

# LARKRIDGE METROPOLITAN DISTRICT NO. 1

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 800-741-3254  
Fax: 303-987-2032  
Website: <https://larkridgemd1-2.colorado.gov/>

## NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expiration</u>
Shell D. Cook	President	2025/May 2025
Jonathan Perlmutter	Treasurer	2023/May 2023
Jay Perlmutter	Assistant Secretary	2023/May 2023
Douglas Ernst	Assistant Secretary	2025/May 2025
Brian S. Heinze	Assistant Secretary	2023/May 2023
Ann E. Finn	Secretary (not an elected position)	

DATE: June 7, 2022

TIME: 11:00 a.m.

PLACE: ***Physical Location***  
Jordon Perlmutter & Co.  
1601 Blake Street, Suite 600  
Denver, Colorado 80202

***Conference Call***  
Telephone Number: 1 201-616-0673  
Passcode: 221876

### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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B. Confirm quorum, location of the meeting and posting of meeting notices and designate 24-hour posting location. Approve Agenda.

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C. Review and approve the Minutes of the October 12, 2021 Special Meeting (enclosure).

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D. Discuss results of the cancelled May 3, 2022 Regular Directors' Election (enclosure).

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E. Consider appointment of Officers:

President \_\_\_\_\_  
 Treasurer \_\_\_\_\_  
 Secretary \_\_\_\_\_  
 Asst. Secretary \_\_\_\_\_  
 Asst. Secretary \_\_\_\_\_  
 Asst. Secretary \_\_\_\_\_

F. Consider authorizing interested Board Members to attend the 2022 Special District Association’s Annual Conference in Keystone, September 13-15, 2022.

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II. PUBLIC COMMENTS

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

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III. FINANCIAL MATTERS

A. Review and ratify approval of payment of claims for periods indicated below (enclosures):

Fund	Period ending October 21, 2021	Period ending Nov. 18, 2021	Period ending Dec. 17, 2021	Period ending January 19, 2022
General	\$ 10,005.84	\$ 4,809.27	\$ 11,580.50	\$ 6,721.35
Debt	\$ 2,000.00	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 12,005.84</b>	<b>\$ 4,809.27</b>	<b>\$ 11,580.50</b>	<b>\$ 6,721.35</b>

Fund	Period ending February 08, 2022	Period ending March 08, 2022	Period ending April 08, 2022	Period ending May 11, 2022
General	\$ 5,181.22	\$ 4,567.05	\$ 4,110.19	\$ 8,371.41
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 5,181.22</b>	<b>\$ 4,567.05</b>	<b>\$ 4,110.19</b>	<b>\$ 8,371.41</b>

B. Review and accept unaudited quarterly financial statements through the period ending March 31, 2022 and the schedule of cash position statement updated March 31, 2022 (to be distributed).

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C. Conduct Public Hearing to consider Amendment to 2021 Budget (if necessary) and consider adoption of a Resolution to Amend the 2021 Budget (enclosure).

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- D. Review and consider approval of 2021 Audit and authorize execution of Representations Letter (draft audit – enclosed).
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IV. LEGAL MATTERS

- A. Discuss Matters related to a potential Loan/Bond issuance:

1. Consider appointing a Loan/Bond Committee for Action Items.  

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2. Consider approval of Piper Sandler & Co. engagement letter for underwriter/placement agent services (enclosure).  

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3. Review and discuss proposed schedule for closure (timeline enclosed).  

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4. Consider authorizing the issuance of Request for Proposals for possible bank loan.  

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5. Consider authorizing other necessary actions.  

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- B. Discuss status of conveyance of Easements.
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V. OPERATIONS

- A. Discuss Operation and Maintenance Agreement between the District and Thornton 164 LLC.  

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- B. Discuss need for Service Agreement for Locate Services.  

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VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 11, 2022 – BUDGET HEARING.**

# RECORD OF PROCEEDINGS

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## MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LARKRIDGE METROPOLITAN DISTRICT NO. 1 HELD OCTOBER 12, 2021

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of Larkridge Metropolitan District No. 1 (the “District”) was convened on Tuesday, the 12th day of October, 2021 at 11:00 a.m. at Jordon Perlmutter & Co., 1601 Blake Street, Suite 600, Denver Colorado 80202. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Shell D. Cook  
Jonathan Perlmutter  
Jay Perlmutter  
Douglas Ernst  
Brian S. Heinze

#### Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

MaryAnn M. McGeady, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Alex Fink; CliftonLarsonAllen LLP

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Finn noted that a quorum was present and requested that members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors’ Disclosure Statements had been filed.

### ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board’s review and approval a proposed Agenda for the District’s Regular Meeting.

Following discussion, upon motion duly made by Director Cook, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Agenda was approved, as presented.

## RECORD OF PROCEEDINGS

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**Confirm Location of Meeting/Posting of Meeting Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Cook, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location, which is within 20 miles of the District. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

**Designation of 24-Hour Posting Location:** Following discussion, upon motion duly made by Director Cook, seconded by Director Jay Perlmutter, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24 hours prior to each meeting on the District's website at: <https://larkridgemd1-2.colorado.gov/> or if posting on the website is unavailable, notice will be posted at the southwest corner of the intersection of State Highway 7 and North Washington Street.

**Minutes:** The Board reviewed the Minutes of the June 8, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved the Minutes of the June 8, 2021 Special Meeting.

**Resolution No. 2021-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:** Ms. Finn discussed with the Board Resolution No. 2021-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 11:00 a.m. on June 7, 2022 and October 11, 2022 at the offices of Jordon Perlmutter & Co., 1601 Blake St. Suite 600, Denver, CO 80202 and via teleconference.

Following discussion, upon motion duly made by Director Jonathan Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-10-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

## RECORD OF PROCEEDINGS

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**§32-1-809, C.R.S., Transparency Notice reporting Requirements and Mode of Eligible Elector Notification:** The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried the Board directed staff to post the Transparency Notice on the Special District Association website and the District's website.

**PUBLIC  
COMMENTS**

There were no public comments.

**FINANCIAL  
MATTERS**

**Claims:** The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period ending June 22, 2021	Period ending July 22, 2021	Period ending August 27, 2021	Period ending Sept. 28, 2021
General	\$ 13,217.44	\$ 3,693.41	\$ 17,077.40	\$ 4,501.27
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 13,217.44</b>	<b>\$ 3,693.41</b>	<b>\$ 17,077.40</b>	<b>\$ 4,501.27</b>

Following discussion, upon motion duly made by Director Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims, as presented.

**Unaudited Financial Statements:** Mr. Fink reviewed with the Board the unaudited quarterly financial statements of the District through the period ending March 31, 2021 and the schedule of cash position statement dated July 31, 2021, updated as of August 31, 2021.

Following review and discussion, upon motion duly made by Director Jay Perlmutter, seconded by Ernst and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending July 31, 2021 and the schedule of cash position statement dated July 31, 2021, updated as of August 31, 2021.

**Engagement of Dazzio & Associates, P.C. for Preparation of 2021 Audit:** The Board considered the engagement of Dazzio & Associates, P.C. for preparation of 2021 Audit, in the amount of \$5,500.00.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Cook and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, P.C. for preparation of 2021 Audit, in the amount of \$5,500.00.

## RECORD OF PROCEEDINGS

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**2021 Budget Amendment Hearing:** The President opened the public hearing to consider an amendment to the 2021 Budget.

It was noted that publication of Notice stating that the Board would consider an amendment to the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

The Board determined that an amendment to the 2021 Budget was not necessary.

**2022 Budget Hearing:** The President opened the public hearing to consider the proposed 2022 Budget.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board considered adoption of Resolution No. 2021-10-02; to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-10-03; to Set Mill Levies for General Fund at 4.500 mills, the Debt Service Fund at 33.500 mills, and other fund(s) of 0 mills for a total mill levy of 38.000 mills. Upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-10-02; to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-10-03; to Set Mill Levies. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**District Accountant to Prepare and sign the DLG-70 Mill Levy Certification Form for Certification to the Board of County Commissioners and other interested parties:** The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

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

**Appointment of District Accountant to Prepare the 2023 Budget and Set the Date of the Budget Hearing:** The Board considered the appointment of the District Accountant to prepare the 2023 Budget.

## RECORD OF PROCEEDINGS

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Following consideration, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2023 Budget.

### LEGAL MATTERS

**Resolution No. 2021-10-04; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election:** The Board considered adoption of Resolution No. 2021-10-04; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election. The Board also discussed the need for ballot issues and/or questions.

Following consideration, upon motion duly made by Director Jon Perlmutter, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-10-04; Resolution Calling a Regular Election for Directors on May 3, 2022, appointing Ann Finn as the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election.

**Conveyance of Easements:** Attorney Olson discussed the status of the conveyance of Easements and noted that she is working with David Dansky on conveyances.

### OPERATIONS

**Landscape Management Agreement for 2021 with Terracare Associates, LLC:** The Board reviewed a Landscape Management Agreement for 2021 between the District and Terracare Associates, LLC, commencing April 1, 2022 and ending November 30, 2022.

Following consideration, upon motion duly made by Director Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved the Landscape Management Agreement for 2021 with Terracare Associates, LLC.

**Operations and Maintenance Agreement between Thornton 164 LLC and the District:** The Board deferred discussion and no action was taken.

**Service Agreement for Locate Services:** The Board deferred discussion and no action was taken.



## RECORD OF PROCEEDINGS

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### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Jonathan Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

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

**RESOLUTION OF DESIGNATED ELECTION OFFICIAL  
REGARDING CANCELLATION OF ELECTION AND  
DECLARATION DEEMING CANDIDATES ELECTED**

LARKRIDGE METROPOLITAN DISTRICT NO. 1  
Adams County, Colorado

A. The Designated Election Official of the Larkridge Metropolitan District No. 1 (“**District**”) has been duly authorized by the Board of Directors of the District to cancel the election and declare candidates elected at the close of business on the sixty-third (63<sup>rd</sup>) day before the election to be conducted on May 3, 2022, pursuant to that certain Resolution Calling Election attached hereto as **Exhibit A**.

B. On the sixty-third (63<sup>rd</sup>) day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.

NOW, THEREFORE, be it resolved by the Designated Election Official of the District that:

1. The regular election to be conducted on May 3, 2022, is hereby cancelled pursuant to Section 1-13.5-513, C.R.S.
2. The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Shell D. Cook	Second Regular Election, May 2025
Douglas Ernst	Second Regular Election, May 2025

DATED this 2nd day of March, 2022.

LARKRIDGE METROPOLITAN  
DISTRICT NO. 1

By: *Ann Finn*  
Ann Finn, Designated Election Official  
Larkridge Metropolitan District No. 1  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228  
Phone: (303) 987-0835

**EXHIBIT A**

Resolution Calling Election

**RESOLUTION NO. 2021-10-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
LARKRIDGE METROPOLITAN DISTRICT NO. 1  
CALLING A REGULAR ELECTION FOR DIRECTORS  
MAY 3, 2022**

A. The terms of the offices of Directors Shell Cook and Douglas Ernst shall expire upon the election of their successors at the regular election, to be held on May 3, 2022 (“**Election**”), and upon such successors taking office.

B. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the second regular election, to occur May 6, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Larkridge Metropolitan District No. 1 (the “**District**”) of the County of Adams, Colorado:

1. Date and Time of Election. The Election shall be held on May 3, 2022, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the second regular election, to occur May 6, 2025.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Ann E. Finn, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228,

between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from Ann E. Finn, the Designated Election Official for the Larkridge Metropolitan District No. 1, c/o Ann E. Finn, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 and on the District's website at <https://larkridgemd1-2.colorado.gov/>.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 1, 2022, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

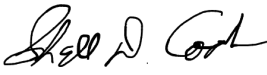
10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of Larkridge Metropolitan District No. 1.

**[SIGNATURE PAGE FOLLOWS]**

**[SIGNATURE PAGE TO RESOLUTION  
CALLING A REGULAR ELECTION FOR DIRECTORS  
MAY 3, 2022]**

RESOLUTION APPROVED AND ADOPTED on October 12, 2021.

**LARKRIDGE METROPOLITAN  
DISTRICT NO. 1**

By:   
President

Attest:

  
Secretary

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2567</b>						
10/21/2021	City of Thornton	859.5 10/21	Utilities	1-7475	19.29	19.29
Total 2567:						19.29
<b>2568</b>						
10/21/2021	City of Thornton	16448.5 10/21	Utilities	1-7475	461.35	461.35
Total 2568:						461.35
<b>2569</b>						
10/21/2021	City of Thornton	16590.5 10/21	Utilities	1-7475	347.27	347.27
Total 2569:						347.27
<b>2570</b>						
10/21/2021	City of Thornton	748.5 10/21	Utilities	1-7475	197.54	197.54
Total 2570:						197.54
<b>2571</b>						
10/21/2021	CliftonLarsonAllen LLP	2999802	Accounting	1-7000	942.01	942.01
10/21/2021	CliftonLarsonAllen LLP	3030699	Accounting	1-7000	1,255.54	1,255.54
Total 2571:						2,197.55
<b>2572</b>						
10/21/2021	Colorado Community Media	37084	Miscellaneous	1-7480	11.30	11.30
Total 2572:						11.30
<b>2573</b>						
10/21/2021	Colorado Special Districts P	POL-0007054	Insurance and B	1-7360	450.00	450.00
Total 2573:						450.00
<b>2574</b>						
10/21/2021	Foster Graham Milstein & C	186541	Legal	1-7460	1,419.00	1,419.00
Total 2574:						1,419.00
<b>2575</b>						
10/21/2021	McGeady Becher P.C.	698M 08/2021	Legal	1-7460	1,315.56	1,315.56
10/21/2021	McGeady Becher P.C.	698M 09/2021	Legal	1-7460	1,561.89	1,561.89
Total 2575:						2,877.45
<b>2576</b>						
10/21/2021	Special Dist Mgmt Services	09/2021	District Manage	1-7440	1,072.53	1,072.53
Total 2576:						1,072.53
<b>2577</b>						
10/21/2021	Terracare Associates	CD50166456	Maintenance	1-7470	939.36	939.36

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
Total 2577:						<u>939.36</u>
<b>2578</b>						
10/21/2021	UMB Bank, N.A.	884316	Paying Agent Fe	2-7450	1,500.00	1,500.00
10/21/2021	UMB Bank, N.A.	884351	Paying Agent Fe	2-7450	500.00	<u>500.00</u>
Total 2578:						<u>2,000.00</u>
<b>2579</b>						
10/21/2021	UNCC	47288-2210908	Miscellaneous	1-7480	13.20	<u>13.20</u>
Total 2579:						<u>13.20</u>
Grand Totals:						<u><u>12,005.84</u></u>



Larkridge Metropolitan District No. 1  
October-21

	General	Debt	Capital	Totals
Disbursements	\$ 10,005.84	\$ 2,000.00		\$ 12,005.84
<u>Total Disbursements from Checking Acct</u>	<u>\$ 10,005.84</u>	<u>\$ 2,000.00</u>		<u>\$ 12,005.84</u>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2580</b>						
11/18/2021	City of Thornton	16590.5 11/21	Utilities	1-7475	26.42	26.42
Total 2580:						26.42
<b>2581</b>						
11/18/2021	City of Thornton	16448.5 11/21	Utilities	1-7475	26.42	26.42
Total 2581:						26.42
<b>2582</b>						
11/18/2021	City of Thornton	859.5 11/21	Utilities	1-7475	19.29	19.29
Total 2582:						19.29
<b>2583</b>						
11/18/2021	City of Thornton	748.5 11/21	Utilities	1-7475	26.42	26.42
Total 2583:						26.42
<b>2584</b>						
11/18/2021	CliftonLarsonAllen LLP	3066706	Accounting	1-7000	1,222.99	1,222.99
Total 2584:						1,222.99
<b>2585</b>						
11/18/2021	Colorado Community Media	27616	Miscellaneous	1-7480	11.12	11.12
Total 2585:						11.12
<b>2586</b>						
11/18/2021	Special Dist Mgmt Services	10/2021	District Manage	1-7440	1,469.05	1,469.05
Total 2586:						1,469.05
<b>2587</b>						
11/18/2021	Terracare Associates	CD50172305	Maintenance	1-7470	939.36	939.36
11/18/2021	Terracare Associates	CD50172516	Maintenance	1-7470	1,055.00	1,055.00
Total 2587:						1,994.36
<b>2588</b>						
11/18/2021	UNCC	221100892	Miscellaneous	1-7480	13.20	13.20
Total 2588:						13.20
Grand Totals:						4,809.27

Larkridge Metropolitan District No. 1  
November-21

	General	Debt	Capital	Totals
Disbursements	\$ 4,809.27			\$ 4,809.27
Total Disbursements from Checking Acct	\$ 4,809.27	\$ -		\$ 4,809.27

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2589</b>						
12/17/2021	Colorado Special Districts P	60413 11-2021	Insurance and B	1-7360	2,592.00	<u>2,592.00</u>
Total 2589:						<u>2,592.00</u>
<b>2590</b>						
12/17/2021	Foster Graham Milstein & C	188807	Legal	1-7460	676.50	<u>676.50</u>
Total 2590:						<u>676.50</u>
<b>2591</b>						
12/17/2021	McGeady Becher P.C.	698M 10-2021	Legal	1-7460	6,860.90	<u>6,860.90</u>
Total 2591:						<u>6,860.90</u>
<b>2592</b>						
12/17/2021	Special Dist Mgmt Services	11/2021	District Manage	1-7440	669.50	<u>669.50</u>
Total 2592:						<u>669.50</u>
<b>2593</b>						
12/17/2021	T Charles Wilson Insurance	10628	Insurance and B	1-7360	775.00	<u>775.00</u>
Total 2593:						<u>775.00</u>
<b>2594</b>						
12/17/2021	UNCC	221110881	Miscellaneous	1-7480	6.60	<u>6.60</u>
Total 2594:						<u>6.60</u>
Grand Totals:						<u><u>11,580.50</u></u>

Larkridge Metropolitan District No. 1  
December-21

	General	Debt	Capital	Totals
Disbursements	\$ 11,580.50			\$ 11,580.50
Total Disbursements from Checking Acct	\$ 11,580.50	\$ -		\$ 11,580.50

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2595</b>						
01/19/2022	City of Thornton	859.5 12/21	Utilities	1-7475	19.29	19.29
Total 2595:						19.29
<b>2596</b>						
01/19/2022	City of Thornton	16448.5 12/21	Utilities	1-7475	19.29	19.29
Total 2596:						19.29
<b>2597</b>						
01/19/2022	City of Thornton	748.5 12/21	Utilities	1-7475	19.29	19.29
Total 2597:						19.29
<b>2598</b>						
01/19/2022	City of Thornton	16590.5 12/21	Utilities	1-7475	19.29	19.29
Total 2598:						19.29
<b>2599</b>						
01/19/2022	City of Thornton	748.5 1/22	Utilities	1-7475	19.29	19.29
Total 2599:						19.29
<b>2600</b>						
01/19/2022	City of Thornton	859.5 1/22	Utilities	1-7475	19.29	19.29
Total 2600:						19.29
<b>2601</b>						
01/19/2022	City of Thornton	16448.5 1/22	Utilities	1-7475	19.29	19.29
Total 2601:						19.29
<b>2602</b>						
01/19/2022	City of Thornton	16590.5 1/22	Utilities	1-7475	19.29	19.29
Total 2602:						19.29
<b>2603</b>						
01/19/2022	CliftonLarsonAllen LLP	3092566	Accounting	1-7000	957.23	957.23
01/19/2022	CliftonLarsonAllen LLP	3121454	Accounting	1-7000	781.62	781.62
Total 2603:						1,738.85
<b>2604</b>						
01/19/2022	McGeady Becher P.C.	698M 11/2021	Legal	1-7460	668.00	668.00
Total 2604:						668.00
<b>2605</b>						
01/19/2022	Special Dist Mgmt Services	12/2021	District Manage	1-7440	1,022.50	1,022.50

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
Total 2605:						<u>1,022.50</u>
<b>2606</b>						
01/19/2022	Terracare Associates	CD50177328	Maintenance	1-7470	2,197.00	2,197.00
01/19/2022	Terracare Associates	CD50177453	Maintenance	1-7470	939.36	939.36
Total 2606:						<u>3,136.36</u>
<b>2607</b>						
01/19/2022	UNCC	221120843	Miscellaneous	1-7480	1.32	1.32
Total 2607:						<u>1.32</u>
Grand Totals:						<u><u>6,721.35</u></u>

Larkridge Metropolitan District No. 1  
January-22

	General	Debt	Capital	Totals
Disbursements	\$ 6,721.35			\$ 6,721.35
<u>Total Disbursements from Checking Acct</u>	<u>\$ 6,721.35</u>	<u>\$ -</u>		<u>\$ 6,721.35</u>



Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2608</b>						
02/08/2022	City of Thornton	748.5 1-2022	Utilities	1-7475	19.29	19.29
Total 2608:						19.29
<b>2609</b>						
02/08/2022	City of Thornton	16590.5 1-2022	Utilities	1-7475	19.29	19.29
Total 2609:						19.29
<b>2610</b>						
02/08/2022	City of Thornton	16448.5 1-2022	Utilities	1-7475	19.29	19.29
Total 2610:						19.29
<b>2611</b>						
02/08/2022	City of Thornton	859.5 1-2022	Utilities	1-7475	19.29	19.29
Total 2611:						19.29
<b>2612</b>						
02/08/2022	McGeady Becher P.C.	698M 12-2021	Legal	1-7460	1,187.73	1,187.73
Total 2612:						1,187.73
<b>2613</b>						
02/08/2022	Special Dist Mgmt Services	01-2022	District Manage	1-7440	1,521.67	1,521.67
Total 2613:						1,521.67
<b>2614</b>						
02/08/2022	Terracare Associates	CD50156268	Maintenance	1-7470	939.36	939.36
02/08/2022	Terracare Associates	CD50156591	Maintenance	1-7470	1,454.00	1,454.00
Total 2614:						2,393.36
<b>2615</b>						
02/08/2022	UNCC	222010809	Contingency	1-7890	1.30	1.30
Total 2615:						1.30
Grand Totals:						5,181.22

Larkridge Metropolitan District No. 1

February-22

	General	Debt	Capital	Totals
Disbursements	\$ 5,181.22			\$ 5,181.22
<u>Total Disbursements from Checking Acct</u>	<u>\$ 5,181.22</u>	<u>\$ -</u>		<u>\$ 5,181.22</u>

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2616</b>						
03/08/2022	City of Thornton	859.5 2-2022	Utilities	1-7475	19.29	19.29
Total 2616:						19.29
<b>2617</b>						
03/08/2022	City of Thornton	16448.5 2-2022	Utilities	1-7475	9.29	9.29
Total 2617:						9.29
<b>2618</b>						
03/08/2022	City of Thornton	16590.5 2-2022	Utilities	1-7475	9.29	9.29
Total 2618:						9.29
<b>2619</b>						
03/08/2022	City of Thornton	748.5 2-2022	Utilities	1-7475	9.29	9.29
Total 2619:						9.29
<b>2620</b>						
03/08/2022	CliftonLarsonAllen LLP	3144782	Accounting	1-7000	1,672.76	1,672.76
Total 2620:						1,672.76
<b>2621</b>						
03/08/2022	McGeady Becher P.C.	698M 1-2022	Legal	1-7460	1,590.57	1,590.57
Total 2621:						1,590.57
<b>2622</b>						
03/08/2022	Special Dist Mgmt Services	02-2022	District Manage	1-7440	663.77	663.77
03/08/2022	Special Dist Mgmt Services	02-2022	Elections	1-7300	205.00	205.00
Total 2622:						868.77
<b>2623</b>						
03/08/2022	Special District Association	2022 DUES	Dues & Subscri	1-7260	372.19	372.19
Total 2623:						372.19
<b>2624</b>						
03/08/2022	UNCC	222020844	Contingency	1-7890	15.60	15.60
Total 2624:						15.60
Grand Totals:						4,567.05

Larkridge Metropolitan District No. 1  
March-22

	General	Debt	Capital	Totals
Disbursements	\$ 4,567.05			\$ 4,567.05
Total Disbursements from Checking Acct	\$ 4,567.05	\$ -		\$ 4,567.05

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2625</b>						
04/08/2022	City of Thornton	859.5 3-2022	Utilities	1-7475	19.29	19.29
Total 2625:						19.29
<b>2626</b>						
04/08/2022	City of Thornton	16448.5 3-2022	Utilities	1-7475	9.29	9.29
Total 2626:						9.29
<b>2627</b>						
04/08/2022	City of Thornton	16590.05 3-202	Utilities	1-7475	9.29	9.29
Total 2627:						9.29
<b>2628</b>						
04/08/2022	City of Thornton	748.5 3-2022	Utilities	1-7475	9.29	9.29
Total 2628:						9.29
<b>2629</b>						
04/08/2022	CliftonLarsonAllen LLP	3175539	Accounting	1-7000	1,804.58	1,804.58
Total 2629:						1,804.58
<b>2630</b>						
04/08/2022	Colorado Community Media	52005	Miscellaneous	1-7480	74.24	74.24
Total 2630:						74.24
<b>2631</b>						
04/08/2022	McGeady Becher P.C.	698M 2-2022	Legal	1-7460	1,216.40	1,216.40
Total 2631:						1,216.40
<b>2632</b>						
04/08/2022	Special Dist Mgmt Services	03-2022	District Manage	1-7440	652.01	652.01
04/08/2022	Special Dist Mgmt Services	03-2022	Elections	1-7300	310.60	310.60
Total 2632:						962.61
<b>2633</b>						
04/08/2022	UNCC	222030870	Contingency	1-7890	5.20	5.20
Total 2633:						5.20
Grand Totals:						4,110.19

Larkridge Metropolitan District No. 1  
April-22

	General	Debt	Capital	Totals
Disbursements	\$ 4,110.19			\$ 4,110.19
Total Disbursements from Checking Acct	\$ 4,110.19	\$ -		\$ 4,110.19

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
<b>2634</b>						
05/11/2022	City of Thornton	859.5 4-2022	Utilities	1-7475	19.29	19.29
Total 2634:						19.29
<b>2635</b>						
05/11/2022	City of Thornton	16590.5 4-2022	Utilities	1-7475	59.20	59.20
Total 2635:						59.20
<b>2636</b>						
05/11/2022	City of Thornton	748.5 4-2022	Utilities	1-7475	37.81	37.81
Total 2636:						37.81
<b>2637</b>						
05/11/2022	City of Thornton	16448.5 4-2022	Utilities	1-7475	101.98	101.98
Total 2637:						101.98
<b>2638</b>						
05/11/2022	CliftonLarsonAllen LLP	3218201	Accounting	1-7000	2,539.01	2,539.01
Total 2638:						2,539.01
<b>2639</b>						
05/11/2022	McGeady Becher P.C.	698M 3-2022	Legal	1-7460	854.49	854.49
Total 2639:						854.49
<b>2640</b>						
05/11/2022	Special Dist Mgmt Services	4-2022	District Manage	1-7440	801.75	801.75
05/11/2022	Special Dist Mgmt Services	4-2022	Elections	1-7300	131.00	131.00
Total 2640:						932.75
<b>2641</b>						
05/11/2022	Terracare Associates	CD50209560	Maintenance	1-7470	2,807.91	2,807.91
05/11/2022	Terracare Associates	CD50209732	Maintenance	1-7470	1,015.07	1,015.07
Total 2641:						3,822.98
<b>2642</b>						
05/11/2022	UNCC	222040898	Contingency	1-7890	3.90	3.90
Total 2642:						3.90
Grand Totals:						8,371.41

Larkridge Metropolitan District No. 1  
May-22

	General	Debt	Capital	Totals
Disbursements	\$ 8,371.41			\$ 8,371.41
Total Disbursements from Checking Acct	\$ 8,371.41	\$ -		\$ 8,371.41



RESOLUTION TO AMEND 2021 BUDGET  
LARKRIDGE METROPOLITAN DISTRICT NO. 1

WHEREAS, the Board of Directors of the Larkridge Metropolitan District No. 1 adopted a budget and appropriated funds for the fiscal year 2021 as follows:

General Fund	\$	110,000
Debt Service Fund	\$	843,000

WHEREAS, the necessity has arisen for additional expenditures in the General Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2021; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the General Fund from a developer advance.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Larkridge Metropolitan District No. 1 shall and hereby does amend the adopted Budget for the fiscal year 2021 and adopts a supplemental budget and appropriation for the General Fund for the fiscal year 2021, as follows:

Debt Service Fund	\$850,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 7th day of June, 2022.

LARKRIDGE METROPOLITAN DISTRICT NO. 1

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

Secretary

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2021 AMENDED BUDGET**

	BUDGET 2021	AMENDED 2021
BEGINNING FUND BALANCE	\$ 536,365	\$ 532,743
<b>REVENUES</b>		
Property taxes	11,977	11,979
Property taxes TDA	766,876	766,876
Specific ownership tax	55,337	61,466
Interest Income	1,700	261
Total revenues	835,890	840,582
 Total funds available	 1,372,255	 1,373,325
<b>EXPENDITURES</b>		
Debt Service		
Miscellaneous	-	95
Bond interest - Series 2012A	527,287	527,287
Bond interest - Series 2012C	-	6,192
Bond principal - Series 2012A	310,000	310,000
Contingency	3,283	3,996
County Treasurer's fee	180	180
Paying agent fees	2,250	2,250
Total expenditures	843,000	850,000
 Total expenditures and transfers out requiring appropriation	 843,000	 850,000
ENDING FUND BALANCE	\$ 529,255	\$ 523,325
DEBT SERVICE RESERVE FUND	\$ 529,225	\$ 529,225
TOTAL RESERVE	\$ 529,225	\$ 529,225

**LARKRIDGE METROPOLITAN  
DISTRICT NO. 1  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
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**INSERT INDEPENDENT AUDITOR'S REPORT**

## **BASIC FINANCIAL STATEMENTS**

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 5,246
Cash and Investments - Restricted	535,687
Accounts Receivable	145
Receivable - County Treasurer	5,339
Property Tax Receivable	13,740
Prepaid Expense	3,817
Capital Assets, Net	<u>328,594</u>
Total Assets	<u>892,568</u>
<b>LIABILITIES</b>	
Accounts Payable	9,788
Accrued Bond Interest Payable	42,552
Noncurrent Liabilities:	
Due Within One Year	335,000
Due in More Than One Year	<u>13,117,289</u>
Total Liabilities	<u>13,504,629</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>13,740</u>
Total Deferred Inflows of Resources	<u>13,740</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	(668,645)
Restricted For:	
Emergency Reserves	3,400
Unrestricted	<u>(11,960,556)</u>
Total Net Position	<u><u>\$ (12,625,801)</u></u>

See accompanying Notes to Basic Financial Statements.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 129,912	\$ -	\$ 102,697	\$ -	\$ (27,215)
Interest and Related Costs on Long-Term Debt	696,231	-	764,925	-	68,694
	<b>\$ 826,143</b>	<b>\$ -</b>	<b>\$ 867,622</b>	<b>\$ -</b>	<b>41,479</b>
<b>GENERAL REVENUES</b>					
Property Taxes					13,591
Specific Ownership Taxes					71,488
Net Investment Income					205
Total General Revenues					<b>85,284</b>
<b>CHANGE IN NET POSITION</b>					126,763
Net Position - Beginning of Year					(12,752,564)
<b>NET POSITION - END OF YEAR</b>					<b>\$ (12,625,801)</b>

See accompanying Notes to Basic Financial Statements.



**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 5,246	\$ -	\$ 5,246
Cash and Investments - Restricted	3,400	532,287	535,687
Accounts Receivable	17	128	145
Receivable - County Treasurer	632	4,707	5,339
Property Taxes Receivable	1,627	12,113	13,740
Prepaid Expense	3,817	-	3,817
	<u>\$ 14,739</u>	<u>\$ 549,235</u>	<u>\$ 563,974</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 9,788	\$ -	\$ 9,788
Total Liabilities	9,788	-	9,788
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	1,627	12,113	13,740
Total Deferred Inflows of Resources	1,627	12,113	13,740
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expense	3,817	-	3,817
Restricted:			
Emergency Reserves	3,400	-	3,400
Debt Service	-	537,122	537,122
Unassigned	(3,893)	-	(3,893)
Total Fund Balances	<u>3,324</u>	<u>537,122</u>	<u>540,446</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,739</u>	<u>\$ 549,235</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 328,594

Long-term liabilities, including Developer advances and bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Bonds Payable (11,440,000)  
Accrued and Unpaid Interest on Subordinate Bonds (1,075,400)  
Accrued Interest on Bonds (42,552)  
Developer Advance Payable (470,241)  
Accrued Interest on Developer Advance (466,648)

Net Position of Governmental Activities \$ (12,625,801)

See accompanying Notes to Basic Financial Statements.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 1,609	\$ 11,982	\$ 13,591
Property Taxes Received Through TDA	102,697	764,925	867,622
Specific Ownership Taxes	8,465	63,023	71,488
Net Investment Income	2	203	205
Total Revenues	112,773	840,133	952,906
<b>EXPENDITURES</b>			
Current:			
Accounting	23,071	-	23,071
Audit	5,500	-	5,500
County Treasurer's Fees	24	180	204
District Management	11,266	-	11,266
Dues and Subscriptions	356	-	356
Insurance and Bonds	3,813	-	3,813
Legal	27,578	-	27,578
Maintenance	20,755	-	20,755
Miscellaneous	352	94	446
Utilities	4,244	-	4,244
Debt Service:			
Bond Principal	-	310,000	310,000
Bond Interest Expense	-	533,480	533,480
Paying Agent/Trustee Fees	-	2,000	2,000
Total Expenditures	96,959	845,754	942,713
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	-	10,000	10,000
Total Other Financing Sources (Uses)	-	10,000	10,000
<b>NET CHANGE IN FUND BALANCES</b>	15,814	4,379	20,193
Fund Balances (Deficits) - Beginning of Year	(12,490)	532,743	520,253
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	\$ 3,324	\$ 537,122	\$ 540,446

See accompanying Notes to Basic Financial Statements.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES (DEFECITS) OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF  
ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 20,193

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 asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay and depreciation in the current period.

Depreciation (32,859)

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

Current Year Bond Principal Payments 310,000  
Developer Advances (10,000)

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 on Developer Advance (32,352)  
Accrued Interest on Bonds - Change in Liability 1,389  
Accrued Interest on Subordinate Bonds (135,800)  
Subordinate Bond Interest Payment 6,192

Changes in Net Position of Governmental Activities \$ 126,763

*See accompanying Notes to Basic Financial Statements.*

**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,608	\$ 1,609	\$ 1
Property Taxes Received Through TDA	103,013	102,697	(316)
Specific Ownership Taxes	7,433	8,465	1,032
Interest Income	16	2	(14)
Total Revenues	<u>112,070</u>	<u>112,773</u>	<u>703</u>
<b>EXPENDITURES</b>			
Accounting	23,000	23,071	(71)
Audit	5,750	5,500	250
County Treasurer's Fees	24	24	-
District Management	20,000	11,266	8,734
Dues and Subscriptions	500	356	144
Fence and Sign Maintenance	10,000	-	10,000
Insurance and Bonds	4,000	3,813	187
Legal	26,000	27,578	(1,578)
Maintenance	13,000	20,755	(7,755)
Miscellaneous	2,500	352	2,148
Utilities	3,000	4,244	(1,244)
Contingency	2,226	-	2,226
Total Expenditures	<u>110,000</u>	<u>96,959</u>	<u>13,041</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,070	15,814	13,744
Fund Balance (Deficit) - Beginning of Year	<u>8,853</u>	<u>(12,490)</u>	<u>(21,343)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 10,923</u>	<u>\$ 3,324</u>	<u>\$ (7,599)</u>

See accompanying Notes to Basic Financial Statements.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Larkridge Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for Adams County on May 18, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Thornton, Colorado. The District was established to provide water, storm sewer and sanitary sewer, streets and traffic safety protection, parks and recreation, transportation, mosquito control, and other powers.

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.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

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

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 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are 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 accounted for 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

**Budgets**

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

The District has amended its annual budget for the year ended December 31, 2021.

**Pooled Cash and Investments**

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

**Property Taxes**

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

**Capital Assets**

Capital assets, which include property and infrastructure assets (e.g. detention ponds and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 component of the District's net position.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

**Capital Assets (Continued)**

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 are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

Detention Pond	25 Years
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**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.

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

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



**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Equity (Continued)**

**Fund Balance (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 practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 5,246
Cash and Investments - Restricted	535,687
Total Cash and Investments	\$ 540,933

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 11,680
Investments	529,253
Total Cash and Investments	\$ 540,933

**Deposits with Financial Institutions**

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

**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Deposits with Financial Institutions (Continued)**

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, 2021, the District's cash deposits had a bank balance of \$22,591 and a carrying balance of \$11,680.

**Investments**

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

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

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

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

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

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 529,253
		<u>\$ 529,253</u>

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
Capital Assets, Being Depreciated:				
Detention Pond	\$ 821,484	\$ -	\$ -	\$ 821,484
Total Capital Assets, Being Depreciated	821,484	-	-	821,484
Less Accumulated Depreciation For:				
Detention Pond	460,031	32,859	-	492,890
Total Accumulated Depreciation	460,031	32,859	-	492,890
Total Capital Assets, Being Depreciated, Net	361,453	(32,859)	-	328,594
Capital Assets, Net	\$ 361,453	\$ (32,859)	\$ -	\$ 328,594

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

Governmental Activities:	
General Government	
Total Depreciation Expense - Governmental Activities	\$ 32,859

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2021:

<u>Governmental Activities</u>	Balance - December 31, 2020	Additions	Retirements	Balance - December 31, 2021	Due Within One Year
<b>Bonds Payable</b>					
General Obligation Bonds Payable:					
Payable:					
Series 2012A	\$ 9,810,000	\$ -	\$ 310,000	\$ 9,500,000	\$ 335,000
Series 2012C - Subordinate Bonds	1,940,000	-	-	1,940,000	-
Accrued and Unpaid Interest:					
Interest:					
Series 2012C - Subordinate Bonds	945,792	135,800	6,192	1,075,400	-
Subtotal of Bonds Payable	<u>12,695,792</u>	<u>135,800</u>	<u>316,192</u>	<u>12,515,400</u>	<u>335,000</u>
<b>Other Debts</b>					
Developer Advances:					
Operational	440,847	10,000	-	450,847	-
Capital	19,394	-	-	19,394	-
Accrued interest on					
Developer Advances:					
Operational	423,259	30,995	-	454,254	-
Capital	11,037	1,357	-	12,394	-
Total	<u>\$ 13,590,329</u>	<u>\$ 178,152</u>	<u>\$ 316,192</u>	<u>\$ 13,452,289</u>	<u>\$ 335,000</u>

The details of the District's long-term obligations are as follows:

**General Obligation Bonds**

\$10,000,000 General Obligation Refunding and Improvement Bonds, Series 2012A (Series 2012A Bonds), dated August 31, 2012, with interest of 5.375% per annum. The Series 2012A Bonds mature December 1, 2034. The Series 2012A Bonds are subject to early redemption, at the option of the District, on December 1, 2022, and thereafter, without redemption premium. The Series 2012A Bonds are subject to mandatory sinking fund principal payment on December 1, commencing on December 1, 2020. The bonds have a reserve requirement of \$529,225. If a withdrawal is made that reduces the reserve balance, the District shall compute an amount necessary in the next Mill Levy certification to replace the funds. The balance in the reserve fund at December 31, 2021, is \$529,253.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**General Obligation Bonds (continued)**

\$1,940,000 Subordinate Limited Tax Bonds (Taxable Convertible to Tax-Exempt), Series 2012C (Series 2012C Bonds), dated August 31, 2012, with interest of 7% due annually on December 15, commencing on December 15, 2012. The Series 2012C Bonds were issued for the purpose of financing the acquisition of public improvements. The Series 2012C Bonds are subject to early redemption, at the option of the District, without redemption premium. The Series 2012C Bonds are only payable after provisions have been made for the payment of the Series 2012A Bonds.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived from the imposition of the Mill Levy, net of collection costs, whether received directly by the District or as Tax Increment Revenue pursuant to the Agreement with the Thornton Development Authority (the Authority), and specific ownership taxes.

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

NOTE: A schedule of debt service requirements to maturity is not included for the Series 2012C Bonds because principal and interest payments are only made as cash flow is available.

<u>Year Ending December 31,</u>	Governmental Activities		
	Bonded Debt		
	Principal	Interest	Total
2022	\$ 335,000	\$ 510,625	\$ 845,625
2023	460,000	492,619	952,619
2024	490,000	467,895	957,895
2025	580,000	441,556	1,021,556
2026	620,000	410,381	1,030,381
2027 - 2031	3,695,000	1,511,450	5,206,450
2032 - 2034	3,320,000	391,031	3,711,031
Total	\$ 9,500,000	\$ 4,225,557	\$ 13,725,557

**Authorized Debt**

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$39,285,000 at an interest rate not to exceed 12% per annum. On November 2, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$12,000,000, at an interest rate not to exceed 12% per annum. On May 8, 2012, a majority of the qualified electors of the District authorized the District's indebtedness be increased in an amount not to exceed \$51,285,000, at an interest rate not to exceed 12% per annum. At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Authorized Debt (continued)**

	May 4, 2004 <u>Authorization</u>	November 2, 2004 <u>Authorization</u>	May 8, 2012 <u>Authorization</u>	Authorization Used for Bonds	Remaining Authorization
Street Improvements	\$ 5,319,669	\$ 500,000	\$ 5,819,669	\$ 5,516,881	\$ 6,122,457
Water	1,376,533	400,000	1,776,533	1,403,935	2,149,131
Sewer and Storm Drainage	5,898,798	3,100,000	8,998,798	6,259,184	11,738,412
Operations	500,000	-	500,000	-	1,000,000
Refunding	13,095,000	4,000,000	17,095,000	-	34,190,000
IGA	13,095,000	4,000,000	17,095,000	-	34,190,000
Total	<u>\$ 39,285,000</u>	<u>\$ 12,000,000</u>	<u>\$ 51,285,000</u>	<u>\$ 13,180,000</u>	<u>\$ 89,390,000</u>

Pursuant to the Service Plan and the Amendment, the District is permitted to issue bond indebtedness of up to \$14,500,000 for property within the initial District boundaries and \$3,500,000 when the future inclusion area parcel is included in the District's boundaries.

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

**Developer Advances**

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

**Funding and Reimbursement Agreement**

The District and JP Thornton LLC (the Developer) entered into a Funding and Reimbursement Agreement (General District Improvements) dated August 10, 2004. Pursuant to the Funding and Reimbursement Agreement, the Developer has agreed to advance funds to the District for the construction of Initial Public Improvements and Additional Public Improvements (as such terms are defined in the Funding and Reimbursement Agreement). The District has agreed to reimburse the Developer for funds advanced under the Funding and Reimbursement Agreement, together with interest thereon at the rate of 7% per annum, from the proceeds of the bonds to the extent of the amounts advanced for the Initial Public Improvements and the Additional Public Improvements.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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

**Developer Advances (Continued)**

Project Funding Agreement

The District and the Developer entered into a Project Funding Agreement (Developer Improvements) (TDA Improvements), dated August 10, 2004. Pursuant to the Project Funding Agreement, the Developer has agreed to advance funds for financing the costs associated with the construction of Developer Improvements and TDA Improvements. Costs associated with the construction of the Developer Improvements and the TDA Improvements are defined in the Project Funding Agreement as the "Developer Construction Related Expenses" and the "TDA Construction Related Expenses," respectively. On August 31, 2012, the District and the Developer entered into an Acknowledgment of Reimbursement pursuant to Project Funding Agreement (TDA Improvements). There are currently no amounts due and owing under the Project Funding Agreement, though it remains in effect and additional funds may be advanced in the future.

The District and the Developer entered into a Project Funding Agreement (Future Improvements), dated June 10, 2014, pursuant to which the Developer agrees to incur the costs of designing, planning and constructing the Future Improvements (Future Expenses). The Future Expenses must be verified by an independent engineer (Verified Costs) and shall not exceed \$59,999 for any single Future Improvements project, in order to qualify for reimbursement under this Agreement. The District agrees to appropriate amounts each year for reimbursement of Verified Costs to the Developer, to the extent that the District has revenue available after the imposition and collection of its mill levy, payment of operation and maintenance costs of the District, allocations of amounts required for repair, replacement or depreciation, and after payment of debt service requirements on existing debt. Interest on the Verified Costs shall accrue at 7% per annum.

Operations Funding Agreements

The District and the Developer have entered into several Operations Funding Agreements (the Operations Funding Agreements). Pursuant to the Operations Funding Agreements, the Developer has agreed to advance funds to the District to pay the operations and maintenance expenses of the District. The District has agreed to: (i) use its reasonable efforts to impose and collect its operations mill levy and to impose and collect its rates, fees, tolls and charges in the minimum amounts set forth in the District's Service Plan; and (ii) repay the amounts advanced by the Developer under the Operations Funding Agreements, together with interest at the rate of 7%, to the extent that it has funds available after the payment of its annual debt service payments and operations and maintenance expenses. The repayment obligation of the District is specifically subordinate to the District's annual debt service obligations except under the conditions set forth in the Operations Funding Agreements.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 328,594
Current and Noncurrent Portion of Long-Term Obligations - Bonds	(1,044,047)
Portion of Debt Related to Developer Advances	(1,770)
Portion of Debt Related to Restricted Cash and Investments	48,578
Net Investment in Capital Assets	<u><u>\$ (668,645)</u></u>

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021, as follows:

Restricted Net Position:	
Emergencies	\$ 3,400
Total Restricted Net Position	<u><u>\$ 3,400</u></u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 7 DISTRICT AGREEMENTS**

**Tax Increment Sharing Agreement**

The District has entered into a Tax Increment Sharing Agreement with the Thornton Development Authority (Authority), dated as of June 9, 2004, regarding the sharing of Tax Increment Revenues generated within the District. The Tax Increment Sharing Agreement provides that in consideration for the District providing public improvements and services, the Authority agrees that the portion of revenues which it receives as a result of ad valorem property tax increments, which are attributable to the District's current and future levy of ad valorem taxes on property within the Development and encompassed by the Urban Renewal Plan, shall be segregated upon receipt and shall be remitted by the Authority to the District within 45 days of the end of each quarter.



**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Construction IGA**

The District has entered into an Intergovernmental Agreement regarding Construction of Public Improvements (the Construction IGA) with the Authority, dated as of June 9, 2004, regarding the construction of public improvements. Pursuant to the Construction IGA, the District has agreed to construct street, water, sewer, and other public improvements to benefit the Urban Renewal Project Area, and the Authority has agreed to finance the cost of such improvements. The Authority anticipates using the net proceeds of its proposed bonds to fulfill its obligations under the Construction IGA.

**City of Thornton IGA**

The District has entered into an intergovernmental agreement with the city of Thornton (the City), dated June 9, 2004, as amended September 13, 2005, and August 28, 2012 (the City IGA), regarding the District's Service Plan. In the City IGA, the District agrees not to do the following without the prior approval of the City: (i) change its boundaries; (ii) refund its outstanding bonds (which would include the Series 2012A, 2012B and 2012C Bonds) so as to extend the maturity or increase total debt service; (iii) impose capital fees or exactions; (iv) consolidate with any other special district; (v) acquire, own, manage, adjudicate or develop water rights or resources; (vi) use its power of eminent domain for any real property; (vii) apply for Greater Outdoors Colorado Trust Fund grants or other state or federal grants; (viii) permit bond documents which provide acceleration of debt against the issuer as a remedy; (ix) provide services outside its boundaries except as necessary to construct, operate and maintain the public improvements set forth in its Service Plan; and (x) own, operate or otherwise allow telecommunication facilities in such a way as to affect the ability of the City to expand the City's telecommunications facilities or impair the City's existing telecommunication facilities. The District further agrees that, once the District's outstanding debt has been retired, upon a determination by the City Council that the purposes for which the District was created have been accomplished the District shall take all actions necessary to dissolve. The District agrees that it is subject to the City's zoning, subdivision building code, and other land use requirements. Prior to the issuance of bonds, the District is to provide the City with an opinion of bond counsel that the bond issue satisfies the Taxpayer Bill of Rights requirements set forth in Article X, Section 20 of the Colorado Constitution and an opinion of the District's counsel that the bond issue is in conformity with the District's Service Plan. The City agrees that it will not impose any growth limitations on a property within the District's boundaries. The Mill Levy Cap set forth in the Service Plan is 50 mills. The City agrees that any portion of the District's debt with respect to which the Debt to Assessed Valuation is less than 50%, the District will be permitted to impose a mill levy that shall not be subject to the Mill Levy Cap. The City further agrees that in the event the method of calculating assessed valuation is changed by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, the Mill Levy Cap may be increased or decreased to reflect such change.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Construction Management Agreement**

The District entered into a Construction Management Agreement with Jordon Perlmutter & Co. dated September 9, 2004. Under the terms of such agreement, the District retains Jordon Perlmutter & Co. to provide consulting services for the construction of certain improvements set forth in the District's Service Plan, as well as certain improvements which the District will be constructing on behalf of and subject to funding by the Authority and the Developer. Pursuant to this agreement, Jordon Perlmutter & Co. will be retained to supervise all engineers, consultants, and contractors, conduct competitive bid procedures, and related construction activities. Under the terms of this agreement, Jordon Perlmutter & Co. would be paid a fee of 3.5% of the hard costs and 6% of certain soft costs associated with the construction of such improvements.

**Construction Management/Project Management Agreement**

The District entered into a Construction Management/Project Management Agreement with Jordon Perlmutter & Co. dated September 9, 2004. Under the terms of such agreement, the District retains Jordon Perlmutter & Co. to provide consulting services for the construction of certain improvements set forth in the District's Service Plan, as well as certain improvements which the District will be constructing on behalf of and subject to funding by the Authority and the Developer. Pursuant to this agreement, Jordon Perlmutter & Co. will be retained to supervise all engineers, consultants and contractors, conduct competitive bid procedures, assist the District with certain project management and administrative activities, including assisting the District in preparing a work budget, reviewing and giving recommendation of approval on change orders, attending District board meetings, assisting the District in processing a Service Plan Amendment, and managing compliance with applicable provisions of the laws, rules and regulations of all governing jurisdictions. Under the terms of this agreement, Jordon Perlmutter & Co. would be paid a fee of 9% of the hard costs and 6% of the soft costs of such improvements.

**NOTE 8 RELATED PARTY**

The Developer of the property which constitutes the District is JP Thornton LLC. Jordon Perlmutter & Co. has an interest in the Developer. The majority of the members of the Board of Directors are employees, owners or are otherwise associated with Jordon Perlmutter & Co. and with the Developer and may have conflicts of interest in dealing with the District.

**NOTE 9 RISK MANAGEMENT**

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

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

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

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 10 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that 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.

On May 8, 2012, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees from the District annually, without regard to any limitations under TABOR.

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

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

**SUPPLEMENTARY INFORMATION**

**LARKRIDGE METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 11,977	\$ 11,979	\$ 11,982	\$ 3
Property Taxes Received Through TDA	766,876	766,876	764,925	(1,951)
Specific Ownership Taxes	55,337	61,466	63,023	1,557
Net Investment Income	1,700	261	203	(58)
Total Revenues	<u>835,890</u>	<u>840,582</u>	<u>840,133</u>	<u>(449)</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	180	180	180	-
Bond Principal - Series 2012 A	310,000	310,000	310,000	-
Bond Interest - Series 2012 A	527,287	527,287	527,288	(1)
Bond Interest - Series 2012 C	-	6,192	6,192	-
Miscellaneous	-	95	94	1
Paying Agent Fees	2,250	2,250	2,000	250
Contingency	3,283	3,996	-	3,996
Total Expenditures	<u>843,000</u>	<u>850,000</u>	<u>845,754</u>	<u>4,246</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,110)	(9,418)	(5,621)	3,797
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	-	10,000	10,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,110)	582	4,379	3,797
Fund Balance - Beginning of Year	<u>536,365</u>	<u>532,743</u>	<u>532,743</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 529,255</u>	<u>\$ 533,325</u>	<u>\$ 537,122</u>	<u>\$ 3,797</u>

## **OTHER INFORMATION**

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2021**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 335,000	\$ 510,625	\$ 845,625
2023	460,000	492,619	952,619
2024	490,000	467,895	957,895
2025	580,000	441,556	1,021,556
2026	620,000	410,381	1,030,381
2027	650,000	377,056	1,027,056
2028	700,000	342,119	1,042,119
2029	735,000	304,494	1,039,494
2030	785,000	264,987	1,049,987
2031	825,000	222,794	1,047,794
2032	880,000	178,450	1,058,450
2033	925,000	131,150	1,056,150
2034	1,515,000	81,431	1,596,431
Total	<u>\$ 9,500,000</u>	<u>\$ 4,225,557</u>	<u>\$ 13,725,557</u>

NOTE: A schedule of debt service requirements to maturity is not included for the Series 2012C Bonds because principal and interest payments are only made as cash flow is available, subject to the provisions outlined in Note 5.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Gross Assessed Valuation for Current Year Property Tax Levy	Prior Year Net Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
			Operations	Debt Service	Levied	Collected	
2017	\$ 20,849,880	\$ 1,572,760	3.000	33.500	\$ 57,406	\$ 57,171	99.59 %
2018	21,438,620	1,617,190	3.000	33.500	59,028	59,005	99.96
2019	21,408,760	854,050	3.000	33.500	31,173	31,301	100.41
2020	23,490,430	372,570	3.000	33.500	13,599	13,168	96.83
2021	23,597,980	357,540	4.500	33.500	13,585	13,591	100.04
Estimated for Year Ending December 31, 2022	\$ 25,199,470	\$ 361,570	4.500	33.500	\$ 13,740		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.



Larkridge Metropolitan District No. 1  
c/o MaryAnn McGeady  
450 E. 17th Avenue Suite 400  
Denver, CO 80203  
[mmcgeady@specialdistrictlaw.com](mailto:mmcgeady@specialdistrictlaw.com)

May 12, 2022

Re: Underwriter/Placement Agent Engagement Letter  
**General Obligation Refunding Loan, Series 2022 (the “Securities”)**

Dear MaryAnn:

This letter confirms the agreement (the “Agreement”) between Piper Sandler & Co. (“Piper Sandler” or “we” or “us”) and **Larkridge Metropolitan District No. 1** (the “Issuer” or “you”) as follows:

1. **Engagement.** The Issuer hereby engages Piper Sandler to serve as an underwriter or placement agent for the Securities. As currently contemplated, the transaction will be an underwriting or private placement of the Securities with gross proceeds to be determined. Sale and delivery of the Securities by the Issuer will occur on the day of closing (“Closing Date”).
2. **Scope of Services.** We understand that the decision to either conduct a public sale of the Securities or sell the Securities in a private placement to a single or limited number of investors will be made by you sometime in the future. As a preliminary matter, we can assist you in determining whether to pursue a public sale or a private placement to a bank or other financial institution, based upon the facts and circumstances in evidence at that time. Depending on the capacity in which we would be acting, Piper Sandler agrees, as appropriate and directed by you, to provide the following services.

As an Underwriter:

- (a) Develop a financing plan for the Securities and assist you in determining the economic impact of the Securities;
- (b) Provide advice concerning structure, timing, terms and other similar matters concerning the Securities, including recommendations as to maturities, interest rates, structure, security, timing, and amount of proceeds needed to implement your project;
- (c) Review and make comments with respect to sale documents, as applicable, including Explanatory Statements, Authorizing Bond Resolutions, bond declarations and indentures and other underlying documents relating to the Securities;
- (d) Develop a sale schedule that incorporates all aspects of bringing Securities to market and arranging for a successful closing of the transaction;
- (e) Assist in the preparation of the preliminary and final Official Statements to be issued by you relating to the Securities for final approval by you and your agents, including bond counsel;
- (f) Distribute preliminary and final Official Statements and other documents to a broad list of institutions, banks, trusts, insurance companies, professional investment advisors, and other prospective investors in Securities;
- (g) Develop a marketing plan for the offering, including identification of potential investors;

- (h) Negotiate the pricing, including the interest rate, and other terms of Securities;
- (i) Obtain CUSIP number(s) for Securities and arranging for their DTC book-entry eligibility as required;
- (j) Provide a final schedule of debt service payments for Securities;
- (k) Review and make comments with respect to closing documents prepared by Bond Counsel;
- (l) Plan and arrange for the closing and settlement of the issuance and the delivery of Securities; and
- (m) Other activities that are integral to the purchase and distribution of the Securities and activities integral to fulfilling the role of a placement agent or underwriter including under the antifraud provisions of the federal securities laws and the obligations of Piper Sandler under MSRB rules.

As a Placement Agent:

- (a) consult with you in planning and implementing the placement of the Securities;
- (b) assist you in reviewing any transaction materials (the “Transaction Materials”) we mutually agree are beneficial or necessary to the consummation of the transaction;
- (c) assist you in preparing for due diligence conducted by potential investors;
- (d) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors;
- (e) assist you in negotiating definitive documentation.

3. ***Fees and Expenses.***

For our services, you agree to pay us an underwriting discount as described below of the total par amount of the Securities payable as a discount to the purchase price or by wire transfer of immediately available funds at closing. All transactions are subject to a \$30,000 minimum fee. For avoidance of doubt, the fee shall not be payable in the event a closing of the Securities does not occur.

<b>Non-Rated Senior Debt</b>
2%

4. ***Representations, Warranties and Agreements of the Issuer.***

You represent and warrant to, and agree with us, that:

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;
- (b) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the “Transaction Materials”) appropriate and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask

questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof; and

- (c) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the transaction. You agree to notify us promptly, at any time prior to the Closing Date, of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
  - (d) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);
  - (e) On the Closing Date, you will deliver or cause to be delivered to us an Opinion of Bond Counsel to you, dated the Closing Date relating to: the validity of the Securities; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.
5. **Other Matters Relating to Our Engagement.** The parties agree that we are not making a final commitment to underwrite or place securities until certain events have occurred including among other things, a successful authorizing bond election, satisfactory completion and execution of all final documentation for an offering including all terms and conditions and credit approval by Piper Sandler's internal credit approval process. This Agreement is therefore not a final commitment by us express or implied, to underwrite, place or purchase any securities. If you elect to conduct a public offering of the Securities, you and Piper Sandler will enter into a definitive bond purchase agreement which shall supersede the provisions of this agreement in any conflicting respects, except that the parties agree that the fee provisions set forth in Section 3 will continue to apply.

You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. As underwriter or placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning the transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler as an underwriter or placement agent, is to sell or place securities to investors in an arms-length commercial transaction and that Piper Sandler has financial and other interests that differ from your interests (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with respect to the transaction contemplated hereby expressly are set forth in this agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

6. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those

conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Securities. If our understanding is incorrect, please notify the undersigned immediately.

7. **Termination.** You or we may terminate our engagement under this agreement, with or without cause, upon ten days' written notice to the other party. The fee, expense reimbursement, your representations, warranties and agreements, and miscellaneous provisions of this agreement will survive any termination of our engagement under this agreement.
8. **Section Headings.** Section headings contained herein are for convenience of reference only and are not part of this agreement.
9. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties. The terms of this agreement may be waived only by a written instrument executed by the party waiving compliance.
10. **Entire Agreement.** This agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this agreement.
11. **No Assignment.** This agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this agreement.
12. **Governing Law.** This agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this agreement or the negotiation, execution or performance of this agreement, will be governed by and construed in accordance with the laws of Colorado. You and we hereby waive all right to trial by jury in any action, proceeding, or counterclaim (whether based upon contract, tort or otherwise) in connection with any dispute arising out of this agreement or any matters contemplated by this agreement.
13. **Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any state or federal court sitting in the County in which the District is located, State of Colorado for the resolution of any claim or dispute with respect to or arising out of or relating to this agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this agreement other than in a state or federal court sitting in the County in which the District is located, State of Colorado and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 17. Nothing in this agreement will affect the right of any party to this agreement to serve process in any other manner permitted by law.
14. **Effectiveness.** This agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.
15. **Severability.** In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.

16. **Counterparts.** This agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.
17. **Notices.** Any notice required or permitted to be given under this agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this agreement with a copy sent to the General Counsel of such Party.
18. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this engagement agreement.

Sincerely,



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**Sam Sharp, Managing Director**  
Piper Sandler & Co.

Acknowledgement and Approval of Engagement  
and Receipt of Appendix A Disclosures

---

**Authorized Signor**  
**Larkridge Metropolitan District No. 1**

Date: \_\_\_\_\_

## Appendix A – G-17 Disclosure

Thank you for engaging Piper Sandler & Co. to serve as your placement agent. We are writing to provide you with certain disclosures relating to the captioned bond issue (Bonds), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>1</sup>

Piper Sandler intends to serve as a placement agent respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as a placement agent, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

### **Standard Disclosures**

- Disclosures Concerning the Placement Agent Role:
  - MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors.
  - Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation.
  - Unlike a municipal advisor, a placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The placement agents have a duty to purchase the Bonds from the Issuer at a fair and reasonable price but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
  - In the event an official statement is prepared, the placement agent will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>2</sup>
  
- Disclosures Concerning the Placement Agent's Compensation:
  - The placement agent will be compensated by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the placement agent fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing in this letter should be viewed as a commitment by the placement agent to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

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<sup>1</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

<sup>2</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

## Appendix B – Fixed Rate Bonds

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“Fixed Rate Bonds”), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue Fixed Rate Bonds. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate.

### Financial Characteristics

*Maturity and Interest.* Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities, whether for their benefit or as a conduit issuer for a nongovernmental entity. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

*Redemption.* Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

### Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

*General Obligation Bonds.* “General obligation (GO) bonds” are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. The debt service on “unlimited tax” GO bonds are paid from ad valorem taxes which are not subject to state constitutional property tax millage limits, whereas “limited tax” GO Bonds are subject to such limits.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds generally will have certain rights under state law to compel you to impose a tax levy.



Revenue Bonds. “Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit, and you (or, if you are a conduit issuer, the obligor, as described in the following paragraph) are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds (conduit revenue bonds) may be issued by a governmental issuer acting as a conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

The description above regarding “Security” is only a summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

### **Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all the following (generally, the obligor, rather than the issuer, will bear these risks for conduit revenue bonds):

Issuer Default Risk. You may be in default if the funds pledged to secure your bonds are not enough to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Bonds payable from the general fund, particularly bonds without a defined revenue stream identified to pay debt service, reduce your flexibility to balance the general fund. Because a fixed debt service payment is required to be paid regardless of how your general fund is impacted by revenue losses or by increased expenses, you have less flexibility in the options available to you in assuring a balanced budget for your general fund.

General Fund Obligations that are Project Based. Some general fund obligations are issued for projects which are expected to generate revenues that will pay for some or all of the debt service on the bonds. In the event the project does not generate the anticipated levels of revenues available for debt service, or, in the extreme case, does not create any revenue available for debt service, you may need to make payments from other available general fund revenues. This may force you to reduce other expenditures or to make difficult decisions about how to pay your debt service obligation while meeting other expenditure needs.

General Fund Obligations that are Subject to Annual Appropriation. Some general fund obligations require that debt service is subject to annual appropriation by your governing body. If your governing body decides not to appropriate payments for debt service, your credit ratings may be negatively impacted and you may be forced to pay a higher interest rate on future debt issuance or may be unable to access the market for future debt issuance.

For all bonds, a default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, it may be necessary for you to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

*Redemption Risk.* Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. If interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

*Refinancing Risk.* If your financing plan contemplates refinancing some or all the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required.

*Reinvestment Risk.* You may have proceeds from the issuance of the bonds available to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage”.

*Tax Compliance Risk.* The issuance of tax-exempt bonds is subject to several requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If tax-exempt bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1**  
**TAX-EXEMPT GENERAL OBLIGATION REFUNDING LOAN, SERIES 2022**

**TIMELINE – AS OF MAY 19, 2022**

MAY 2022						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE 2022						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY 2022						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST 2022						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER 2022						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DATE	EVENT	Responsible Party
5/23-6/09/2022	Draft RFP for Banks	PA
<b>6/10/2022</b>	<b>Circulate RFP to Banks</b>	<b>PA</b>
6/24/2022	Bank Term Sheets Due	L
6/27-6/29/2022	Run models based on prospective term sheets	PA
6/30-7/01/2022	Review Term Sheets & Models with District	PA/DC/D
7/04-7/08/2022	District to make decision on Lender	D/DC
7/20/2022	Launch Transaction	PA/DC
8/03/2022	Bond Counsel distributes 1 <sup>st</sup> draft loan documents	BC
8/08/2022	Estimated Rate Lock (30-days prior to closing, subject to Lender terms)	D/PA
8/09/2022	Comments due on 1 <sup>st</sup> draft loan documents	All
8/12/2022	Escrow Verification Report Circulated	DA
8/16/2022	Bond Counsel distributes 2 <sup>nd</sup> draft loan documents	BC
8/19/2022	Final comments due on 2 <sup>nd</sup> draft of loan documents	All
<i>TBD</i>	Board meetings to approve Loan Resolution	D/DC/BC
8/24/2022	Final loan documents circulated for sign-off	BC
9/01/2022	Distribute closing documents	BC
9/02/2022	Pre-Closing	All
<b>9/06/2022</b>	<b>Loan Closing</b>	<b>All</b>

D: District – Larkridge Metropolitan District No. 1  
 DC: District Counsel – McGeady Becher, P.C.  
 BC: Bond Counsel – Kutak Rock LLP  
 PA: Placement Agent – Piper Sandler & Co.  
 L: Lender – TBD  
 PAC: Placement Agent’s Counsel – TBD  
 LC: Lender’s Counsel – TBD