

ANNUAL INFORMATION REPORT
FOR THE YEAR 2023
SALISBURY HEIGHTS METROPOLITAN DISTRICT

Pursuant to Section VII of the Service Plan for Salisbury Heights Metropolitan District (the “District”) approved by the Town of Parker, Colorado (the “Town”), on March 3, 2014, the following report of the District’s activities from January 1, 2023 to December 31, 2023 is hereby submitted.

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year:

During 2023, the District continued implementing its Service Plan and is proceeding as planned.

The District did not construct or install any public infrastructure during 2023 and does not plan on constructing or installing any future public infrastructure at this time. The District does not plan to undertake any maintenance operations or activities in 2024.

2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year:

District’s Audit for the current report year (2023) is still in process, and the District has requested from the State Auditor an extension of time to file the 2023 Audit. A copy of the 2023 Audit will be provided upon completion.

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year, and the status of the District’s construction of Public Improvements for the report year:

Please refer to the audit and budget for a summary of the capital expenditures incurred. The District did not construct any Public Improvements in 2023, and does not plan on constructing or installing any future Public Improvements at this time.

4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to Debt retirement in the report year:

On December 21, 2023, the District entered into a Loan Agreement by and between the District and Central Tax Exempt Investments, LLC pertaining to the issuance of the District's \$2,705,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Loan, Series 2023 (the "Series 2023 Loan"). The Series 2023 Loan refunded the District's General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2017A and its Subordinate General Obligation Limited Tax Bonds, Series 2017B. A description of the terms of the Series 2023 Loan can be found in the District's Audit.

The District's Assessed Value for 2023 was \$6,113,540. A mill levy of 35.203 mills was imposed in 2023 for collection in 2024, with 28.060 mills thereof pledged to debt retirement. See Audit for outstanding debt and payment schedule.

5. The District's budget for the calendar year in which the annual report is submitted:

Attached hereto as Exhibit A is the District's 2024 Budget.

6. A summary of the residential development in the District for the report year:

Residential development has been completed pursuant to the Service Plan.

7. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year:

There were no fees, charges or assessments imposed by the District during 2023.

8. Certification of the Board that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council:

To our knowledge, no action, event or condition in Town Code Section 10.11.060 has occurred in 2023.

9. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board:

Board:
Ken Cleveland
c/o CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
303-779-5710

Lisa Coonts
c/o CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
303-779-5710

District Manager / Chief Administrative Officer:
Lisa Johnson
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
303-779-5710

General Counsel:
Elisabeth A. Cortese
McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
303-592-4380

2023 Regular Meeting Date: November 9, 2023 at 11:00 a.m., held virtually.
2024 Regular Meeting Dates: July 11, 2024 at 11:00 a.m. (cancelled) and
November 7, 2024 at 11:00 a.m., to be held virtually.

10. Certification from the Board of the District that the District is in compliance with all provisions of the Service Plan:

To the best of its knowledge, the District is in compliance with all provisions of the Service Plan.

11. A copy of any intergovernmental agreements entered into or terminated by the District since the filing of the last annual report:

There were no intergovernmental agreements entered into or terminated by the District since the filing of the last annual report.

The following information required by Section 32-1-207(3)(c)(II), C.R.S. (and not already disclosed above) is also provided:

12. Boundary changes made:

No boundary changes were made or proposed during 2023.

13. Access information to obtain a copy of rules and regulations adopted:

The District has not adopted any rules or regulations as of December 31, 2023. In the event the District adopts rules and regulations in the future, such documents may be accessed at the offices of CliftonLarsonAllen LLP, 8390 E. Crescent

Parkway, Suite 300, Greenwood Village, CO 80111, 303-779-5710, or on the District's website: <https://www.salisburyheightsmetrodistrict.org/>.

14. Summary of litigation involving the District's Public Improvements:

To our knowledge, there is no litigation involving the District's Public Improvements.

15. Conveyances or dedications of facilities or improvements, constructed by the District, to the Town of Parker:

The District did not convey or dedicate any facilities or improvements to the Town in 2023.

16. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument:

To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.

17. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period:

To our knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A

2024 Budget

SALISBURY HEIGHTS METROPOLITAN DISTRICT
2024
BUDGET MESSAGE

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

The Salisbury Heights Metropolitan District has adopted two funds, a General Fund to provide for general operating expenditures; and a Debt Service Fund to provide for payments on the outstanding general obligation debt.

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

The primary sources of revenue for the district in 2024 will be property and specific ownership taxes. The district intends to impose a 35.203 mill levy on the property within the district in 2024, of which 7.143 mills will be dedicated to the General Fund and the balance of 28.060 mills will be allocated to the Debt Service Fund.

Salisbury Heights Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 129,728	\$ 141,504	\$ 130,340	\$ 132,366	\$ 36,481
Revenues:					
Property taxes	41,487	40,488	40,328	40,450	43,669
Specific ownership taxes	3,669	2,429	1,877	3,600	2,621
Interest income	<u>3,174</u>	<u>1,000</u>	<u>3,857</u>	<u>4,000</u>	<u>1,000</u>
Total revenues	<u>48,330</u>	<u>43,917</u>	<u>46,062</u>	<u>48,050</u>	<u>47,290</u>
Total funds available	<u>178,058</u>	<u>185,421</u>	<u>176,402</u>	<u>180,416</u>	<u>83,771</u>
Expenditures:					
Accounting / audit	9,892	12,000	2,782	12,000	12,000
Legal	19,634	15,000	9,286	18,500	35,000
Insurance	6,318	3,700	538	1,076	4,000
Elections	1,954	5,000	2,732	2,732	-
Miscellaneous	45	1,000	10	20	1,000
Treasurer's fees	623	607	605	607	655
Management	7,226	5,000	4,291	9,000	12,000
Transfer to debt service	-	-	-	100,000	-
Contingency	-	141,845	-	-	17,176
Emergency reserve (3%)	<u>-</u>	<u>1,269</u>	<u>-</u>	<u>-</u>	<u>1,940</u>
Total expenditures	<u>45,692</u>	<u>185,421</u>	<u>20,244</u>	<u>143,935</u>	<u>83,771</u>
Ending fund balance	<u>\$ 132,366</u>	<u>\$ -</u>	<u>\$ 156,158</u>	<u>\$ 36,481</u>	<u>\$ -</u>
Assessed valuation		<u>4,475,350</u>			<u>6,113,540</u>
Mill Levy		<u>9.047</u>			<u>7.143</u>

Salisbury Heights Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 42,835	\$ 43,035	\$ 43,209	\$ 43,209	\$ -
Revenues:					
Interest income	<u>374</u>	<u>-</u>	<u>858</u>	<u>1,895</u>	<u>-</u>
Total revenues	<u>374</u>	<u>-</u>	<u>858</u>	<u>1,895</u>	<u>-</u>
Total funds available	<u>43,209</u>	<u>43,035</u>	<u>44,067</u>	<u>45,104</u>	<u>-</u>
Expenditures:					
Transfer to Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,104</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,104</u>	<u>-</u>
Ending fund balance	<u>\$ 43,209</u>	<u>\$ 43,035</u>	<u>\$ 44,067</u>	<u>\$ -</u>	<u>\$ -</u>

Salisbury Heights Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

	Amended <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 390,584	\$ 195,400	\$ 426,869	\$ 426,870	\$ 59,557
Revenues:					
Property taxes	177,150	177,040	176,337	177,000	171,546
Specific ownership taxes	15,665	12,393	8,207	16,500	12,008
Loan proceeds	-	-	-	2,808,000	-
Transfer from Capital Projects and general fund	-	-	-	145,104	-
Interest income	3,954	388	9,228	12,000	2,500
Total revenues	<u>196,769</u>	<u>189,821</u>	<u>193,772</u>	<u>3,158,604</u>	<u>186,054</u>
Total funds available	<u>587,353</u>	<u>385,221</u>	<u>620,641</u>	<u>3,585,474</u>	<u>245,611</u>
Expenditures:					
Interest expense senior bonds	127,325	125,950	62,975	127,325	-
Interest expense subordinate bonds	-	30,655	-	30,655	-
Interest expense loan	-	-	-	-	137,639
Principal loan	-	-	-	-	26,000
Payment to escrow agent	-	-	-	3,174,792	-
Cost of issuance	-	-	-	160,000	-
Bond principal	25,000	25,000	-	25,000	-
Treasurer's fees	2,658	2,656	2,645	2,645	2,573
Trustee / paying agent fees	5,500	5,500	-	5,500	5,500
Total expenditures	<u>160,483</u>	<u>189,761</u>	<u>65,620</u>	<u>3,525,917</u>	<u>171,712</u>
Ending fund balance	<u>\$ 426,870</u>	<u>\$ 195,460</u>	<u>\$ 555,021</u>	<u>\$ 59,557</u>	<u>\$ 73,899</u>
Assessed valuation		<u>\$ 4,475,350</u>			<u>\$ 6,113,540</u>
Mill Levy		<u>39.559</u>			<u>28.060</u>
Total Mill Levy		<u>48.606</u>			<u>35.203</u>