprings.net

Routt County Clerk and Recorder

E-Mail: elections@co.Routt.co.us

Department of Local Affairs

E-portal

Office of the State Auditor

E-Portal

Re: Annual Report Filing

Dear Mr. Suiter,

Per the Service Plan dated August 2, 2016, of the Sunlight Metropolitan District, Section VII Annual Report. The District is submitting their annual report for the year ended December 31, 2022. If you have any questions you may reach me via telephone at (970)926-6060 ext 5 or e-mail to debbie@mwcpaa.com.

Sincerely,

Sunlight Metropolitan District



Debbie Braucht, Assistant District Administrator

cc: Alan Pogue, Esq

Sunlight Metropolitan District
2022 Annual Report
To the City of Steamboat Springs

- 1. Boundary changes made or proposed to the District’s boundaries as of December 31 of the prior year.**
None
- 2. Intergovernmental agreements either entered into or proposed as of December 31 of the prior year.**
Colorado Special Districts Property & Liability Pool

Agreement providing for the formation of a pool to provide insurance coverage to all members of the pool.
Term: Renewable on an annual basis.
- 3. Rules and Regulations Adopted by the Board (<https://coloradocommunities.org/sunlight-metro-district>)**
None
- 4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.**
None
- 5. Status of District’s construction of the Public Improvements as of December 31 of the prior year.**
None
- 6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.**
None
- 7. The assessed valuation of the District for the current year.**
\$5,656,610
- 8. Current year budget.**
Please see attached Exhibit A-2023 budget.
- 9. Audit of the Districts’ financial statements, for the year ending December 31 of the previous year, prepared in accordance with the generally accepted accounting principles, or audit exemptions, if applicable.**
Please see attached Exhibit B-2022 Audited Financial Statements

10. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district;

None

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

None

EXHIBIT A

2023 Budget

SUNLIGHT METROPOLITAN DISTRICT

January 16, 2023

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

VIA: Electronic Filing LGID# 66762

Attached is the 2023 Budget for the Sunlight Metropolitan District in Routt County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 13, 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 Routt County is 20.519 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 20.519 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 \$5,656,610, the total property tax revenue is \$232,135.96. A copy of the certification of mill levies sent to the County Commissioners for Routt 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 Routt County, Colorado.

Sincerely,



Eric Weaver
District Accountant

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

SUNLIGHT METROPOLITAN DISTRICT

2023 BUDGET MESSAGE

Sunlight 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. Although the District has the ability under its service plan to provide a broad range of services, the majority of the municipal-type services will actually be provided by the City of Steamboat Springs, with the financing of improvements provided by the District.

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 function budgeted for 2023 is to levy and collect property taxes, based on a 40.000 mill rate (comprised of 20.000 mills for operations and 20.000 mills for debt service), adjusted for the change in the residential assessment rate to a total of 41.038 mills. The property taxes from the mill levies will be used to pay the general and administrative, operating, and debt service expenditures of the District.

RESOLUTIONS OF SUNLIGHT METROPOLITAN DISTRICT

TO ADOPT 2023 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE SUNLIGHT 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 Sunlight 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 October 13, 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 Sunlight Metropolitan District, Routt 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 SUNLIGHT 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 SUNLIGHT METROPOLITAN DISTRICT, ROUTT COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Sunlight Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on October 13, 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 \$116,067.98 and;

WHEREAS, the Sunlight 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 \$116,067.98, and;

WHEREAS, the 2022 valuation for assessment for the Sunlight Metropolitan District, as certified by the County Assessor is \$5,656,610

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the SUNLIGHT METROPOLITAN DISTRICT, ROUTT COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Sunlight Metropolitan District during the 2023 budget year, there is hereby levied a tax of 20.519 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 Sunlight 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 SUNLIGHT METROPOLITAN DISTRICT (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

Section 4. That for the purpose of meeting all payments for bonds and interest of the Sunlight Metropolitan District during the 2023 budget year, there is hereby levied a tax of 20.519 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 Routt County, Colorado, the mill levies for the Sunlight Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Routt County, Colorado, the mill levies for the Sunlight Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF SUNLIGHT 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 SUNLIGHT METROPOLITAN DISTRICT, ROUTT 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 October 13, 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 SUNLIGHT METROPOLITAN DISTRICT, ROUTT 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 Expenditures	\$ 124,882
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DEBT SERVICE

Current Expenditures	\$ 121,232
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RESOLUTIONS OF SUNLIGHT 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 13th day of October, 2022.

Attest:  _____

Title: president

Sunlight Metropolitan District
Statement of Net Position
August 31, 2022

	General Fund	Debt Service	Capital Fund	Fixed Assets & LTD	TOTAL
ASSETS					
CASH					
Alpine Checking	3,921				3,921
Colostrust Savings	72,560				72,560
UMB Bank- Bond Fund		46,035			46,035
UMB Bank- Reserve Fund		171,689			171,689
UMB Bank- Surplus Fund		164,422			164,422
Pooled Cash	(2,887)	2,887	-		-
TOTAL CASH	73,595	385,032	-	-	458,627
OTHER CURRENT ASSETS					
Due From County Treasurer	-	-			-
Property Taxes Receivable	9,840	13,119			22,959
Prepaid Expenses	450				450
TOTAL OTHER CURRENT ASSETS	10,290	13,119	-	-	23,409
FIXED ASSETS					
Capital Assets				1,086,202	1,086,202
Accumulated Depreciation				(53,518)	(53,518)
TOTAL FIXED ASSETS	-	-	-	1,032,684	1,032,684
TOTAL ASSETS	83,885	398,152	-	1,032,684	1,514,720
LIABILITIES & DEFERED INFLOWS					
CURRENT LIABILITIES					
Accounts Payable	19,979				19,979
TOTAL CURRENT LIABILITIES	19,979	-	-	-	19,979
DEFERRED INFLOWS					
Deferred Property Taxes	9,840	13,119			22,959
TOTAL DEFERRED INFLOWS	9,840	13,119	-	-	22,959
LONG-TERM LIABILITIES					
Accrued Interest				442,555	442,555
Developer Payable- Ops				110,000	110,000
Developer Payable- Capital				2,236,559	2,236,559
Series 2020 Limited Tax GO Bonds				2,175,000	2,175,000
TOTAL LONG-TERM LIABILITIES	-	-	-	4,964,114	4,964,114
TOTAL LIAB & DEF INFLOWS	29,819	13,119	-	4,964,114	5,007,052
NET POSITION					
Net Investment in Capital Assets				1,032,684	1,032,684
Net Investment in Long-Term Debt				(4,964,114)	(4,964,114)
Fund Balance- Nonspendable	450				450
Fund Balance- Restricted	3,079	385,032			388,111
Fund Balance- Assigned For Capital	-				-
Fund Balance- Assigned- Budget Deficit	650				650
Fund Balance- Unassigned	49,886				49,886
TOTAL NET POSITION	54,066	385,032	-	(3,931,430)	(3,492,332)

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

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

Print Date: 1/15/2023

	<u>2021 Audited Actual</u>	<u>2022 Adopted Budget</u>	<u>Variance Favorable (Unfavor)</u>	<u>2022 Forecast</u>	<u>YTD Thru 08/31/22 Actual</u>	<u>YTD Thru 08/31/22 Budget</u>	<u>Variance Favorable (Unfavor)</u>	<u>2023 Adopted Budget</u>	<u>Notes/Assumptions</u>
PROPERTY TAXES									
Assessed Valuation	4,115,580	5,585,540	-	5,585,540				5,656,610	Final AV 12-01-22
Mill Levy - Operations	15.048	15.063	-	15.063				20.519	20 Mills, As Adjusted
Mill Levy - Debt	20.064	20.084	-	20.084				20.519	20 Mills, As Adjusted
Total Mill Levy	35.112	35.147	-	35.147				41.038	
Property Tax Revenue - Operations	61,931	84,135	-	84,135				116,068	AV * Mill Levy / 1,000
Property Tax Revenue - Debt	82,575	112,180	-	112,180				116,068	AV * Mill Levy / 1,000
Total Property Taxes	144,506	196,315	-	196,315				232,136	

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

Print Date: 1/15/2023

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 08/31/22 Actual	YTD Thru 08/31/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
COMBINED FUNDS									
REVENUE									
Property Taxes	144,506	196,315	-	196,315	173,356	196,315	(22,959)	232,136	See Above
Specific Ownership Taxes	10,383	11,779	-	11,779	7,653	6,871	782	13,928	Estimated at 6% of property taxes
Interest & Other Income	309	250	3,400	3,650	2,637	167	2,470	13,200	Investment of bond reserves
TOTAL REVENUE	155,198	208,344	3,400	211,744	183,646	203,353	(19,707)	259,264	
EXPENDITURES									
<u>Administration</u>									
Accounting, Audit, Legal, & Engineering	38,010	34,400	4,000	30,400	19,584	23,567	3,983	33,550	See breakout in General Fund
Treasurer's Fees	4,338	5,889	-	5,889	5,207	5,889	683	6,964	3% of property taxes
Election	26	5,000	3,500	1,500	1,364	5,000	3,636	5,000	Assumes cancel-addtl req per new law
Insurance, Bonds & SDA Dues	3,344	3,678	264	3,414	3,414	3,678	264	3,750	Based on 2022 Actual w/ 10% increase
<u>Operations</u>									
Mgmt, Landscaping, Snow Removal & Maint	42,823	45,000	3,000	42,000	27,262	33,200	5,938	47,200	Based on CPG Proposal
Irrigation Maintenance	6,658	6,500	(5,500)	12,000	9,921	4,333	(5,588)	8,500	Per CPG
Utilities	6,836	8,500	(1,000)	9,500	6,439	5,667	(772)	10,000	Street lights, water, irrig controllers, etc.
Miscellaneous	1,291	3,250	1,950	1,300	895	2,167	1,272	3,400	Misc Other Costs
Contingency/ Emergencies	-	5,000	5,000	-	-	-	-	10,000	Unforeseen or Additional Needs
<u>Debt Service</u>									
Bond Principal & Interest	108,750	108,750	-	108,750	54,377	54,375	(2)	108,750	Per Amort Schedule
Developer Repayments	-	-	-	-	-	-	-	-	-
Debt Issuance, Trustee Fees, & Contingency	4,000	10,000	6,000	4,000	-	-	-	9,000	Annual Trustee Fee & Contingency
<u>Capital Outlay</u>									
	-	-	-	-	-	-	-	-	See Capital Fund
TOTAL EXPENDITURES	216,076	235,968	17,214	218,753	128,462	137,876	9,414	246,114	
REVENUE OVER / (UNDER) EXPENDITURES	(60,878)	(27,624)	20,614	(7,010)	55,184	65,476	(10,292)	13,150	
OTHER SOURCES / (USES)									
Developer advances	39,000	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES / (USES)	39,000	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	(21,878)	(27,624)	20,614	(7,010)	55,184	65,476	(10,292)	13,150	
BEGINNING FUND BALANCE	405,792	373,909	10,005	383,914	383,914	373,909	10,005	376,904	
ENDING FUND BALANCE	383,914	346,285	30,619	376,904	439,098	439,386	(288)	390,054	See Breakdown Below
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Nonspendable	-	3,862	(278)	3,585	450	-	-	3,938	Prepaid Insurance
TABOR Emergency Reserve	3,163	3,416	(336)	3,079	3,079	-	-	3,746	3% of operating expenditures
Restricted For Debt Service	336,765	331,843	10,718	342,561	385,032	-	-	356,361	See breakdown in debt service fund
Assigned For Future Capital Replacements	-	-	-	-	-	-	-	-	Begin building in future years
Assigned For Next Year Budget Deficit	24,669	-	650	650	650	-	-	-	Assume breakeven 2024 Budget
Unassigned	19,316	7,164	19,865	27,030	49,886	-	-	26,009	
TOTAL ENDING FUND BALANCE	383,914	346,285	30,619	376,904	439,098	439,386	(288)	390,054	
=	=	=	=	=	=	=	=	=	

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

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

Print Date: 1/15/2023

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 08/31/22 Actual	YTD Thru 08/31/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes	61,931	84,135	-	84,135	74,295	84,135	(9,840)	116,068	20 Mills, As Adjusted Estimated at 6% of property taxes 3.5% of Fund Balance
Specific Ownership Taxes	4,450	5,048	-	5,048	3,280	2,945	335	6,964	
Interest Income	68	-	650	650	451	-	451	1,200	
TOTAL REVENUE	66,449	89,183	650	89,833	78,027	87,080	(9,053)	124,232	
EXPENDITURES									
<u>Administration</u>									
Accounting & Administration	27,820	22,000	1,000	21,000	12,568	13,500	932	22,000	Based on 2022 Forecast
Audit	5,300	5,400	-	5,400	5,400	5,400	-	5,550	Based on CSD Engagement Letter
Legal	4,890	7,000	3,000	4,000	1,616	4,667	3,051	6,000	Based on 2022 Forecast
Engineering	-	-	-	-	-	-	-	-	No anticipated need
Office Expense	1,215	1,250	(50)	1,300	893	833	(59)	1,400	Bill.com fees, misc other
Treasurer's Fees	1,859	2,524	-	2,524	2,232	2,524	293	3,482	3% of property taxes
Election	26	5,000	3,500	1,500	1,364	5,000	3,636	5,000	Assumes cancel-addtl req per new law
Insurance, Bonds & SDA Dues	3,344	3,678	264	3,414	3,414	3,678	264	3,750	Based on 2022 Actual w/ 10% increase
<u>Operations</u>									
District Maint & Management	6,000	6,000	-	6,000	4,000	4,000	-	6,000	Based on CPG Proposal
Park & Playground Maint, Lawn, Streetscape & Weed Control	17,200	21,000	-	21,000	14,129	17,200	3,071	19,000	Per CPG
Snow Removal	11,500	18,000	3,000	15,000	9,133	12,000	2,867	18,000	Same as 2022 Budget
Park & Irrigation Capital Repairs	8,124	-	-	-	-	-	-	4,200	6 Trees & Add Rock to Dogpark Entrance
Irrigation R&M, Fall Blowout	6,658	6,500	(5,500)	12,000	9,921	4,333	(5,588)	8,500	Per CPG
Utilities	6,836	8,500	(1,000)	9,500	6,439	5,667	(772)	10,000	Street lights, water, irrig controllers, etc.
Miscellaneous	-	2,000	2,000	-	-	1,333	1,333	2,000	Misc Other Costs
Contingency/ Emergencies	-	5,000	5,000	-	-	-	-	10,000	Unforeseen or Additional Needs
TOTAL EXPENDITURES	100,847	113,852	11,214	102,638	71,110	80,136	9,026	124,882	
REVENUE OVER / (UNDER) EXPENDITURES	(34,398)	(24,669)	11,864	(12,805)	6,917	6,944	(27)	(650)	
OTHER SOURCES / (USES)									
<u>Transfers In/(Out)</u>									
Developer Advances	39,000	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	39,000	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	4,602	(24,669)	11,864	(12,805)	6,917	6,944	(27)	(650)	
BEGINNING FUND BALANCE	42,547	39,112	8,037	47,149	47,149	39,112	8,037	34,344	
ENDING FUND BALANCE	47,149	14,442	19,902	34,344	54,066	46,056	8,010	33,694	
	=	=	=	=	=	=	=	=	

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

Print Date: 1/15/2023

	2021 Audited Actual	2022 Adopted Budget	Variance Favorable (Unfavor)	2022 Forecast	YTD Thru 08/31/22 Actual	YTD Thru 08/31/22 Budget	Variance Favorable (Unfavor)	2023 Adopted Budget	Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
Property Taxes	82,575	112,180	-	112,180	99,061	112,180	(13,119)	116,068	20 Mills, As Adjusted Estimated at 6% of property taxes 3.5% of DS Fund Balance
Specific Ownership Taxes	5,933	6,731	-	6,731	4,373	3,926	447	6,964	
Interest Income	241	250	2,750	3,000	2,186	167	2,019	12,000	
TOTAL REVENUE	88,749	119,161	2,750	121,911	105,620	116,273	(10,653)	135,032	
EXPENDITURES									
Treasurer's Fees	2,479	3,365	-	3,365	2,975	3,365	390	3,482	3% of Property Taxes
Bond Interest	108,750	108,750	-	108,750	54,377	54,375	(2)	108,750	Per Amort Schedule
Bond Principal	-	-	-	-	-	-	-	-	Per Amort Schedule
Paying Agent / Trustee Fees	4,000	5,000	1,000	4,000	-	-	-	4,000	UMB Annual Trustee and Paying Agent Fee
Cost of Issuance	-	-	-	-	-	-	-	-	
Contingency	-	5,000	5,000	-	-	-	-	5,000	Unforeseen Needs
TOTAL EXPENDITURES	115,229	122,115	6,000	116,115	57,353	57,740	388	121,232	
REVENUE OVER / (UNDER) EXPENDITURES	(26,480)	(2,955)	8,750	5,795	48,267	58,533	(10,266)	13,800	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	-	
Developer Repayment	-	-	-	-	-	-	-	-	
Bond Proceeds	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	(26,480)	(2,955)	8,750	5,795	48,267	58,533	(10,266)	13,800	
BEGINNING FUND BALANCE	363,245	334,798	1,968	336,765	336,765	334,798	1,968	342,561	
ENDING FUND BALANCE	336,765	331,843	10,718	342,561	385,032	393,330	(8,298)	356,361	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Bond Payment Fund	2,656	-	-	-	46,035	-	-	-	
Debt Service Reserve Fund	170,760	-	170,750	170,750	171,689	-	-	170,750	Required by Bonds
Bond Surplus Fund	163,533	217,500	(46,811)	170,689	164,422	-	-	184,450	Build to \$217,500 Max
Internal & Other Balances	(182)	114,343	(113,221)	1,122	2,887	-	-	1,161	Taxes Received in Dec & Jan
TOTAL ENDING FUND BALANCE	336,765	331,843	10,718	342,561	385,032	393,330	(8,298)	356,361	
	=	=	=	=	=	=	=	=	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Routt County, Colorado.

On behalf of the Sunlight Metropolitan District
(taxing entity)^A

the Board of Directors
(governing body)^B


of the Sunlight Metropolitan District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 5,656,610
(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F 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: \$ 5,656,610
(NET^G 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: 12/12/2022 for budget/fiscal year 2023
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>20.519</u> mills	\$ <u>116,067.98</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>20.519</u> mills	<u>\$ 116,067.98</u>
3. General Obligation Bonds and Interest ^J	<u>20.519</u> mills	\$ <u>116,067.98</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ <u>-</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>-</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>-</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ <u>-</u>
	<u>0.000</u> mills	\$ <u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>41.038</u> mills	<u>\$ 232,135.96</u>

Contact person: Eric Weaver Daytime phone: (970) 926-6060
(print)
Signed:  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, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ 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.

² 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 (32-1-603 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^J:

- | | |
|----------------------|--|
| 1. Purpose of Issue: | Finance the acquisition, construction and installation of roads, sidewalks, water, sanitary sewer, parks and recreation, and other facilities. |
| Series: | <u>Limited Tax General Obligation Bonds, Series 2020</u> |
| Date of Issue: | <u>November 4, 2020</u> |
| Coupon rate: | <u>5.000%</u> |
| Maturity Date: | <u>December 1, 2050</u> |
| Levy: | <u>20.519</u> |
| Revenue: | <u>\$116,067.98</u> |
| 2. Purpose of Issue: | _____ |
| Series: | _____ |
| Date of Issue: | _____ |
| Coupon rate: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |

CONTRACTS^K:

- | | |
|-------------------------|-------|
| 3. Purpose of Contract: | _____ |
| Title: | _____ |
| Date: | _____ |
| Principal Amount: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |
| 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 Audited
Financial Statements

SUNLIGHT METROPOLITAN DISTRICT
CITY OF STEAMBOAT SPRINGS, COLORADO

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2022

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors
Sunlight Metropolitan District
Steamboat Springs, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



Board of Directors
Sunlight Metropolitan District
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likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and general fund budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 debt service fund budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of



Board of Directors
Sunlight Metropolitan District
Page Three

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 debt service fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.
May 11, 2023

Sunlight Metropolitan District
Management's Discussion and Analysis
December 31, 2022

As management of Sunlight Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Current year to prior year comparisons will be presented below to help users evaluate the results of the District over the past two years.

The Statement of Net Position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District utilized two governmental funds for 2022; the General Fund, and the Debt Service Fund.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. The governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities on pages 10 and 12 of this report.

The District adopts an annual appropriated budget for each of its governmental funds. Budgetary comparisons for all funds have been provided on pages 22-23 to demonstrate compliance with this budget.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page 14 of this report.

Government-wide Financial Analysis: The following tables show condensed financial information derived from the government-wide financial statements of the District which compares 2022 to 2021:

Statement of Net Position

	2022	2021
Assets:		
Current and other assets	\$ 628,236	\$ 586,871
Capital assets, net	1,002,103	1,032,684
Total Assets	1,630,339	1,619,555
Liabilities:		
Current and other liabilities	16,109	6,642
Long-term liabilities	5,151,839	4,964,114
Total Liabilities	5,167,948	4,970,756
Deferred Inflows:		
Property taxes	232,136	196,315
Total Deferred Inflows	232,136	196,315
Net Position:		
Net investment in capital assets	(4,149,736)	(3,931,430)
Restricted	347,688	339,928
Unrestricted	32,603	43,986
Total Net Position	\$ (3,769,445)	\$ (3,547,516)

Statement of Activities

	2022	2021
General revenues:		
Property taxes	\$ 209,652	\$ 154,889
Interest income	8,538	309
Donated land & easements		
Total revenues	\$ 218,190	\$ 155,198
Expenses:		
General government	\$ 143,942	\$ 137,907
Interest on long-term debt	296,477	293,688
Asset conveyed to others	-	-
Total expenses	\$ 440,419	\$ 431,595
Change in net position	\$ (222,229)	\$ (276,397)
Net position, beginning	(3,547,516)	(3,271,119)
Net position, ending	\$ (3,769,745)	\$ (3,547,516)

Government-wide Financial Analysis. The District’s primary responsibility is to provide snowplowing on the sidewalks and alleyways and landscape maintenance on the District’s open space and parks as well as service the Bonds issued to finance the infrastructure of the community. The District’s overall financial position, as measured by net position, decreased by \$222,229, due primarily to accrual of interest on the balances still owed to the developer. The unrestricted net position is being held to be used for future year’s operating and capital replacement expenditures.

Financial Analysis of the District’s Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, the assigned and unassigned fund balances may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

General Fund revenue increased in 2022 to \$91,245 compared to \$66,449 in 2021. The increase is due to an increase in the assessed valuation. General Fund expenditures were \$105,971 in 2022 compared to \$100,847 in 2021. The increase is due to increased operational expenditures.

Debt Service Fund revenue was \$126,765 in 2022 and \$88,749 in 2021. The increase is due to an increase in the assessed valuation. Debt Service Fund expenditures were \$116,142 in 2022 and \$115,229 in 2021. The primary reason for the was due to a slight increase in the corresponding fees for the collection of property taxes.

Capital Fund revenues and expenditures in 2022 were \$0 and \$0 in 2021. There was no activity in 2022.

As of the end of 2022, the District's governmental funds reported an ending fund balance of \$379,991 a slight decrease of \$3,923 from the prior year. Of the fund balance, \$2,743 is restricted for emergencies, \$347,388 is restricted for debt service and the remaining \$29,860 is unassigned.

Budget variances: The General Fund ending fund balance finished the year \$18,160 ahead of the budget. A budget to actual schedule for the General Fund can be found as part of the supplementary information on page 22 of this report.

The Debt Service Fund ending fund balance finished the year \$15,545 positive to the budget due to a budgeted contingency that wasn't used. A budget to actual schedule for the Debt Fund can be found as part of the supplementary information on page 23 of this report.

The Capital Projects Fund reported no activity in 2022.

Capital Assets: During 2022 the District had a net decrease in capital assets of \$30,581 due to depreciation expense on infrastructure. For more detail on capital assets see Note D on page 18 of this report.

Long-term debt: The District's overall outstanding debt remained the same in 2022. For more detail on long-term debt see Note E on page 19 of this report.

Request for Information: This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sunlight Metropolitan District, c/o Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, CO 81632 (970) 926-6060.

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities
Assets	
Current assets	
Cash and investments	\$ 392,136
Due from County Treasurer	944
Property taxes receivable	232,135
Prepaid expenses	3,021
Total current assets	628,236
Noncurrent assets	
Land	137,487
Infrastructure assets	247,913
Parks and recreation capital assets	700,802
Accumulated depreciation	(84,099)
Total noncurrent assets	1,002,103
Total assets	1,630,339
Liabilities	
Current liabilities	
Accounts payable	16,109
Total current liabilities	16,109
Noncurrent liabilities	
Accrued interest payable	630,280
Developer advance	2,346,559
Bonds payable	2,175,000
Total noncurrent liabilities	5,151,839
Total liabilities	5,167,948
Deferred inflows of resources	
Property taxes	232,136
Total deferred inflows of resources	232,136
Total liabilities and deferred inflows of resources	5,400,084
Net position	
Net investment in Capital Assets	(4,149,736)
Restricted for emergencies	2,743
Restricted for debt service	347,388
Unrestricted	29,860
Total net position	\$ (3,769,745)

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

Function/Programs	Expenses	Program revenues		Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 143,942	\$ -	\$ -	\$ (143,942)
Interest on long-term debt	296,477	-	-	(296,477)
	<u>\$ 440,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(440,419)</u>

General revenues:	
Property taxes	209,652
Interest income	8,538
Total general revenues	<u>218,190</u>
Change in net position	(222,229)
Net position, beginning	<u>(3,547,516)</u>
Net position, ending	<u>\$ (3,769,745)</u>

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2022

	General Fund	Debt Service Fund	Total
Assets			
Cash and investments	\$ 45,287	\$ 346,849	\$ 392,136
Receivables			
Due from county treasurer	405	539	944
Property taxes receivable	116,067	116,068	232,135
Prepaid expenses	3,021	-	3,021
Total assets	<u>164,780</u>	<u>463,456</u>	<u>628,236</u>
Liabilities			
Accounts payable	16,109	-	16,109
Total liabilities	<u>16,109</u>	<u>-</u>	<u>16,109</u>
Deferred inflows of resources			
Property taxes	116,068	116,068	232,136
Total deferred inflows of resources	<u>116,068</u>	<u>116,068</u>	<u>232,136</u>
Fund balance			
Restricted for emergencies	3,163	-	3,163
Restricted for debt service	-	347,388	347,388
Assigned for 2022 budget deficit	24,669	-	24,669
Unassigned	4,771	-	4,771
Total fund balance	<u>\$ 32,603</u>	<u>\$ 347,388</u>	<u>\$ 379,991</u>

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

For the year ended December 31, 2022

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

Total fund balance - governmental funds	\$ 379,991
Long term capital assets are expensed as capital outlay in the funds but are capitalized in the government wide statements and amortized as depreciation expense over their expected useful lives.	1,002,103
Accrued interest on long-term obligations are not due and payable in the current period and, therefore, are not recognized in the funds.	(630,280)
Long-term liabilities are not due and payable in the current period and therefore are not recognized in the funds.	<u>(4,521,559)</u>
Net position of governmental activities	<u><u>\$ (3,769,745)</u></u>

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the year ended December 31, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Property tax	\$ 84,135	\$ 112,180	\$ 196,315
Specific ownership taxes	5,716	7,621	13,337
Net investment income	1,574	6,964	8,538
Total revenues	<u>91,425</u>	<u>126,765</u>	<u>218,190</u>
Expenditures			
Current			
Accounting & administration	19,945	-	19,945
Audit	5,400	-	5,400
Elections	1,790	-	1,790
Insurance	2,995	-	2,995
Legal	4,455	-	4,455
Treasurer's fees	2,542	3,390	5,932
Landscape maintenance	19,662	-	19,662
Manager	6,000	-	6,000
Snow removal	22,050	-	22,050
Irrigation maintenance	11,329	-	11,329
Utilities	8,034	-	8,034
Miscellaneous	1,769	-	1,769
Debt service			
Paying agent fees	-	4,000	4,000
Bond interest	-	108,752	108,752
Total expenditures	<u>105,971</u>	<u>116,142</u>	<u>222,113</u>
Excess of revenues over expenditures before other financing sources (uses)	(14,546)	10,623	(3,923)
Fund balance - beginning of year	47,149	336,765	383,914
Fund balance - end of year	<u>\$ 32,603</u>	<u>\$ 347,388</u>	<u>\$ 379,991</u>

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

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

Net Change in Fund Balances - Governmental Funds	\$	(3,923)
--	----	---------

Long term capital assets are expensed as capital outlay in the funds but are capitalized in the government wide statements and amortized over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year:

	Capital additions	\$ -	
	Depreciation expense	<u>(30,581)</u>	(30,581)

Accrued interest on long term obligations are not due and payable in the current period and, therefore, are not recognized in the funds. This is the amount by which the liability changed between the current and prior year.		(187,725)
--	--	-----------

Changes in long term obligations are recognized as other financing sources and payments of principal in the funds but as additions and reductions of long term liabilities in the government wide statements.		
Developer advance proceeds		<u>-</u>

Change in net position of governmental activities	\$	<u><u>(222,229)</u></u>
---	----	-------------------------

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Sunlight Metropolitan District, (the District), located in the City of Steamboat Springs, Colorado (the City), conform to 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 the financial statements.

Reporting entity

The District was organized in 2016 and is governed by a five-member elected Board of Directors. On November 8, 2016 an Order and Decree Creating the District was approved. 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 was organized to provide various public improvements necessary and appropriate for the development of the Sunlight Steamboat project. The public improvements, which include streets, water, sewer, traffic and safety controls, parks and recreation, and other improvements are being constructed for the benefit of the taxpayers and service users within the Districts' boundaries.

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 component units as defined by GASB and is not a component unit of any other primary government.

The District has no employees and all services are contracted.

Government-wide financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the financial activities of the District.

The statement of net position presents the financial position of the governmental activities at the end of the year. The statement of activities demonstrates the degree to which the direct 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 charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 flow.

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 sixty days of the end of the current fiscal period.

The District reports the following governmental funds:

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

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

Fair value of financial statements

The District's financial instruments include cash and investments, accounts receivable, accounts payable, and accrued expenses. 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.

Use of estimates

The preparation of financial statements in accordance with GAAP requires 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes - continued

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

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 will not be recognized as an outflow of resources (expense/expenditure) until then.

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 will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

Capital assets

Capital assets defined by the District as infrastructure assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Infrastructure assets are depreciated using the straight-line method over the estimated useful life of between 15 and 40 years.

Fund equity

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund equity – continued

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

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s policy to use the most restrictive classification first.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary information

The District conforms to the following procedures in compliance with Colorado Revised Statutes in establishing the budgetary data reflected in the financial statements:

In the fall of each year, the District’s Board of Directors prepares a proposed operating budget for the fiscal year commencing the following January 1. The operating budget for the funds includes proposed expenses and the means of financing them.

A public hearing is held at a Board of Directors meeting to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget resolution. The 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 District had no supplemental appropriations during the year ended December 31, 2022.

NOTE C – CASH AND INVESTMENTS

Cash and investments

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

Statement of net position:

Deposits	\$ 1,933
COLOTRUST	390,203
Cash and investments	<u>\$ 392,136</u>

Custodial and concentration of credit risk

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

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE C – CASH AND INVESTMENTS - CONTINUED

Custodial and concentration of credit risk - continued

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. As of December 31, 2022, all of the District deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

The District has not adopted a formal investment policy; however, the District follows Colorado Revised Statutes regarding its investments. Colorado Revised 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 U.S. government agency entities, certain money market funds, guaranteed investment contracts and local government investment pools.

During 2022, the District was invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST or Trust) Prime Fund. COLOTRUST is a local government investment pool with a stable net asset value measured at fair value per share. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operation similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trust may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities and certain obligations of U.S. government agencies. The Trust does not have any limitations or restrictions on participant withdrawals.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2022</u>
Governmental Activities:				
Capital assets, nondepreciable:				
Land	\$ 137,487	\$ –	\$ –	\$ 137,487
Capital assets, depreciable:				
Parks and recreation	247,913	–	–	247,913
Street facilities	<u>700,802</u>	<u>–</u>	<u>–</u>	<u>700,802</u>
Total capital assets being depreciated	948,715	–	–	948,715
Less accumulated depreciation	<u>(53,518)</u>	<u>(30,581)</u>	<u>–</u>	<u>(84,099)</u>
Depreciable capital assets, net	<u>895,197</u>	<u>(30,581)</u>	<u>–</u>	<u>864,616</u>
Total capital assets, net	<u>\$ 1,032,684</u>	<u>\$ (30,581)</u>	<u>\$ –</u>	<u>\$ 1,002,103</u>

Depreciation expense of \$30,581 was charged to the general government function.

Sunlight Metropolitan District
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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE E – LONG-TERM LIABILITIES

The following is an analysis of the changes in long-term obligations of the District for the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Retirements	Balance December 31, 2022
Governmental Activities				
Developer note, operations	\$ 110,000	\$ –	\$ –	\$ 110,000
Developer note, capital	2,236,559	–	–	2,236,559
General obligation bonds, Series 2020	2,175,000	–	–	2,175,000
Total	\$ 4,521,559	\$ –	\$ –	\$ 4,521,559

Developer Notes

The District entered into a Facilities Acquisition Agreement dated May 10, 2017, authorizing the Developer to construct or cause the construction of certain improvements necessary for development of property within the District. As part of this agreement, it was anticipated that the District would issue bonds, the proceeds of which could be used in part to reimburse the Developer for organization expenses, the cost of improvements, and other construction costs. Outstanding balances accrue simple interest until paid, at the rate of 8% per annum.

During 2020, the Developer conveyed \$3,935,333 in capital assets to the District in accordance with this agreement.

Series 2020 Limited Tax General Obligation Bonds

In November 2020, the District issued limited tax general obligation bonds totaling \$2,175,000. The bonds mature at various dates through December 1, 2050 and carry an interest rate of 5%. The bond proceeds were used to pay a portion of the District’s obligations to the Developer.

The future debt service requirements of the bonds are set forth below.

Year Ending December 31,	Principal	Interest	Total
2023	\$ –	\$ 108,750	\$ 108,750
2024	–	108,750	108,750
2025	15,000	108,750	123,750
2026	25,000	108,000	133,000
2027	30,000	106,750	136,750
2028-2032	195,000	508,000	703,000
2033-2037	295,000	450,000	745,000
2038-2042	420,000	364,500	784,500
2043-2047	580,000	244,500	824,500
2048-2050	615,000	71,000	686,000
Total	\$ 2,175,000	\$ 2,179,000	\$ 4,354,000

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE G – SIGNIFICANT AGREEMENTS

District Operation Funding Agreement

The District entered into an Operation Funding Agreement (the "Agreement") dated October 8, 2020, amending the District Operating Agreement dated May 10, 2017. The Agreement generally provides that the District will not have sufficient revenues to provide service, and that the Developer will provide shortfall funding for operations that benefit the District through 2022.

NOTE G – 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 nature.

The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the Pool) which is sponsored by the Special District Association of Colorado. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official liability, and 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 property, general liability and public official's liability, coverage. Members of the Pool may be required to make additional surplus contributions in the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool. 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. No distributions were made during the year ended December 31, 2022.

NOTE H – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20, of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains, tax, spending, and 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 increase 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 emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 8, 2016, a majority of the District's electors authorized the District (1) to increase taxes annually unlimited as to rate or amount by the imposition of an ad valorem property tax levy to be in effect for the life of the debt, and (2) to collect, keep, and expend all District revenue during 2017, and continuing thereafter without regard to limitation under TABOR.

Sunlight Metropolitan District
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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE H – TAX, SPENDING AND DEBT LIMITATIONS – CONTINUED

Also, on November 8, 2016, the voters of the District authorized the issuance of \$12,000,000 in debt, \$98,400,000 in contractual obligations, and approved an increase in the property tax revenue to pay such debt and obligations.

The District has made certain interpretations of the amendment's language in order to determine its compliance.

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND

For the year ended December 31, 2022

	Original and Final Budget	Actual	Positive (Negative) Variance
Revenues			
Property tax	\$ 84,135	\$ 84,135	\$ -
Specific ownership taxes	5,048	5,716	668
Net investment income	-	1,574	1,574
Total revenues	<u>89,183</u>	<u>91,425</u>	<u>2,242</u>
Expenditures			
Accounting & administration	22,000	19,945	2,055
Audit	5,400	5,400	
Elections	5,000	1,790	3,210
Insurance	3,678	2,995	683
Legal	7,000	4,455	2,545
Treasurer's fees	2,524	2,542	(18)
Landscape maintenance	21,000	19,662	1,338
Manager	6,000	6,000	-
Snow removal	18,000	22,050	(4,050)
Irrigation maintenance	6,500	11,329	(4,829)
Utilities	8,500	8,034	466
Miscellaneous	3,250	1,769	1,481
Contingency	5,000	-	5,000
Total expenditures	<u>113,852</u>	<u>105,971</u>	<u>7,881</u>
Excess of revenues over (under) expenditures	(24,669)	(14,546)	10,123
Fund balance - beginning of year	<u>39,112</u>	<u>47,149</u>	<u>8,037</u>
Fund balance - end of year	<u>\$ 14,443</u>	<u>\$ 32,603</u>	<u>\$ 18,160</u>

Sunlight Metropolitan District
City of Steamboat Springs, Colorado

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

For the year ended December 31, 2022

	Original and Final Budget	Actual	Positive (Negative) Variance
Revenues			
Property tax	\$ 112,180	\$ 112,180	\$ -
Specific ownership taxes	6,731	7,621	890
Net investment income	250	6,964	6,714
Total revenues	<u>119,161</u>	<u>126,765</u>	<u>7,604</u>
Expenditures			
County Treasurer's fees	3,365	3,390	(25)
Paying agent fees	5,000	4,000	1,000
Bond interest	108,750	108,752	(2)
Contingency	5,000	-	5,000
Total expenditures	<u>122,115</u>	<u>116,142</u>	<u>5,973</u>
Excess of revenues over expenditures	(2,954)	10,623	13,577
Fund balance - beginning of year	<u>334,798</u>	<u>336,765</u>	<u>1,967</u>
Fund balance - end of year	<u>\$ 331,843</u>	<u>\$ 347,388</u>	<u>\$ 15,545</u>