

INDY OAK TOD METROPOLITAN DISTRICT

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

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Jonnye Phifer	President	2023/May 2023
Nicholas Coy		2025/May 2025
Kristen Miller	Asst. Secretary	2023/May 2023
Eric Knorr		2025/May 2025
VACANT		2023/May 2023
Peggy Ripko	Secretary	

DATE: May 16, 2022
TIME: 6:00 P.M.
LOCATION: VIA ZOOM

Please email Peggy Ripko if there are any issues (pripko@sdmsi.com)

Join Zoom Meeting
<https://us02web.zoom.us/j/7601691090?pwd=R3B3cjMwdG5XeHlVbW5NU5MmDRDZz09>
Meeting ID: 760 169 1090
Passcode: 488323
Call-In: 1-253-215-8782

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest and confirm quorum.

B. Approve Agenda, confirm location of the meeting, posting of meeting notice and designate 24-hour posting location.

C. Review and consider approval of Minutes from the March 8, 2022 Special Meeting (enclosure).

D. Discuss results of May 3, 2022 Election (enclosure).

- E. Acknowledge resignation of Director John Heikes, effective May 5, 2022 (enclosure), and discuss vacancy on the Board.
-

- F. Consider appointment of Officers:

President _____
Treasurer _____
Secretary _____
Asst. Secretary _____
Asst. Secretary _____
Asst. Secretary _____

- G. Consider authorizing interested Board Members to attend the 2022 Special District Association's Annual Conference in Keystone on September 13, 14 and 15, 2022.
-

II. PUBLIC COMMENTS

- A. _____

III. FINANCIAL MATTERS

- A. Approve/Ratify approval of the payment of claims for the period ending May 10, 2022 in the amount of \$20,975.08 (enclosure).
-

- B. Review unaudited financial statements for the period ending March 31, 2022 (enclosure).
-

- C. Ratify approval of additional \$200 for Wipfli LLP to prepare 2021 audit for a total cost of \$5,200 (enclosure).
-

- D. Review and consider acceptance of 2021 Audit and authorize execution of Letter of Representation (enclosure).
-

IV. LEGAL MATTERS

- A. Discuss status of Intergovernmental Agreement for Oak Street Trail Connection Costs between the City of Lakewood and the District.
-

V. COVENANT ENFORCEMENT / DESIGN REVIEW

- A. Discuss status of Limited Amendment to the Covenants and Restrictions of Oak Street Townhomes (enclosure).
-

- 1. Discuss changing Design Guidelines regarding patio extensions.
-

- B. Update from Parking Committee.
-

- 1. Discuss status of the two additional motorcycle parking spaces at the Oak Street Townhomes in front of the property located at 1098 Oak Circle.
-

- 2. Discuss parking issues on Oak Circle (enclosure).
-

- C. Update from Architectural Review Committee.
-

- D. Discuss appeal from 1158 Oak Circle regarding extension of the deck (enclosures).
-

- E. Violation Report (enclosure).
-

VI. OPERATIONS AND MAINTENANCE MATTERS

- A. Landscape Update.
-

VII. OTHER MATTERS

- A. _____

VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
AUGUST 15, 2022**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE INDY OAK TOD METROPOLITAN DISTRICT (THE “DISTRICT”) HELD MARCH 8, 2022

A Special Meeting of the Board of Directors of the Indy Oak TOD Metropolitan District (referred to hereafter as the “Board”) was convened on Tuesday, March 8, 2022, at 6:00 p.m. This District Board meeting was held by Zoom. The meeting was open to the public via Zoom.

Directors in Attendance Were:

Jonnye Phifer
Judson Connelly
John Heikes
Kristen Miller

Also, In Attendance Were:

Peggy Ripko, Special District Management Services, Inc. (“SDMS”)

Suzanne Meintzer, Esq.; McGeady Becher P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Attorney Meintzer noted a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State and to the Board. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. Attorney Meintzer noted for the record that no disclosures were made by any members of the Board prior to this meeting as all Board members are residents of the District.

**ADMINISTRATIVE
MATTERS**

Agenda: Ms. Ripko reviewed the proposed Agenda for the District's Special Meeting with the Board.

Following discussion, upon motion duly made by Director Phifer, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the Agenda, as presented and excused the absence of Director Gilmore.

RECORD OF PROCEEDINGS

Meeting Location: 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 Phifer, seconded by Director Miller and, upon vote, unanimously carried, the Board determined to conduct this meeting via teleconference and encouraged public participation via Zoom. The Board noted that notice of this meeting and teleconference number was duly posted and that it had not received any objections to the meeting or any requests that the meeting be changed by taxpaying electors within the District's boundaries.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director Phifer, seconded by Director Miller, 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://indyoaktodmd.colorado.gov/> or if posting on the website is unavailable, notice will be posted on a post within the Boundaries of the District.

Minutes: The Board reviewed the Minutes of the October 18, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Phifer, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the Minutes of the October 18, 2021 Special Meeting.

May 3, 2022 Regular Directors' Election: Ms. Ripko provided an update to the Board regarding the May 3, 2022 Regular Directors' Election. There are two (2) seats that will be up for election, and the DEO received three (3) self-nomination forms, so an election was triggered.

PUBLIC COMMENTS

There were no public comments.

FINANCIAL MATTERS

Claims: Ms. Wheeler discussed with the Board the payment of claims for the period ending March 5, 2022, in the amount of \$71,216.83.

Following discussion, upon motion duly made by Director Phifer, seconded by Director Miller and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending March 5, 2022, in the amount of \$71,216.83.

Unaudited Financial Statements: The Board deferred discussion.

RECORD OF PROCEEDINGS

2021 Audit: The Board entered into discussion regarding the requirements for an audit.

Following discussion, upon motion duly made by Director Phifer, seconded by Director Connelly and, upon vote, unanimously carried, the Board authorized an additional \$200 for Wipfli LLP to prepare 2021 audit, for a total cost of \$5,200.

LEGAL MATTERS

Intergovernmental Agreement for Oak Street Trail Connection Costs between the City of Lakewood and the District: There was no update at this time.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Limited Amendment to Covenant and Restrictions of Oak Street Townhomes and Pearson Grove: The Board entered into discussion regarding the status of the Limited Amendment to Covenant and Restrictions of Oak Street Townhomes. Ms. Ripko noted that she is working with the District's covenant enforcement counsel, Altitude Community Law P.C., regarding coordination of same.

Parking Committee:

Two Motorcycle Parking Spaces at the Oak Street Townhomes: The Board entered into discussion regarding adding two motorcycle parking spaces at the Oak Street Townhomes in front of the property located at 1098 Oak Circle. It was noted the request was submitted to the City of Lakewood.

Architectural Review Committee: Ms. Ripko provided an update to the Board regarding the Architectural Review Committee.

Appeal from 1158 Oak Circle Regarding Extension of the Deck: The Board deferred this matter pending the limited covenant amendment.

Violation Reports: Ms. Ripko provided an update to the Board regarding the Violation Reports.

OPERATIONS AND MAINTENANCE MATTERS

Landscape Matters: Ms. Ripko provided an update.

Engagement of Wyatt's Towing for Towing Services: The Board entered into discussion regarding the engagement of Wyatt's Towing for towing services.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Phifer, seconded by Director Miller and, upon vote, unanimously carried, the Board ratified approval of the engagement of Wyatt's Towing for towing services on an as needed basis.

Proposal from Environmental Designs, Inc. Snow Removal Services: The Board reviewed a proposal from Environmental Designs, Inc. snow removal services.

Following discussion, upon motion duly made by Director Phifer, seconded by Director Miller and, upon vote, unanimously carried, the Board ratified approval of the proposal from Environmental Designs, Inc. snow removal services.

OTHER BUSINESS

There is no other business at this time.

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made, seconded and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

JUDGES' UNOFFICIAL ABSTRACT OF VOTES
§1-13.5-615, C.R.S.

For the independent mail ballot election of the **Indy Oak TOD Metropolitan District** (the "District") held on May 3, 2022:

Votes counted for and against each ballot question as follows:

THREE YEAR TERM

Votes cast for:	NICHOLAS J. COY:	<u>13</u>
Votes cast for:	ERIC KNORR:	<u>17</u>
Votes cast for:	HUNTER THOMPSON:	<u>11</u>

Dated this 3rd day of May, 2022.

By:

, Election Judge

, Election Judge

, Election Judge

This abstract shall be made by the election judges and posted in a conspicuous place that can be seen from outside the polling place, and may be removed at any time after forty-eight hours after the polls close.

John Heikes
1072 Oak Circle
Lakewood, CO 80215
May 5, 2022

Board of Directors
Indy Oak TOD Metropolitan District
Lakewood, CO 80215

CC: Peggy Ripko; SDMS

Board of Directors:

I am tendering my resignation as a Director of the Indy Oak TOD Metropolitan District effective May 5, 2022. I have purchased a new home outside of the District and intend to sell my current home which will make me ineligible to continue to serve on the board.

I am grateful to have had the opportunity to serve on the Board of Directors. It has been a pleasure to work with you and I wish you all the best of luck in cultivating a quality community as the District continues to mature over time.

Thank you again,

A handwritten signature in black ink, appearing to be 'JH', written in a cursive style.

John Heikes

Indy Oak Tod Metropolitan District
Financial Statements

March 31, 2022

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Indy Oak Tod Metropolitan District

Management is responsible for the accompanying financial statements of each major fund of Indy Oak Tod Metropolitan District, as of and for the period ended March 31, 2022, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Indy Oak Tod Metropolitan District because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

May 6, 2022
Englewood, Colorado

Indy Oak Tod Metropolitan District
Balance Sheet - Governmental Funds and Account Groups
March 31, 2022

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets					
Current assets					
Cash in Checking	\$ 234,474	\$ -	\$ -	\$ -	\$ 234,474
Cash in Colotrust	393,415	-	-	-	393,415
Cash with trustee	-	557,413	326,333	-	883,746
Taxes Receivable	9,291	-	9,136	-	18,427
Assessments receivable	129	-	-	-	129
Prepaid Expenses	-	-	-	-	-
Due to/from accounts	-	-	460,978	-	460,978
	<u>637,309</u>	<u>557,413</u>	<u>796,447</u>	<u>-</u>	<u>1,991,169</u>
Other assets					
Improvements	-	-	-	-	-
Amount available in debt service fund	-	-	-	796,447	796,447
Amount to be provided for retirement of debt	-	-	-	4,340,485	4,340,485
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,136,932</u>	<u>5,136,932</u>
	<u>\$ 637,309</u>	<u>\$ 557,413</u>	<u>\$ 796,447</u>	<u>\$ 5,136,932</u>	<u>\$ 7,128,101</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 230,252	\$ -	\$ -	\$ -	\$ 230,252
Due to/from accounts	218,664	242,314	-	-	460,978
	<u>448,916</u>	<u>242,314</u>	<u>-</u>	<u>-</u>	<u>691,230</u>
Bonds Payable	-	-	-	3,956,000	3,956,000
Developer reimbursement	-	-	-	1,180,932	1,180,932
Total liabilities	<u>448,916</u>	<u>242,314</u>	<u>-</u>	<u>5,136,932</u>	<u>5,828,162</u>
Fund Equity					
Investment in improvements	-	-	-	-	-
Fund balance (deficit)	188,393	315,099	796,447	-	1,299,939
	<u>188,393</u>	<u>315,099</u>	<u>796,447</u>	<u>-</u>	<u>1,299,939</u>
	<u>\$ 637,309</u>	<u>\$ 557,413</u>	<u>\$ 796,447</u>	<u>\$ 5,136,932</u>	<u>\$ 7,128,101</u>

Indy Oak Tod Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 3 Months Ended March 31, 2022
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 195,569	\$ 99,369	\$ (96,200)
Specific ownership taxes	15,711	3,513	(12,198)
Fees	156,480	20,035	(136,445)
Miscellaneous Income	-	-	-
Interest income	50	37	(13)
	<u>367,810</u>	<u>122,954</u>	<u>(244,856)</u>
Expenditures			
Accounting/Audit	15,000	3,378	11,622
Insurance/SDA Dues	4,500	3,946	554
Legal - general	55,000	7,530	47,470
Legal - Covenant	5,000	-	5,000
Election	10,000	-	10,000
Management	65,000	11,002	53,998
Miscellaneous	8,000	1,614	6,386
Common area lights	2,000	-	2,000
Landscape Contract	18,000	4,000	14,000
Grounds Contract Extras	2,500	-	2,500
Sprinkler Repairs	2,000	-	2,000
Snow Removal	15,000	19,635	(4,635)
Street/sidewalk Repairs	2,500	-	2,500
Street Sweeping	1,000	-	1,000
Signage	500	-	500
Perimeter Walls/Fence	2,500	-	2,500
Pet Waste Pickup	3,000	-	3,000
Detention Pond Maintenance	2,500	-	2,500
Gas & Electric	15,000	842	14,158
Irrigation Water & Sewer	15,000	-	15,000
Domestic Water & Sewer	50,000	12,891	37,109
Trash Removal	29,340	6,719	22,621
Treasurer's Fees	2,934	1,491	1,443
Reserve	85,000	-	85,000
Contingency	59,646	-	59,646
Emergency Reserve	12,338	-	12,338
	<u>483,258</u>	<u>73,048</u>	<u>410,210</u>
Excess (deficiency) of revenues over expenditures	(115,448)	49,906	165,354
Fund balance - beginning	<u>115,448</u>	<u>138,487</u>	<u>23,039</u>
Fund balance - ending	\$ <u><u>-</u></u>	\$ <u><u>188,393</u></u>	\$ <u><u>188,393</u></u>

Indy Oak Tod Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 3 Months Ended March 31, 2022
Capital Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Developer advance	\$ -	\$ -	\$ -
Bond Issue	-	-	-
Interest income	-	190	190
	<u>-</u>	<u>190</u>	<u>190</u>
Expenditures			
Capital Improvements	349,302	-	349,302
Bond Issuance Costs	-	-	-
Transfer to Debt Service	-	-	-
Repay developer	-	-	-
Legal	-	-	-
	<u>349,302</u>	<u>-</u>	<u>349,302</u>
Excess (deficiency) of revenues over expenditures	(349,302)	190	349,492
Fund balance - beginning	<u>349,302</u>	<u>314,909</u>	<u>(34,393)</u>
Fund balance - ending	\$ <u><u>-</u></u>	\$ <u><u>315,099</u></u>	\$ <u><u>315,099</u></u>

Indy Oak Tod Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Budget and Actual
For the 3 Months Ended March 31, 2022
Debt Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property taxes	\$ 192,298	\$ 97,707	\$ (94,591)
Specific ownership taxes	15,384	3,454	(11,930)
Transfer from Capital Projects	-	-	-
Interest income	<u>-</u>	<u>112</u>	<u>112</u>
	<u>207,682</u>	<u>101,273</u>	<u>(106,409)</u>
Expenditures			
Bond Interest Series A	177,100	-	177,100
Bond Interest Series B	10,000	-	10,000
Treasurer's Fees	2,884	1,466	1,418
Trustee fees	<u>4,000</u>	<u>-</u>	<u>4,000</u>
	<u>193,984</u>	<u>1,466</u>	<u>192,518</u>
Excess (deficiency) of revenues over expenditures	13,698	99,807	86,109
Fund balance - beginning	<u>599,403</u>	<u>696,640</u>	<u>97,237</u>
Fund balance - ending	\$ <u><u>613,101</u></u>	\$ <u><u>796,447</u></u>	\$ <u><u>183,346</u></u>

November 12, 2021

Indy Oak TOD Metropolitan District
c/o Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490
Englewood, CO 80112

We are pleased to serve as the independent auditors for Indy Oak TOD Metropolitan District (“Client”) for the year ended December 31, 2021. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement, and are collectively referred to herein as the “Letter” or the “Engagement Letter”.

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$5,200. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

Audit Scope and Objectives

We will audit Client’s financial statements, as of and for the year ended December 31, 2021, and the disclosures (collectively, the “financial statements”), and if applicable, supplementary information.

The objectives of our audit are to obtain reasonable assurance about whether Client's financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether Client's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment of a reasonable user made based on the financial statements.

The supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

The other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit includes an evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as an evaluation of the overall presentation of the financial statements, including the disclosures, to assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. To express an opinion, we are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to Client or to acts by management or employees acting on behalf of Client.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In the conduct of our audit, we will obtain an understanding of Client and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about Client's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. Management is also responsible for making available to us drafts of financial statements, all financial records, and related information, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within Client from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting Client involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that Client complies with applicable laws and regulations.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters. Because of the importance of management's representations to an effective audit, Client agrees to release and indemnify Wipfli LLP ("Wipfli"), its partners, employees, agents, and assigns from any claim, liability, cost, or expense relating to our services under this Engagement Letter attributable in any respect to any knowing misrepresentation by management. The preceding sentence shall not apply and shall be of no effect in the event its application, in the judgment of any government body or regulatory agency, would impair our independence as your auditor.

Reporting

We will issue a written report upon completion of our audit of Client's financial statements. Our report will be addressed to the board of directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, has been discussed with appropriate personnel. Timely completion of this work will facilitate the completion of our engagement.

Engagement Partner

Greg Livin will be your audit engagement partner.

Other Services

We may prepare (or assist in preparing) Client financial statements in conformity with GAAP based on information provided by management, but the responsibility for the financial statements remains with management.

Management agrees to assume all management responsibilities for these services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Illegal Aliens

We certify that Wipfli LLP shall comply with the provisions of C.R.S. 8-17.5-101, et seq.

- A. *Employment or Contracting with Illegal Aliens.* We certify that Wipfli LLP does not knowingly employ or contract with an illegal alien to perform work under this engagement letter or will enter into a contract with a subcontractor that fails to certify to Wipfli LLP that such subcontractor does not knowingly employ or contract with an illegal alien to perform work under this engagement letter.
- B. *Verification Regarding Illegal Aliens.* We certify that Wipfli LLP has verified the employment eligibility of all employees who are newly hired for employment, to perform the work under this engagement letter, through participation in either the Electronic Employment Verification Program, or Employment Verification Program which is established pursuant to Section 8-17.5-102 (5)(c), C.R.S., (collectively referred to as "Verification Programs").
- C. *Limitation Regarding Verification Programs.* We agree that Wipfli LLP will use the Verification Programs to undertake pre-employment screening of job applicants while performing professional services on behalf of the District.
- D. *Duty to Terminate Subcontractor:* If Wipfli LLP obtains actual knowledge that a subcontractor performing work pursuant to this engagement letter knowingly employs or contracts with an illegal alien, Wipfli LLP shall:
 - (i) notify the subcontractor and the District within three (3) days that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(ii) terminate the subcontract with the subcontractor if, within three (3) days of receiving notice required pursuant to C.R.S. 8-17.5-102(2)(b)(III)(A) that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien, the subcontractor does not stop employing or contracting with the illegal alien.

Wipfli LLP shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

- E. *Duty to Comply with Investigation.* Wipfli LLP shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment is undertaking pursuant to the authority established by C.R.S. 8-17.5-102(5).
- F. *Notification.* The District shall notify the office of the Colorado Secretary of State if Wipfli LLP violates a provision of C.R.S. 8-17.5-102(2), and the District terminates the engagement for such breach. The District will notify the Colorado Secretary of State if a court made such a determination.
- G. *Participation in Employment Verification Program.* Wipfli LLP shall notify the District of its participation in the Employment Verification Program and shall comply with the requirements of C.R.S § 8-17.5-102(5)(c).

Conclusion and Approval to Proceed

If the terms of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli LLP
Wipfli LLP

ACCEPTED: **INDY OAK TOD METROPOLITAN DISTRICT**

By: _____

(Print Name and Title)

Date: _____

GHL/tp
Enc.

Cc: Jonnye Phifer, Board of Directors

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict between the Terms and Conditions and the provisions of an Engagement Letter issued by Wipfli, the Engagement Letter will apply.

2. Commencement and Term

An Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or work. Wipfli provides fee estimates as an accommodation to Client. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

If, during the course of Wipfli’s engagement, Wipfli determines that more work will be required than initially estimated, Wipfli will discuss, as soon as possible, the reasons with Client. Work that falls outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order. Service completion times are estimated and subject to change. Where applicable, all such estimates assume that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Such estimates also include necessary and reasonable cooperation from client personnel.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the services will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

4. Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, work may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue work in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops work or withdraws from this engagement as a result of

Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli will not be liable to Client for any damages that occur as a result of our ceasing to render services.

In the event Client requests us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Client or management for the production of documents and/or testimony relative to information Wipfli obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

5. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

6. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any Engagement Letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

7. Privacy and Engagement Staffing

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to Client, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned Indian subsidiary and contractors in the Philippines) or any of their respective affiliates. These entities and their personnel may be located within or outside the United States. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client’s information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information (“Personal Data”) and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the engagement letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the engagement letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or professional standards. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes.

For additional information related to client personal information, please see Wipfli’s Privacy Statement located at www.wipfli.com/privacy-statement.

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

8. Wipfli Owners

Some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

9. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all information provided or developed throughout the duration of this engagement. Any use of this material, other than for the stated purposes in this Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

10. Governing Law

All agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

11. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

12. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

13. Termination

An Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in an Engagement Letter (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of an Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement, at our discretion, if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

14. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

DRAFT 3-5-2022

INDY OAK TOD METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2021

with

Independent Auditor's Report

DRAFT 3-5-2022

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DRAFT 3-5-2022

Indy Oak TOD Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 140,877	\$ -	\$ -	\$ 140,877	\$ -	\$ 140,877
Cash and investments - restricted	12,338	695,780	346,414	1,054,532	-	1,054,532
Receivable - County Treasurer	876	861	-	1,737	-	1,737
Property taxes receivable	195,569	192,298	-	387,867	-	387,867
Homeowner receivable	129	-	-	129	-	129
Prepaid expenses	450	-	-	450	-	450
Capital assets not being depreciated	-	-	-	-	3,870,065	3,870,065
Total Assets	<u>\$ 350,239</u>	<u>\$ 888,939</u>	<u>\$ 346,414</u>	<u>\$ 1,585,592</u>	<u>3,870,065</u>	<u>5,455,657</u>
LIABILITIES						
Accounts payable	\$ 16,254	\$ -	\$ -	\$ 16,254	-	16,254
Accrued interest	-	-	-	-	118,646	118,646
Long-term liabilities:						
Due in more than one year	-	-	-	-	5,297,166	5,297,166
Total Liabilities	<u>16,254</u>	<u>-</u>	<u>-</u>	<u>16,254</u>	<u>5,415,812</u>	<u>5,432,066</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	<u>195,569</u>	<u>192,298</u>	<u>-</u>	<u>387,867</u>	<u>-</u>	<u>387,867</u>
Total Deferred Inflows of Resources	<u>195,569</u>	<u>192,298</u>	<u>-</u>	<u>387,867</u>	<u>-</u>	<u>387,867</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	450	-	-	450	(450)	-
Restricted:						
Emergencies	12,338	-	-	12,338	(12,338)	-
Debt service	-	696,641	-	696,641	(696,641)	-
Capital projects	-	-	346,414	346,414	(346,414)	-
Unassigned	<u>125,628</u>	<u>-</u>	<u>-</u>	<u>125,628</u>	<u>(125,628)</u>	<u>-</u>
Total Fund Balances	<u>138,416</u>	<u>696,641</u>	<u>346,414</u>	<u>1,181,471</u>	<u>(1,181,471)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 350,239</u>	<u>\$ 888,939</u>	<u>\$ 346,414</u>	<u>\$ 1,585,592</u>		
Net Position:						
Net investment in capital assets					(1,427,101)	(1,427,101)
Restricted for:						
Emergencies					12,338	12,338
Debt service					577,995	577,995
Capital projects					346,414	346,414
Unrestricted					<u>126,078</u>	<u>126,078</u>
Total Net Position					<u>\$ (364,276)</u>	<u>\$ (364,276)</u>

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

DRAFT 3-5-2022

Indy Oak TOD Metropolitan District

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

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 19,894	\$ -	\$ -	\$ 19,894	\$ -	\$ 19,894
Insurance	4,109	-	-	4,109	-	4,109
Legal	41,858	-	-	41,858	-	41,858
Management fees	53,156	-	-	53,156	-	53,156
Miscellaneous expenses	5,358	-	-	5,358	-	5,358
Snow removal	7,275	-	-	7,275	-	7,275
Signage	2,196	-	-	2,196	-	2,196
Landscape costs	11,562	-	-	11,562	-	11,562
Water and sewer	50,828	-	-	50,828	-	50,828
Trash removal	18,312	-	-	18,312	-	18,312
Utilities	6,563	-	-	6,563	-	6,563
Treasurer's fees	2,729	2,683	-	5,412	-	5,412
Bond interest expense	-	177,100	-	177,100	62,214	239,314
Trustee fees	-	7,000	-	7,000	-	7,000
Interest on developer advances	-	-	-	-	94,484	94,484
Total Expenditures	223,840	186,783	-	410,623	156,698	567,321
PROGRAM REVENUES						
Homeowner fees	91,444	-	-	91,444	-	91,444
Total Program Revenues	91,444	-	-	91,444	-	91,444
Net Program Income (Expenses)	(132,396)	(186,783)	-	(319,179)	(156,698)	(475,877)
GENERAL REVENUES						
Property taxes	181,909	178,866	-	360,775	-	360,775
Specific ownership taxes	14,056	13,821	-	27,877	-	27,877
Interest and other income	1	169	184	354	-	354
Total General Revenues	195,966	192,856	184	389,006	-	389,006
NET CHANGES IN FUND BALANCES	63,570	6,073	184	69,827	(69,827)	
CHANGE IN NET POSITION					(86,871)	(86,871)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	74,846	690,568	346,230	1,111,644	(1,389,049)	(277,405)
END OF YEAR	\$ 138,416	\$ 696,641	346,414	\$ 1,181,471	\$ (1,545,747)	\$ (364,276)

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

DRAFT 3-5-2022

Indy Oak TOD Metropolitan District

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

For the Year Ended December 31, 2021

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 183,719	\$ 181,909	\$ (1,810)
Specific ownership taxes	14,763	14,056	(707)
Interest and other income	50	1	(49)
Fees	<u>45,000</u>	<u>91,444</u>	<u>46,444</u>
Total Revenues	<u>243,532</u>	<u>287,410</u>	<u>43,878</u>
EXPENDITURES			
Accounting and audit	12,000	19,894	(7,894)
Insurance	4,000	4,109	(109)
Lgeal	50,000	41,858	8,142
Management fees	50,000	53,156	(3,156)
Miscellaneous expenses	5,000	5,358	(358)
Snow removal	11,000	7,275	3,725
Signage	500	2,196	(1,696)
Landscape costs	21,500	11,562	9,938
Water and sewer	32,500	50,828	(18,328)
Trash removal	7,200	18,312	(11,112)
Perimeter Walls/fence/railings/retaining walls	2,500	-	2,500
Detention Pond Maintenance	2,500	-	2,500
Utilities	5,500	6,563	(1,063)
Treasurer's fees	2,756	2,729	27
Reserve	40,000	-	40,000
Contingency	19,744	-	19,744
Emergency reserve	<u>7,409</u>	<u>-</u>	<u>7,409</u>
Total Expenditures	<u>274,109</u>	<u>223,840</u>	<u>50,269</u>
NET CHANGE IN FUND BALANCE	(30,577)	63,570	94,147
FUND BALANCE:			
BEGINNING OF YEAR	<u>30,577</u>	<u>74,846</u>	<u>44,269</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 138,416</u>	<u>\$ 138,416</u>

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

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

Note 1: Summary of Significant Accounting Policies

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

Definition of Reporting Entity

The District was organized on November 28, 2017, as a quasi-municipal corporation established under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by the City of Lakewood (the “City”) on September 25, 2017 (the “Service Plan”). The District was established to provide for the design, acquisition, construction, installation, and financing of certain water, sanitation, street, safety protection, park and recreation, transportation and mosquito control improvements and services and provide covenant enforcement within the District. The District is responsible for operating and maintaining park and recreation improvements and is also required to undertake the operations and maintenance responsibilities for the public improvements that are not conveyed to the City or other governmental entities. The District is governed by an elected Board of Directors.

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

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

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

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Basis of Presentation

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

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

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

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

The District reports the following major governmental funds:

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

Budgetary Accounting

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

Assets, Liabilities and Net Position Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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

Estimates

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

Deferred Outflows/Inflows of Resources

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

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

Capital Assets

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

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Long-Term Obligations

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

Fund Equity

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

Nonspendable Fund Balance

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

The Nonspendable Fund Balance in the General Fund relates to prepaid expenses.

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$12,338 of the General Fund balance has been reserved in compliance with this requirement.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

The restricted fund balance in the Debt Service Fund in the amount of \$696,641 is restricted for the payment of the debt service costs associated with the Series 2020A Bonds (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$346,414 is restricted for the payment of the costs for capital improvements within the District.

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Net Position

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

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

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

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

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

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 2: Cash and Investments

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

Statement of Net Position:

Cash and investments	\$ 140,877
Cash and investments - restricted	<u>1,054,532</u>
Total	\$ <u>1,195,409</u>

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

Deposits with financial institutions	\$ 271,475
COLOTRUST	<u>923,934</u>
Total	\$ <u>1,195,409</u>

Deposits

Custodial Credit Risk

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

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

Investments

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

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

Credit Risk

The District has not adopted a formal investment policy; however the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. Colotrust operates similarly to a money market fund with each share maintaining a value of \$1.00. Colotrust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to Colotrust. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2021, the District had \$923,924 invested in COLOTRUST.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 3,870,065	\$ -	\$ -	\$ 3,870,065
Total capital assets not being depreciated	3,870,065	-	-	3,870,065
Government type assets, net	\$ 3,870,065	\$ -	\$ -	\$ 3,870,065

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2021, is as follows:

\$3,220,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A and \$736,000 Subordinate General Obligation Limited Tax Bonds, Series 2020B

On April 16, 2020, the District issued \$3,220,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A (“Series 2020A Bonds”) and \$736,000 Subordinate General Obligation Limited Tax Bonds, Series 2020B (“Series 2020B Bonds”) for the purpose of paying or reimbursing Project Costs, paying the cost of issuance of the Bonds, and, with respect to the Series 2020A Bonds only, funding the Senior Reserve Fund and funding a portion of interest to accrue on the Series 2020A Bonds. The Series 2020A Bonds bear interest at the rate of 5.50%, payable semiannually on each June 1 and December 1, commencing on June 1, 2020. The Series 2020B Bonds bear interest at the rate of 8.0%, payable annually on December 15, commencing on December 15, 2020, to the extent that Subordinate Pledged Revenue is available. The Series 2020A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2023 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2026, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%. The Series 2020B Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on June 1, 2025, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

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INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

The Series 2020A Bonds are secured by the Senior Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, and any other legally available moneys as determined by the District. The Series 2020A Bonds are also secured by the Senior Reserve Fund. The Series 2020B Bonds are secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture and any other legally available moneys as determined by the District.

The following is an analysis of changes in long-term debt for the period ending December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Current Portion
General Obligation Bonds					
Series 2020A Bonds	\$3,220,000	\$ -	\$ -	\$ 3,220,000	\$ -
Series 2020B Bonds	736,000	-	-	736,000	-
Direct Borrowing					
Developer advance	1,180,932	-	-	1,180,932	-
Developer advance interest	65,750	94,484	-	160,234	-
Total	<u>\$5,202,682</u>	<u>\$ 94,484</u>	<u>\$ -</u>	<u>\$ 5,297,166</u>	<u>\$ -</u>

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2020A Bonds.

	Principal	Interest	Total
2022	\$ -	\$ 177,100	\$ 177,100
2023	15,000	177,100	192,100
2024	30,000	176,275	206,275
2025	30,000	174,625	204,625
2026	35,000	172,975	207,975
2027-2031	240,000	831,050	1,071,050
2032-2036	380,000	750,750	1,130,750
2037-2041	560,000	627,825	1,187,825
2042-2046	805,000	448,250	1,253,250
2047-2050	1,125,000	180,125	1,305,125
	<u>\$ 3,220,000</u>	<u>\$ 3,716,075</u>	<u>\$ 6,936,075</u>

Because of the uncertainty of the timing of the principal and interest payment on the Series 2020B Bonds, no schedule of principal and interest payments is presented.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

Debt Authorization

On November 7, 2017, a majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$35,000,000. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$5,000,000. As of December 31, 2021, the District had \$1,044,000 remaining authority under the Service Plan.

Note 5: Other Agreements

Facilities Funding and Acquisition Agreement

The District and Century at Oak Street, LLC ("Developer") entered into a Facilities Funding and Acquisition Agreement dated December 14, 2017 with an effective date of November 28, 2017, (the "FFAA"). Pursuant to the FFAA, the Developer agrees to make advances, not to exceed \$5,000,000 to the District for the purpose of funding organization expenses, construction of public improvements and the acquisition of public improvements constructed by the Developer. The District agrees to repay these advances, together with accrued interest at a rate of 8% per annum. The FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through a future bond issuance. The FFAA further provides that if the District has not repaid or reimbursed the Developer for any organizational expenses, construction related expenses and/or verified costs by December 31, 2048, any amount or principal and accrued interest outstanding under the FFAA on such date will be deemed forever discharged and satisfied in full. At December 31, 2021, principal and interest due under this agreement was \$1,180,932 and \$160,234 respectively.

Facilities Funding and Acquisition Agreement

The District and Century at Pearson Grove, LLC ("Pearson Grove Developer") entered into a Facilities Funding and Acquisition Agreement dated March 30, 2020 with an effective date of November 28, 2017 (the "Pearson Grove FFAA"). Pursuant to the Pearson Grove FFAA, the Pearson Grove Developer agrees to make advances, not to exceed \$5,000,000 to the District for the purpose of funding organization expenses, construction of public improvements, and the acquisition of public improvements constructed by the Pearson Grove Developer. The District agrees to repay these advances, together with accrued interest at a rate of 8% per annum. The Pearson Grove FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through a future bond issuance. The Pearson Grove FFAA further provides that if the District has not repaid or reimbursed the Pearson Grove Developer for any organizational expenses, construction related expenses, and/or verified costs by December 31, 2048, any amount or principal and accrued interest outstanding under the Pearson Grove FFAA on such date will be deemed forever discharged and satisfied in full. At December 31, 2021, no amount was due under this agreement

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

Note 6: Tax, Spending and Debt Limitations

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

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

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

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

On November 7, 2017, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

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

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

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

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

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

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

- 1) Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method in the statement of activities; and,
- 3) governmental funds report developer advances and/or bond proceeds as revenue and report interest as expenditures; however, these are reported as changes to long-term liabilities on the government-wide financial statements.

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SUPPLEMENTAL INFORMATION

DRAFT 3-5-2022

Indy Oak TOD Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2021

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 180,645	\$ 178,866	\$ (1,779)
Specific ownership taxes	14,452	13,821	(631)
Interest and other income	-	169	169
Total Revenues	<u>195,097</u>	<u>192,856</u>	<u>(2,241)</u>
EXPENDITURES			
Bond interest expense	245,000	177,100	67,900
Treasurer's fees	<u>2,710</u>	<u>2,683</u>	<u>27</u>
Total Expenditures	<u>247,710</u>	<u>179,783</u>	<u>67,927</u>
NET CHANGE IN FUND BALANCE	(52,613)	13,073	65,686
FUND BALANCE:			
BEGINNING OF YEAR	<u>675,542</u>	<u>690,568</u>	<u>15,026</u>
END OF YEAR	<u>\$ 622,929</u>	<u>\$ 703,641</u>	<u>\$ 80,712</u>

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

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Indy Oak TOD Metropolitan District

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

For the Year Ended December 31, 2021

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Interest and other income	\$ -	\$ 184	\$ 184
Total Revenues	-	184	184
EXPENDITURES			
Capital improvements	-	-	-
Total Expenditures	-	-	-
NET CHANGE IN FUND BALANCE	-	184	184
FUND BALANCE:			
BEGINNING OF YEAR	<u>349,302</u>	<u>346,230</u>	<u>(3,072)</u>
END OF YEAR	<u>\$ 349,302</u>	<u>\$ 346,414</u>	<u>\$ (2,888)</u>

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

Indy Oak TOD Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED December 31, 2021

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2018	\$ 352,299	106.000	0.000	\$ 37,344	\$ 14,094	37.74%
2019	\$ 754,730	56.000	55.277	\$ 83,984	\$ 83,984	100.00%
2020	\$ 2,369,065	56.611	55.664	\$ 265,987	\$ 265,987	100.00%
2021	\$ 3,245,283	56.611	55.664	\$ 364,364	\$ 360,775	99.01%
Estimated for year ending December 31, 2022	\$ 3,454,618	56.611	55.664	\$ 387,867		

NOTE

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

LIMITED AMENDMENT TO THE COVENANTS AND RESTRICTIONS
OF
OAK STREET TOWNHOMES

THIS LIMITED AMENDMENT TO THE COVENANTS AND RESTRICTIONS OF OAK STREET TOWNHOMES (“Amendment”) is made as of the date of recording.

RECITALS

- A. The Covenants and Restrictions of Oak Street Townhomes was recorded on August 10, 2018 at Reception No. 2018073655 in the office of the Clerk and Recorder of Jefferson County, Colorado (“Covenants”).
- B. Pursuant to Article 5, Section 5.6.1, the Covenants may be amended, supplemented, and/or terminated by the affirmative vote or agreement of the Owners of sixty-seven percent (67%) of the Units.
- C. Pursuant to Article 5, Section 5.6.2, no amendment, supplement, or termination of the Covenants is effective without the prior written approval of Century at Oak Street, LLC, the Developer.
- D. Owners desire to revise certain provisions of the Covenants to better reflect the community as-built and the Owners’ actual practices.
- E. Owners representing at least sixty-seven percent of the Units have approved the following amendment, and the Developer provides its written approval of the following Amendment by the Consent recorded therewith.
- F. This amendment has been prepared and determined by the District and by the Owners to be reasonable and not burdensome.

Now therefore, the Owners of Units in Oak Street Townhomes hereby approve the following amendments to the Covenants:

- 1. Article 3, Section 3.11 of the Covenants is deleted in its entirety and replaced with the following:

Section 3.11. *Restrictions on Trash and Materials.* No refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind shall be kept, stored, or allowed to accumulate on a Unit, except inside a residence, nor shall such items be deposited on a street, unless placed in a suitable, tightly-covered container that is suitably located solely for the purpose of trash or recycling pickup. Further, no trash or materials shall be permitted to accumulate in such a manner as to be visible from any Unit. All equipment for the storage or disposal of such materials shall be kept in a clean

and sanitary condition. No garbage or trash cans or receptacles shall be maintained in a manner contrary to the District's Rules and Regulations. Finally, trash removal services may be subscribed to by the Metropolitan District on behalf of the residents of the Property and, if so, the governing board of the Metropolitan District may determine the scope, frequency, and all other matters, with regard to such trash removal services; and the Owners shall pay their proportionate share of such trash removal services, as determined by the governing board of the Metropolitan District.

2. No Other Amendments. Except as amended herein, the Covenants shall remain in full force and effect.

The undersigned, being the President and Secretary of Indy Oak TOD Metropolitan District certify that Owners of at least sixty-seven percent (67%) of the Units in Oak Street Townhomes approved the foregoing Limited Amendment to the Covenants, and appended to this Amendment is evidence of such approval.

Dated the ____ day of _____, 20__.

INDY OAK TOD METROPOLITAN DISTRICT

By: _____
President

Attest:

Secretary or Assistant Secretary

From: Jesse Zinger <jesse.zinger@gmail.com>

Sent: Thursday, April 21, 2022 2:47 PM

To: Peggy Ripko <pripko@sdmsi.com>

Subject: Oak Circle Parking issues.

Good afternoon Peggy,

Hope you are doing well.

I live at 1128 Oak Circle, and while parking has always been an issue with this development, lately it has become apparent some residents are abusing local ordinances to an extreme. Namely, there are four or five vehicles which are regularly parked in the disabled spots near the mailboxes because it is convenient and has never been enforced. These cars do not have proper tags on the rear view mirrors or license plates. This is also occurring at the designated disabled space near the park, again out of convenience.

There is also an issue with guests parking wherever they want, including but not limited to the sidewalk areas. Some of these vehicles are now regular overnight guests, which during the winter prohibited snow removal and has blocked emergency vehicle access in the past.

I have attached pictures of these violations not to be intrusive, but because after living here for two years someone needs to start holding home owners accountable.

I look forward to hearing from you.

Thanks.

Jesse Zinger

APPENDIX A: Architectural Review Request Form

ARCHITECTURAL REVIEW REQUEST FORM

Oak Street Townhomes
141 Union Blvd., Suite 150
Lakewood, CO 80228
303-987-0835

FOR OFFICE USE ONLY

Date Received _____

Crucial Date _____

HOMEOWNER'S NAME(S): LISA REYNOLDS
ADDRESS: 1158 OAK CIRCLE LAKEWOOD CO 80215
EMAIL ADDRESS: kauflec@gmail.com
PHONE(S): 608-669-1669

My request involves the following type of improvement(s):

- Landscaping Deck/Patio Slab Roofing Painting
 Other:

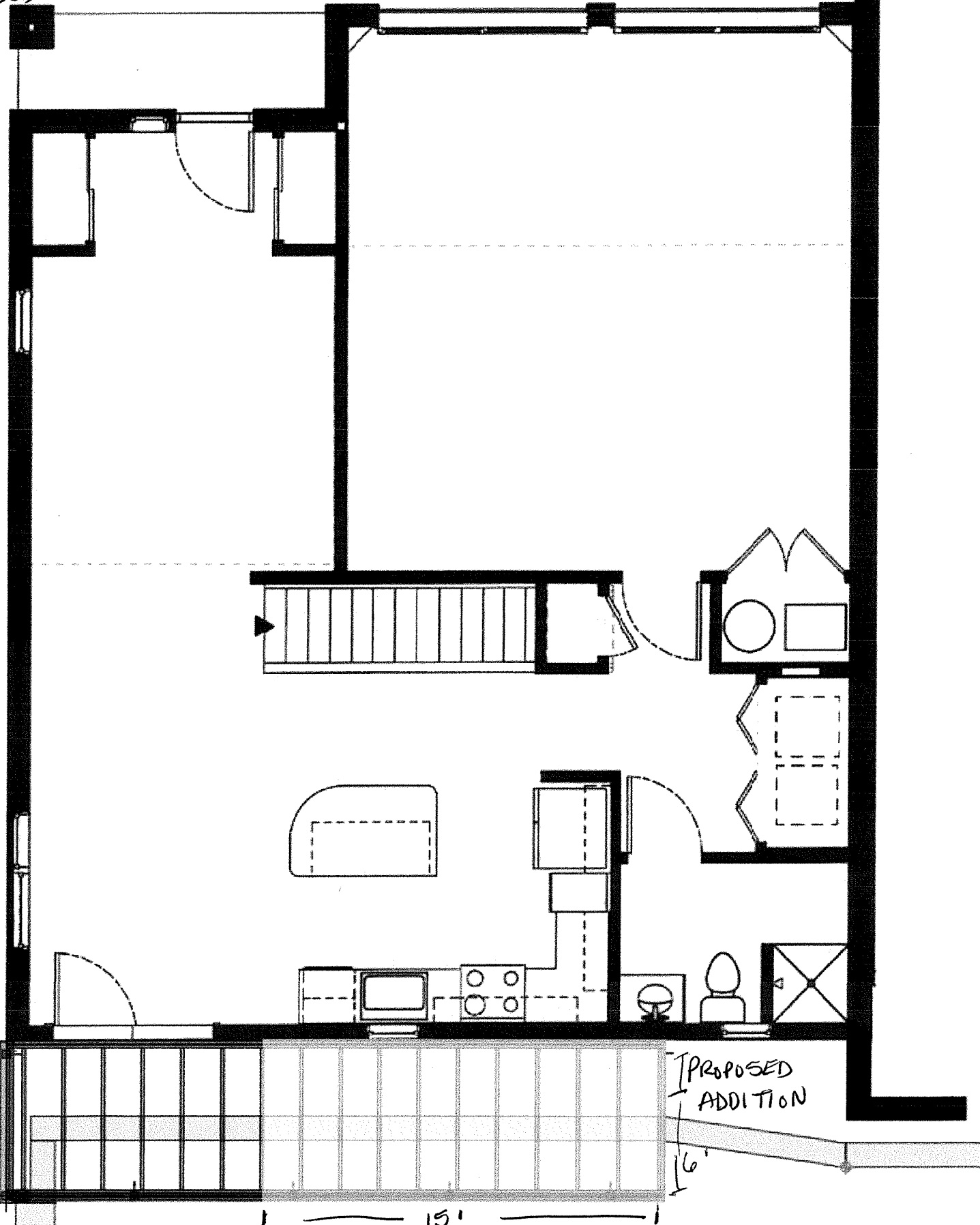
Include two copies of your plot plans, and describe improvements showing in detail what you intend to accomplish (see Article 2 of the Design Guidelines and Rules and Regulations of Oak Street Townhomes. Be sure to show existing conditions as well as your proposed improvements and any applicable required screening. Example: if you will be building a storage shed, be sure to indicate lot size, fence locations, dimensions, materials, any landscape or other screenings, etc. (see the Guidelines for requirement details for your specific proposed Improvement).

I understand that I must receive approval from the ARC in order to proceed with installation of Improvements if Improvements vary from the Guidelines and Regulations or, are not specifically exempt. I understand that I may not alter the drainage on my lot. I understand that the ARC is not responsible for the safety of Improvements, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations, and that I may be required to obtain a building permit to complete the proposed Improvements. The ARC and the members thereof, as well as the District, the Board of Directors, or any representative of the ARC, shall not be liable for any loss, damage or injury arising out of or in any way connected with the performance of the ARC for any action, failure to act, approval, disapproval, or failure to approve or disapprove submittals, if such action was in good faith or without malice. All work authorized by the ARC shall be completed within the time limits established specified below, but if not specified, not later than one year after the approval was granted. I further understand that following the completion of my approved Improvement the ARC reserves to right to inspect the Improvement at any time in order to determine whether the proposed Improvement has been completed and/or has been completed in compliance with this Architectural Review Request.

Date: 5/6/2021 Homeowner's Signature: Lisa Reynolds

LDP
EYNOLDS

1158 OAK CIRCLE LAKEWOOD CO 80215

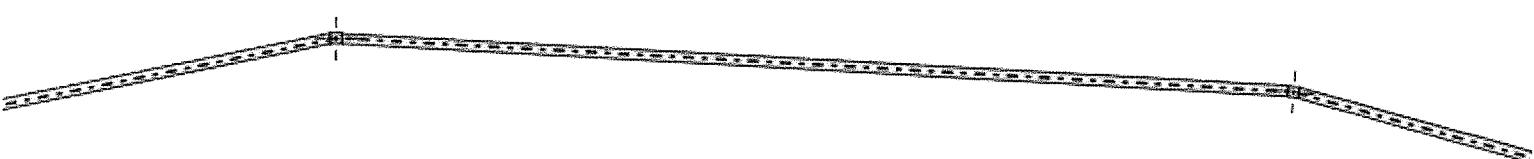


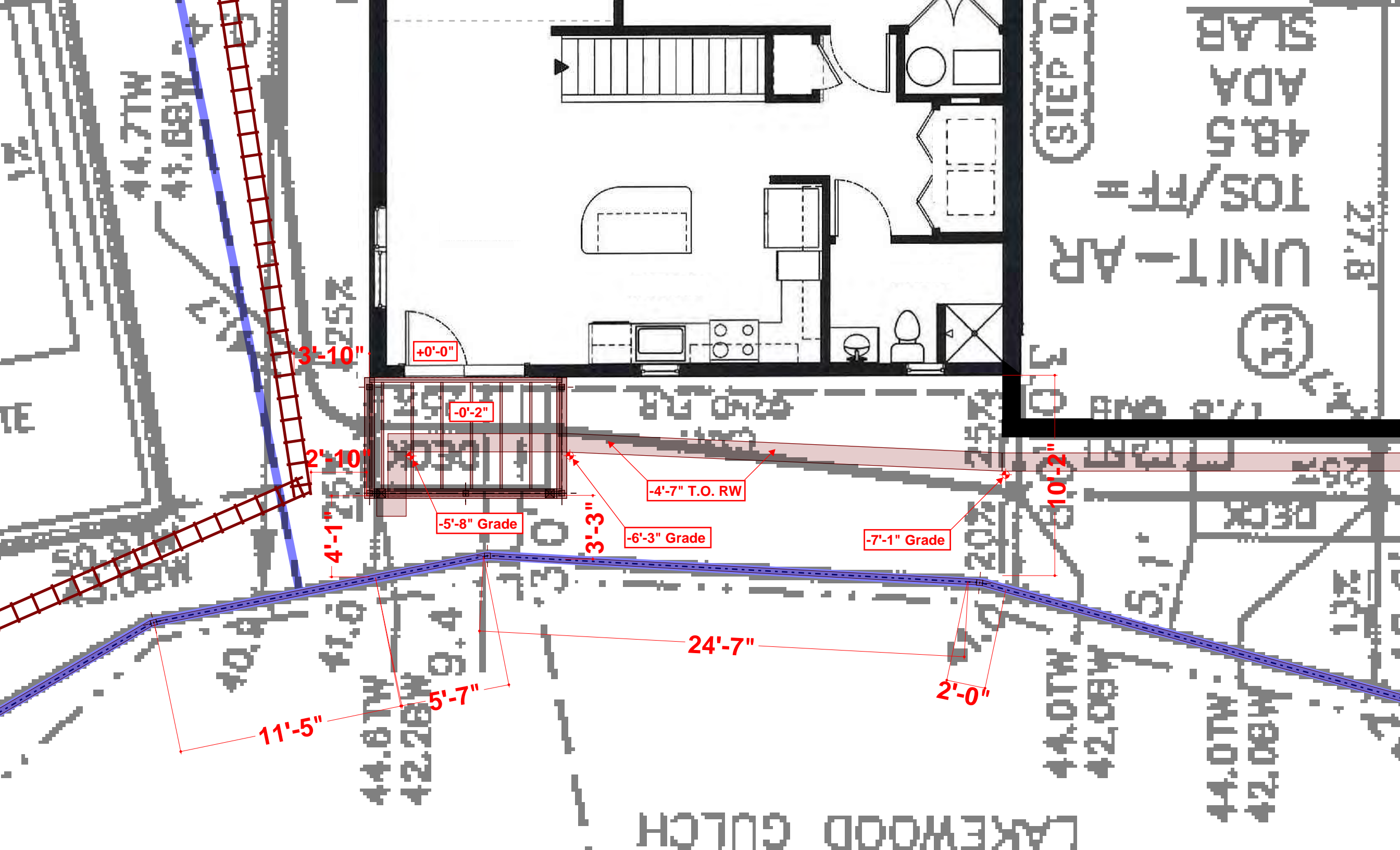
FRONT
YARD

PROPOSED
ADDITION

6'

15'





STEP 0.	SLAB
ADA	48.5
105/FF#	UNIT-AR
27.8	

+0'-0"

-0'-2"

-5'-8" Grade

-6'-3" Grade

-7'-1" Grade

-4'-7" T.O. RW

24'-7"

10'-2"

11'-5"

5'-7"

2'-0"

3'-10"

2'-10"

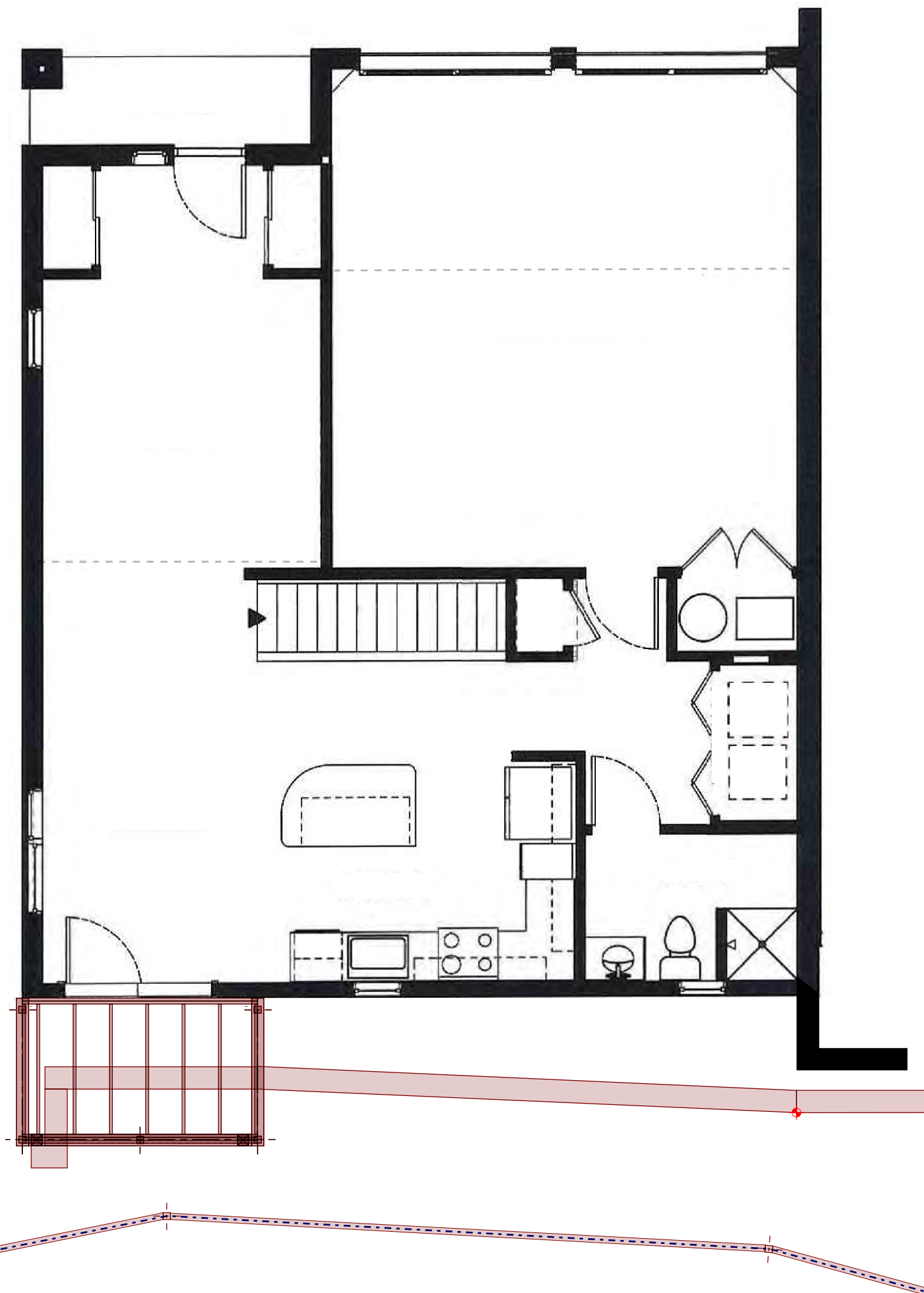
4'-1"

3'-3"

44.27W
47.88W

UNIT-AR
105/FF#
48.5
ADA
SLAB

LAKEWOOD GULCH



ARC Action:

- Approved as submitted
- Approved subject to the following requirements:

Disapproved for the following reasons: per Section 3.16
Existing decks cannot be extended. Changing existing
All work to be completed no later than: railings and/or balustrade require approval.

DRC/ARC Signature: [Signature] Date: 5/11/2021

SUBMITTAL FEES- \$50

Refund of \$50
sent ch 5/11/2021

From: Jeremy Sandoval <jsandoval@sdmsi.com>
Sent: Tuesday, May 11, 2021 1:57 PM
To: Peggy Ripko <pripko@sdmsi.com>
Subject: FW: landscape request

We received a little push-back from the Indy Oak homeowner regarding the disapproved expansion deck.

What I mentioned was when the Board president wanted to expand their deck, she made the adjustment going from concrete to pavers. So, instead of it being architecture it fell into landscaping. Not really an "exception" (which is what you'll read), but an adjustment.

Anyway, I'll respond by suggesting she brings this up at the next Board meeting which is very soon, May 17th. Would it be too late to add this to the agenda? Otherwise, it looks like the next meeting is in August??

Thanks,

Jeremy Sandoval
Community Manager
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, CO. 80228-1898
jsandoval@sdmsi.com
Phone: 303-987-0835, Ext. 208

From: Lisa Reynolds <kaufllc@gmail.com>
Sent: Tuesday, May 11, 2021 1:26 PM
To: Jeremy Sandoval <jsandoval@sdmsi.com>
Subject: Re: landscape request

Hi Jeremy,

You did say there were some exceptions. What are those exceptions? I own the exterior of my townhouse and pay more for insurance because of this. I don't understand if I own the exterior and the deck isn't extending any further towards the creek why this is an issue?

Also we were told repeatedly by Century that we would be allowed to extend our deck after closing. Now it seems like a "bait and switch" situation that the story has changed. I also thought we would have some type of yard and found out that wasn't the case either. All I'm asking for is a bit larger deck. This isn't affecting anyone and no one will even see it.

This would only increase the property value which is a win win for everyone. I bought this unit due to the fact I would be able to have a larger living area. Right now there is no room for a grill, no room for a dining area, and is just tight overall. This is why we live in Colorado to enjoy the outdoors. I really need a larger outdoor space. Please reconsider.

Thank you
Lisa Reynolds

Sent from my iPhone

On May 11, 2021, at 11:45 AM, Jeremy Sandoval <jsandoval@sdmsi.com> wrote:

Good morning Lisa,

After hearing back from the architecture committee I am sorry to say your request for your recent deck extension proposal has been disapproved for the following reason:

3.16 Decks

Existing decks cannot be extended. Changing existing railings and/or balusters require approval.

Regarding the 3 names and emails you provided me, I learned two of the three are no longer with the company and it seems Maggie is the only one. If you would like to further discuss, you may want to reach out to her using the email you provided me.

The \$50 check you mailed will be mailed back to you today.

Thanks,

Jeremy Sandoval
Community Manager
Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, CO. 80228-1898
jsandoval@sdmsi.com
Phone: 303-987-0835, Ext. 208

<doc03903820210511113015.pdf>

Violations Summary
 Indy Oak TOD Metropolitan District
 Period: 1/1/2022 through 4/30/2022

Date: 5/10/2022
 Time: 12:44 pm
 Page: 1

Violation Type / Item	Escalation	Item Count	# Letters	# Violations
Fencing				
Closed				
Fencing: Does Not Conform to Guidelines	Level Courtesy Notice	3		
Total Items / Letters Closed		3	5	
Total Fencing		3	5	3
Holiday Decorations				
Closed				
Holiday Decorations: Installed Early	Level Courtesy Notice	1		
Holiday Decorations: Left Up	Level Courtesy Notice	15		
Holiday Lights: Left Up	Level Courtesy Notice	10		
Holiday Lights: Left Up	Level First Notice	1		
Total Items / Letters Closed		27	36	
Open				
Holiday Decorations: Left Up	Level Courtesy Notice	1		
Holiday Decorations: Left Up	Level First Notice	1		
Holiday Lights: Left Up	Level Courtesy Notice	2		
Holiday Lights: Left Up	Level First Notice	2		
Total Items / Letters Open		6	5	
Total Holiday Decorations		33	41	29
Maintenance				
Closed				
Broken Window	Level Courtesy Notice	8		
House: Siding Needs Repair	Level Courtesy Notice	1		
Total Items / Letters Closed		9	9	
Open				
House: Siding Needs Repair	Level Courtesy Notice	1		
Total Items / Letters Open		1	1	
Total Maintenance		10	10	10
Misc				
Closed				

Violations Summary
 Indy Oak TOD Metropolitan District
 Period: 1/1/2022 through 4/30/2022

Date: 5/10/2022
 Time: 12:44 pm
 Page: 2

Violation Type / Item	Escalation	Item Count	# Letters	# Violations
Misc				
Closed				
Grill: Stored Incorrectly	Level Courtesy Notice	1		
Nuisance	Level Courtesy Notice	1		
Objects Stored at House/On Side	Level Courtesy Notice	1		
Trash/Debris at Residence	Level Courtesy Notice	1		
Unapproved Improvement	Level Courtesy Notice	2		
Total Items / Letters Closed		6	8	
Open				
Nuisance	Level Courtesy Notice	2		
Nuisance	Level First Notice	1		
Unapproved Improvement	Level Courtesy Notice	1		
Total Items / Letters Open		4	4	
Total Misc		10	12	10
Painting				
Closed				
Painting: Garage Door Needs Painting	Level Courtesy Notice	2		
Total Items / Letters Closed		2	2	
Open				
Painting: Garage Door Needs Painting	Level Courtesy Notice	1		
Painting: Garage Door Needs Painting	Level Attorney Notice	1		
Total Items / Letters Open		2	2	
Total Painting		4	4	4
Parking, etc.				
Closed				
Parking Where Not Permitted	Level Courtesy Notice	8		
Parking Where Not Permitted	Level First Notice	1		
Unapproved Dumpster in Driveway	Level First Notice	1		

Violations Summary
 Indy Oak TOD Metropolitan District
 Period: 1/1/2022 through 4/30/2022

Date: 5/10/2022
 Time: 12:44 pm
 Page: 3

Violation Type / Item	Escalation	Item Count	# Letters	# Violations
Parking, etc.				
Total Items / Letters Closed		10	12	
Total Parking, etc.		10	12	9
Signs				
Closed				
Unapproved Signs: In Yard/On House	Level Courtesy Notice	4		
Total Items / Letters Closed		4	4	
Total Signs		4	4	4
Trash Cans				
Closed				
Trash Cans: Out After Collection Time	Level Courtesy Notice	4		
Trash Cans: Visible	Level Courtesy Notice	32		
Total Items / Letters Closed		36	41	
Open				
Trash Cans: Visible	Level Courtesy Notice	2		
Total Items / Letters Open		2	3	
Total Trash Cans		38	44	38
Total for Indy Oak TOD Metropolitan District		112	132	107