

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**Weld County, Colorado**


**FINANCIAL STATEMENTS**  
**December 31, 2022**


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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Blue Lake Metropolitan District No. 2

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, and each major fund of Blue Lake Metropolitan District No. 2, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Blue Lake Metropolitan District No. 2, as of December 31, 2022, the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Lake Metropolitan District No. 2 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Blue Lake Metropolitan District No. 2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter .

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Blue Lake Metropolitan District No. 2's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Lake Metropolitan District No. 2's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Blue Lake Metropolitan District No. 2's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, as presented in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information as listed in the table of contents. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Haynie & Company*

Littleton, Colorado  
September 28, 2023

## **BASIC FINANCIAL STATEMENTS**

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION (DEFICIT)**  
**December 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments - unrestricted	\$ 28,385
Cash and investments - restricted	358,691
Due from county treasurer	1,057
Other receivables	929
Property taxes receivable	241,120
Prepaid expenses	2,770
Capital assets, not being depreciated	25,217
Total assets	<u>658,169</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on bond refunding, net of amortization	244,864
Total deferred outflows of resources	<u>244,864</u>
<b>LIABILITIES</b>	
Accounts payable	8,145
Accrued interest on long-term obligations	11,134
Noncurrent liabilities:	
Due in one year	61,000
Due in more than one year	3,761,000
Total liabilities	<u>3,841,279</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	241,120
Total deferred inflows of resources	<u>241,120</u>
<b>NET POSITION (DEFICIT)</b>	
Restricted for:	
Emergency reserves	1,400
Unrestricted	(3,180,766)
Total net position (deficit)	<u>\$ (3,179,366)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmenta l Activities
Primary government:					
Governmental activities:					
General government	\$ 47,966	\$ -	\$ -	\$ -	\$ (47,966)
Assignment of developer advances and accrued interest to other government	-	-	260,709	-	260,709
Forgiveness of advances from other government	-	-	60,930	-	60,930
Interest and expenses on long-term debt	159,395	-	-	-	(159,395)
	\$ 207,361	\$ -	\$ 321,639	\$ -	114,278
General revenues:					
Property taxes					251,000
Specific ownership taxes					14,855
Conservation trust fund					4,054
Interest					5,461
Total general revenues					275,370
Change in net position					389,648
Net position (deficit) - beginning					(3,569,014)
Net position (deficit) - ending					\$ (3,179,366)

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2022**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments - unrestricted	\$ 28,385	\$ -	\$ -	\$ 28,385
Cash and investments - restricted	-	63,241	295,450	358,691
Due from county treasurer	96	961	-	1,057
Other receivables	-	-	929	929
Property taxes receivable	21,809	219,311	-	241,120
Prepaid expenditures	2,770	-	-	2,770
Total assets	\$ 53,060	\$ 283,513	\$ 296,379	\$ 632,952
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 8,145	\$ -	\$ -	\$ 8,145
Total liabilities	8,145	-	-	8,145
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	21,809	219,311	-	241,120
Total deferred inflows of resources	21,809	219,311	-	241,120
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenditures	2,770	-	-	2,770
Restricted:				
Emergency reserves	1,400	-	-	1,400
Debt service	-	64,202	-	64,202
Capital projects	-	-	296,379	296,379
Unassigned	18,936	-	-	18,936
Total fund balances	23,106	64,202	296,379	383,687
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
	\$ 53,060	\$ 283,513	\$ 296,379	\$ 632,952
Governmental fund balance				\$ 383,687
Amounts reported for governmental activities in the statement of net position (deficit) are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				25,217
Deferred outflows of resources are not reported in the funds				
Bond refunding loss, net of amortization				244,864
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds				
Long-term obligations				(3,822,000)
Accrued interest on long-term obligations				(11,134)
Net position (deficit) of governmental activities				\$ (3,179,366)

These financial statements should be read only in connection with  
the accompanying notes to financial statements.



**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>				
Property taxes	\$ 22,891	\$ 228,109	\$ -	\$ 251,000
Specific ownership taxes	1,355	13,500	-	14,855
Conservation trust fund	-	-	4,054	4,054
Interest	1,950	596	2,915	5,461
Total revenues	<u>26,196</u>	<u>242,205</u>	<u>6,969</u>	<u>275,370</u>
<b>EXPENDITURES</b>				
General				
Audit	11,983	-	-	11,983
Consulting	1,022	-	25,217	26,239
County treasurer fees	343	3,422	-	3,765
District management and accounting	19,793	-	-	19,793
Dues and subscriptions	609	-	-	609
Elections	100	-	-	100
Insurance and bonds	2,580	-	-	2,580
Legal	8,114	-	-	8,114
Debt service				
2021 Loans - principal	-	63,000	-	63,000
2021 Loans - interest	-	135,815	-	135,815
Paying agent fees	-	2,225	-	2,225
Total expenditures	<u>44,544</u>	<u>204,462</u>	<u>25,217</u>	<u>274,223</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(18,348)</u>	<u>37,743</u>	<u>(18,248)</u>	<u>1,147</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer advances	33,200	-	-	33,200
Forgiveness of debt	60,930	-	-	60,930
Transfer to (from) other funds	(3,260)	3,260	-	-
Total other financing sources (uses)	<u>90,870</u>	<u>3,260</u>	<u>-</u>	<u>94,130</u>
<b>NET CHANGE IN FUND BALANCE</b>	72,522	41,003	(18,248)	95,277
<b>FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR</b>	<u>(49,416)</u>	<u>23,199</u>	<u>314,627</u>	<u>288,410</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 23,106</u>	<u>\$ 64,202</u>	<u>\$ 296,379</u>	<u>\$ 383,687</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2022**

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

Net change in fund balances - Total governmental funds	\$	95,277
The assignment of developer advances and the accrued interest thereon does not provide the financial resources and, therefore, is not reported as revenue in the governmental funds:		260,709
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:		
Developer advances		(33,200)
Principal payments on bonds and notes		63,000
		29,800
Governmental funds report capital outlays as expenditures. In the Statement of Activities capital outlay is not reported as an expenditure. This amount represents net capital outlay for the current period:		
Capital outlay		25,217
Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:		
Debt refunding deferred loss amortization		(9,345)
Net change in accrued interest on long-term liabilities		(12,010)
		(21,355)
Change in net position of governmental activities	\$	389,648

These financial statements should be read only in connection with the accompanying notes to financial statements.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2022**

	<u>Budget</u> <u>Amounts</u> <u>Original-Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 22,703	\$ 22,891	\$ 188
Specific ownership taxes	1,360	1,355	(5)
Interest	120	1,950	1,830
Total revenues	<u>24,183</u>	<u>26,196</u>	<u>2,013</u>
<b>EXPENDITURES</b>			
<u>General</u>			
Audit	12,000	11,983	17
Consulting	15,000	1,022	13,978
County treasurer fees	341	343	(2)
District management and accounting	15,600	19,793	(4,193)
Dues and subscriptions	500	609	(109)
Elections	5,000	100	4,900
Insurance and bonds	3,000	2,580	420
Legal	5,000	8,114	(3,114)
Miscellaneous	300	-	300
Emergency reserve	700	-	700
Total expenditures	<u>57,441</u>	<u>44,544</u>	<u>12,897</u>
<b>EXCESS OF EXPENDITURES OVER</b>			
<b>REVENUES</b>	<u>(33,258)</u>	<u>(18,348)</u>	<u>14,910</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer advances	50,000	33,200	(16,800)
Forgiveness of debt	-	60,930	60,930
Transfer to debt service fund	-	(3,260)	(3,260)
Total other financing sources (uses)	<u>50,000</u>	<u>90,870</u>	<u>40,870</u>
<b>NET CHANGE IN FUND BALANCE</b>	16,742	72,522	55,780
<b>FUND BALANCE (DEFICIT) -</b>			
<b>BEGINNING OF YEAR</b>	<u>8,333</u>	<u>(49,416)</u>	<u>(57,749)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 25,075</u>	<u>\$ 23,106</u>	<u>\$ (1,969)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

Blue Lake Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on May 17, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Weld County, Colorado, entirely within the Town of Lochbuie (Town).

The District was formed in conjunction with two other metropolitan districts, Blue Lake Metropolitan District No. 1 (District 1) and Blue Lake Metropolitan District No. 3 (District 3). The purpose of the District is to finance, construct and install public improvements, including streets and traffic signals, and water, sewer, storm drainage and park, open space and recreation facilities for the Blue Lake Development. Public improvements and facilities constructed or acquired by the District may be owned and maintained by one or more of the Districts, or may be dedicated for ownership and maintenance to the Town of Lochbuie, Colorado, or to other non-profit or governmental entities for the use and benefit of the Blue Lake Development residents and taxpayers.

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-wide and Fund Financial Statements**

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

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

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

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest and related expenses on long-term general obligation debt.

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

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

**Budgets**

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

**Pooled Cash and Investments**

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

**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 due in April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

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

**Capital Assets**

Capital assets, which include property, plant and equipment and infrastructure assets (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 estimated fair value at the date of donation.

**Deferred Loss on Refunding**

In the government-wide financial statements, deferred loss on refunding is being amortized over the term of the 2021 loans using the straight-line method. At December 31, 2022, the accumulated amortization of the deferred loss on refunding was \$13,888.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports 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 and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred loss on bond refunding is deferred and recognized as an outflow of resources in the period that the amount becomes available.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Fund Balances – Governmental Funds**

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint.

Assigned fund balance – 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 District board of directors delegates the authority.

Unassigned fund balance – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District’s board of directors has provided otherwise in its commitment or assignment actions.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022 are classified in the accompanying statement of net position as follows:

Cash and investments - unrestricted	\$ 28,385
Cash and investments - restricted	358,691
	<u>\$ 387,076</u>

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

Deposits with financial institutions	\$ 356,416
Investments	30,660
Total cash and investments	<u>\$ 387,076</u>



**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

**Cash Deposits**

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

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank and carrying balance of \$356,416.

**Investments**

**Credit Risk**

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

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

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

The local government investment pool, which includes Colorado Local Government Liquid Asset Trust (Colotrust) is rated AAAM by S&P Global Ratings.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

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

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

<b>Investment</b>	<b>Maturity</b>	<b>Carrying Value</b>
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted average under 60 days	<u>\$ 30,660</u>

**Colotrust**

During 2022, the District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. The District invested in COLOTTRUST PLUS+ (PLUS+), one of the three portfolios offered by Colotrust. PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. PLUS+ may invest in U.S. Treasury securities, federal instrumentality and agency securities, repurchase agreements and tri-party repurchase agreements, collateralized bank deposits, government money market funds, corporate bonds and highest rated commercial paper. A designated custodial bank serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. As of December 31, 2022, the District had \$30,660 invested in PLUS+ in the name of the District.

Cash and investments of \$63,241 are restricted in the Debt Service Fund for servicing the District's bond debt (Note 5). Cash and investments of \$295,450 are restricted in the Capital Projects Fund for capital improvements.

**Investment Valuation**

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: 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.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in Colotrust at year end for which the investment valuations were determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of Colotrust to maintain a NAV of \$1.00 per share for investments in PLUS+, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share.

**NOTE 4 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Balance at December 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2022</u>
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 25,217	\$ -	\$ 25,217
Total capital assets, not being depreciated	<u>\$ -</u>	<u>\$ 25,217</u>	<u>\$ -</u>	<u>\$ 25,217</u>

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 5 - LONG-TERM OBLIGATIONS**

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

	<u>Balance at December 31, 2021</u>	<u>Additions</u>	<u>Retirements/ Refunding</u>	<u>Balance at December 31, 2022</u>	<u>Due Within One Year</u>
<b>Bonds and loans payable:</b>					
Limited Tax Refunding Loan, Series 2021A	\$ 2,715,000	\$ -	\$ 44,000	\$ 2,671,000	\$ 43,000
Limited Tax Refunding and Improvement Loan, Series 2021B	1,170,000	-	19,000	1,151,000	18,000
	<u>3,885,000</u>	<u>-</u>	<u>63,000</u>	<u>3,822,000</u>	<u>61,000</u>
<b>Other obligations:</b>					
Developer advances	178,951	33,200	212,151	-	-
	<u>\$ 4,063,951</u>	<u>\$ 33,200</u>	<u>\$ 275,151</u>	<u>\$ 3,822,000</u>	<u>\$ 61,000</u>

**Direct Borrowing Debt:**

**Limited Tax (Convertible to Unlimited Tax) Refunding Loan, Series 2021A and Limited Tax (Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2021B**

On May 12, 2021, the District issued a \$2,793,000 Limited Tax (Convertible to Unlimited Tax) Refunding Loan, Series 2021A (2021A Loan) and Limited Tax (Convertible to Unlimited Tax) Refunding and Improvement Loan, Series 2021B (2021B Loan) (collectively the 2021 Loans). Interest on the 2021A Loan is payable semiannually on June 1 and December 1, commencing December 1, 2021 at an annual interest rate of 4.310% until the tax conversion date of September 17, 2021, then 3.448% thereafter. Interest on the 2021B Loan is payable semiannually on June 1 and December 1, commencing December 1, 2021 at a rate of 3.448% per annum. The interest rate for the 2021 Loans is subject to reset on December 1, 2041 and each five year anniversary of such date until the 2021 Loans are paid in full. Principal payments for the 2021 Loans are due annually on December 1.

The 2021 Loans mature on December 1, 2050 and are secured by and payable from pledged revenue applied on a parity basis which consists of the moneys derived by the District from the following sources: (i) property tax revenues; (ii) specific ownership tax revenues, and (iii) any other legally available monies which the board determines to apply as pledged revenue. The required mill levy which may be pledged to the payment of the 2021 Loans is defined, generally, as an ad valorem mill levy imposed on all taxable property of the District each year in an amount, when combined with monies then held in the loan payment funds, is sufficient to pay the annual debt requirements, but not in excess of 50 mills (as adjusted by any allowable change in calculation). The required mill levy is to be reduced if the tax revenue in any year is in excess of the maximum tax increase permitted by the District's electoral authorization. Proceeds of the 2021A Loan were used to: (i) refund the Series 2016A Bonds and Series 2016B Bonds; and (ii)

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

pay the costs of issuing the 2021A Loan. Proceeds of the 2021B Loan were used to: (i) refund the Series 2016C Note, (ii) reimburse a portion of developer advances and accrued interest, (iii) provide funds for additional projects and (iv) pay the costs of issuance of the 2021B Loan.

Events of default under the 2021 Loans include: (i) failure to pay principal and interest when due, (ii) failure to impose the required mill levy or apply the pledged revenue as required; (iii) default in the performance of any covenants, agreements, or conditions; or (iv) filing a petition under the federal bankruptcy laws or commence any action seeking to adjust the debt obligation represented by the 2021 Loans. Immediately upon the occurrence and continuance of an event of default, rights or remedies include (i) apply a default interest rate equal to the lesser of: (i) the Wall Street Journal prime rate in effect as of the date of any event of default, plus 4.0%; or (ii) 18.0%, (ii) the right to file a suit for judgment, action or special proceedings as advised by counsel and (iii) take any other allowable action or remedy.

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

	<b>Limited Tax (Convertible to Unlimited Tax)</b>		
	<b>Refunding and Improvement Loans</b>		
	<b>Series 2021A and 2021B</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 61,000	\$ 133,613	\$ 194,613
2024	67,000	131,841	198,841
2025	69,000	129,138	198,138
2026	76,000	126,726	202,726
2027	78,000	124,069	202,069
2028-2032	472,000	576,228	1,048,228
2033-2037	614,000	483,736	1,097,736
2038-2042	772,000	364,471	1,136,471
2043-2047	922,000	221,289	1,143,289
2048-2050	691,000	49,218	740,218
	<u>\$ 3,822,000</u>	<u>\$ 2,340,329</u>	<u>\$ 6,162,329</u>

**Developer Advances**

**Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3.**

The District and District 1 and 3 entered into an Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3 (Debt Allocation IGA), dated April 2, 2015 for the purpose of setting forth the debt allocations of the District

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

and District 1 and 3. The Debt Allocation IGA allocates \$3,700,000 of the debt limitation to District 3 and the remaining \$20,300,000 to the District and District 1. The Debt Allocation IGA further provides that the District and District 1 may further allocate the \$20,300,000 allocation between and amongst themselves in any manner that the respective boards of the Districts may agree upon, all in conformance with applicable law.

**Advance and Reimbursement Agreements by and Between Blue Lake Metropolitan Districts No. 1, 2 and 3 and Lochbuie Land I, L.L.C.**

The District, District 1 and District 3 each entered into Advance and Reimbursement Agreements with Lochbuie Land I, L.L.C. (Lochbuie Land I) on June 29, 2004 (Advance and Reimbursement Agreements) to establish the terms and conditions pursuant to which Lochbuie Land I would make advances to the Districts and the Districts would reimburse Lochbuie Land I for the advances. Under the Advance and Reimbursement Agreements, the Districts are required to reimburse Lochbuie Land I for advances with interest at a rate of seven percent (7%) per annum. Payments made by the Districts are subject to annual appropriation and budget approval and are not to be made from funds otherwise required for operations, capital improvements and debt service costs and expenses of the Districts. Amounts payable under the Advance and Reimbursement Agreements are subordinate to any bonded indebtedness of the Districts.

**Partial Assignment of Advance and Reimbursement Agreement by and Between Blue Lake Metropolitan District No. 1, Blue Lake Metropolitan District No. 2 and Lochbuie Land I, L.L.C.**

On December 8, 2022, the District, District 1 and Lochbuie Land I entered into a Partial Assignment of Advance and Reimbursement Agreement (Partial Assignment) to establish the terms and conditions under which the District would assign a portion of its obligations under the Advance and Reimbursement Agreement to District 1. Under the Partial Assignment, the District assigned and District 1 accepted obligations due to Lochbuie Land I in the amount of \$212,151 for advances to the District for operations and unpaid interest on such advances in the amount of \$48,558. In addition, \$60,930 of administrative costs paid by District 1 on behalf of the District were forgiven under the Partial Assignment.

**Authorized Debt**

The following table depicts the borrowing authority authorized by the District's voters at the 2004 District Election, the 2015 Intergovernmental Agreement Regarding Debt Allocation Between and Among Blue Lake Metropolitan District Nos. 1-3, and the amount remaining as of December 31, 2022, after application of debt issued by the District. The remaining balance is shared with District 1 and may be re-allocated in the future as noted above.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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

	<b>Total Authorized</b>	<b>Remaining at December 31, 2022</b>
Streets and improvements	\$ 7,680,000	\$ 6,541,107
Water system	6,240,000	5,480,800
Sanitary sewer system	5,760,000	4,650,400
Parks and recreation	4,320,000	4,320,000
Refunding	24,000,000	20,608,665
	<u>\$ 48,000,000</u>	<u>\$ 41,600,972</u>

**NOTE 6 - FUND EQUITY**

At December 31, 2022, the District reported the following classification of fund equity.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$2,770 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

**Restricted Fund Balance**

The restricted fund balance in the General Fund in the amount of \$1,400 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado.

The restricted fund balance in the amount of \$296,379 is to be used exclusively for capital projects.

The restricted fund balance in the amount of \$64,202 is to be used exclusively for debt service.

**NOTE 7 - NET POSITION**

The District's net position consists of three components – net investment in capital assets, restricted and unrestricted.

The restricted portion of the net position includes amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2022 is as follows:

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 7 - NET POSITION (CONTINUED)**

	<b>Governmental Activities</b>
Restricted net position:	
TABOR emergency reserve (Note 11)	\$ 1,400
	\$ 1,400

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.

**NOTE 8 - RELATED PARTIES**

All of the members of the board of directors of the District are employees, owners or otherwise associated with Lochbuie Land I and may have conflicts of interest in dealing with the District. The District entered into an Advance and Reimbursement Agreement dated June 29, 2004 with Lochbuie Land I (see Note 5). Specific details of transactions with Lochbuie Land I regarding organization, advances and debt are described elsewhere in these notes.

**NOTE 9 – EASEMENT AND MAINTENANCE AGREEMENT**

On April 27, 2016, the District entered into an Easement and Maintenance Agreement (the Maintenance Agreement) with Lochbuie Land I for the benefit of Bella Vista Master Association, Colorado nonprofit corporation (the HOA). Pursuant to the Maintenance Agreement, the District and Lochbuie Land I granted the HOA a permanent easement in order to operate, maintain, repair, construct, patrol, inspect, improve and replace public improvements located within the District, including parks and a retention pond. The HOA is responsible for all ongoing costs associated with its uses of the public improvements.

**NOTE 10- RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

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



**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 10- RISK MANAGEMENT (CONTINUED)**

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

**NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS**

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

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 May 4, 2004, a majority of the District's electors authorized the District to collect, retain and spend any and all amounts annually from any revenue sources whatsoever, other than ad valorem taxes, as a voter-approved revenue change without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution and without limiting in any year the amount of other revenues that may be collected and spent by the District.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTARY INFORMATION**

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**Year Ended December 31, 2022**

	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original-Final</u>		
<b>REVENUE</b>			
Property taxes	\$ 228,297	\$ 228,109	\$ (188)
Specific ownership taxes	13,698	13,500	(198)
Interest	100	596	496
Total revenues	<u>242,095</u>	<u>242,205</u>	<u>110</u>
<b>EXPENDITURES</b>			
<u>General</u>			
County treasurer fees	3,424	3,422	2
<u>Debt service</u>			
Loan principal - Series 2021A	44,000	44,000	-
Loan interest - Series 2021A	118,642	94,913	23,729
Loan principal - Series 2021B	19,000	19,000	-
Loan interest - Series 2021B	40,902	40,902	-
Paying agent fees	10,000	2,225	7,775
Total expenditures	<u>235,968</u>	<u>204,462</u>	<u>31,506</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>6,127</u>	<u>37,743</u>	<u>31,616</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer from general fund	-	3,260	3,260
Total other financing sources	<u>-</u>	<u>3,260</u>	<u>3,260</u>
<b>NET CHANGE IN FUND BALANCE</b>	6,127	41,003	34,876
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>8,072</u>	<u>23,199</u>	<u>15,127</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 14,199</u>	<u>\$ 64,202</u>	<u>\$ 50,003</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**Year Ended December 31, 2022**

	<u>Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original-Final</u>		
<b>REVENUES</b>			
Interest	\$ 100	\$ 2,915	\$ 2,815
Conservation trust fund	-	4,054	4,054
Total revenues	<u>100</u>	<u>6,969</u>	<u>6,869</u>
<b>EXPENDITURES</b>			
Capital outlay	267,643	-	267,643
Consulting fees	18,000	25,217	(7,217)
Total expenditures	<u>285,643</u>	<u>25,217</u>	<u>260,426</u>
<b>NET CHANGE IN FUND BALANCE</b>	(285,543)	(18,248)	267,295
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>285,543</u>	<u>314,627</u>	<u>29,084</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 296,379</u>	<u>\$ 296,379</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

## **OTHER INFORMATION**

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2022**

**\$2,793,000 Series 2021A**  
**Limited Tax**  
**(Convertible to Unlimited Tax)**  
**Refunding Loan**  
**Dated May 12, 2021**  
**Interest Rate of 4.310%**  
**Payable on June 1 and December 1,**  
**Principal Due December 1**

**\$1,207,000 Series 2021B**  
**Limited Tax**  
**(Convertible to Unlimited Tax)**  
**Refunding and Improvement Loan**  
**Dated May 12, 2021**  
**Interest Rate of 4.310% (1)**  
**Payable on June 1 and December 1,**  
**Principal Due December 1**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 43,000	\$ 93,375	\$ 136,375	\$ 18,000	\$ 40,238	\$ 58,238
2024	47,000	92,124	139,124	20,000	39,717	59,717
2025	48,000	90,229	138,229	21,000	38,909	59,909
2026	53,000	88,551	141,551	23,000	38,175	61,175
2027	55,000	86,698	141,698	23,000	37,371	60,371
2028	59,000	85,008	144,008	26,000	36,667	62,667
2029	61,000	82,713	143,713	26,000	35,658	61,658
2030	66,000	80,580	146,580	29,000	34,749	63,749
2031	69,000	78,273	147,273	30,000	33,735	63,735
2032	74,000	76,069	150,069	32,000	32,776	64,776
2033	77,000	73,274	150,274	33,000	31,568	64,568
2034	82,000	70,582	152,582	35,000	30,414	65,414
2035	85,000	67,715	152,715	37,000	29,191	66,191
2036	91,000	64,921	155,921	39,000	27,974	66,974
2037	94,000	61,563	155,563	41,000	26,534	67,534
2038	101,000	58,276	159,276	43,000	25,101	68,101
2039	104,000	54,746	158,746	45,000	23,597	68,597
2040	111,000	51,250	162,250	48,000	22,084	70,084
2041	115,000	47,229	162,229	49,000	20,346	69,346
2042	109,000	43,209	152,209	47,000	18,633	65,633
2043	114,000	39,399	153,399	49,000	16,990	65,990
2044	122,000	35,510	157,510	53,000	15,319	68,319
2045	128,000	31,148	159,148	55,000	13,424	68,424
2046	137,000	26,674	163,674	59,000	11,502	70,502
2047	143,000	21,884	164,884	62,000	9,439	71,439
2048	153,000	16,931	169,931	66,000	7,291	73,291
2049	160,000	11,537	171,537	69,000	4,964	73,964
2050	170,000	5,943	175,943	73,000	2,552	75,552
	<u>\$ 2,671,000</u>	<u>\$ 1,635,411</u>	<u>\$ 4,306,411</u>	<u>\$ 1,151,000</u>	<u>\$ 704,918</u>	<u>\$ 1,855,918</u>

**BLUE LAKE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION,**  
**MILL LEVY AND PROPERTY TAXES COLLECTED**  
**December 31, 2022**

<u>Year Ended December 31,</u>	<b>Prior Year Assessed Valuation for Current Year Property Tax Levy</b>	<u>Mills Levied</u>	<u>Total Property Taxes</u>		<b>Percentage Collected to Levied</b>
			<u>Levied</u>	<u>Collected</u>	
2005	\$ 10	15.000	\$ -	\$ -	100.00%
2006	\$ 10	45.000	\$ -	\$ -	100.00%
2007	\$ 682,710	45.000	\$ 30,722	\$ 30,722	100.00%
2008	\$1,528,300	45.000	\$ 68,774	\$ 68,774	100.00%
2009	\$1,472,710	45.000	\$ 66,271	\$ 65,691	99.12%
2010	\$1,252,030	45.000	\$ 56,341	\$ 56,342	100.00%
2011	\$1,262,750	45.000	\$ 56,824	\$ 56,824	100.00%
2012	\$ 928,380	50.000	\$ 46,419	\$ 46,419	100.00%
2013	\$ 932,960	50.000	\$ 46,648	\$ 46,648	100.00%
2014	\$ 761,030	50.000	\$ 38,052	\$ 38,107	100.14%
2015	\$ 817,470	50.000	\$ 40,874	\$ 40,876	100.00%
2016	\$1,284,560	50.000	\$ 64,228	\$ 64,229	100.00%
2017	\$2,654,120	50.000	\$ 132,706	\$ 132,706	100.00%
2018	\$3,440,440	50.277	\$ 190,155	\$ 190,155	100.00%
2019	\$3,502,190	55.277	\$ 193,591	\$ 193,591	100.00%
2020	\$4,276,470	55.656	\$ 238,011	\$ 238,011	100.00%
2021	\$4,302,290	55.656	\$ 239,448	\$ 239,241	100.00%
2022	\$4,506,120	55.702	\$ 251,000	\$ 251,000	100.00%
Estimated for the year ending December 31, 2023	\$4,332,330	55.656	\$ 241,120		

**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.