

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

Special Board Meeting

Tuesday, July 19, 2022 – 1:00 P.M.

119 N. Wahsatch Ave. Colorado Springs, CO

Colorado Springs, Colorado 80903

and

via computer, tablet or smartphone.

<https://meet.goto.com/686665597>

United States: [+1 \(646\) 749-3122](tel:+16467493122)

Access Code: **686-665-597**

Board of Director	Title	Term
Lindsay Case	President	May 2025
Randle W Case II	Vice President	May 2025
Bryan Long	Treasurer/ Secretary	May 2023
Dave Hammers	Assistant Secretary	May 2023
James Morley	Assistant Secretary	May 2025

AGENDA

1. Call to Order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of November 2, 2021, Minutes (enclosure)
5. Financial Update
 - a. Review and consider approval of the 2021 Audit
 - b. Bond Refinance Update
 - c. Consider Approval of Unaudited Financial Statements dated June 30, 2022
 - d. Ratify Past Payables through July 19, 2022
6. Management Update
 - a. Discuss adding Security Service to area
 - b. Review and consider approval to take over Detention Pond Maintenance (enclosure)
7. Other Business
 - a. Next scheduled meeting
8. Adjourn

Regular Meetings are the 1st Tuesday of each month at 9:30 a.m. as needed

The Board has determined to meet at the location stated above because there is no convenient location to meet within the District's boundaries. Such meeting location shall remain applicable for all future meetings until otherwise determined.

NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN That the Boards of Directors of CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT, City of Colorado Springs, County of El Paso, State of Colorado, will hold a special meeting at 1:00 p.m. on Tuesday, the 19th day of July 2022 at 119 N. Wahsatch Avenue, in Colorado Springs, Colorado, and via tele/videoconference at the platform highlighted below for the purpose of conducting such business as may come before the Boards including the business on the attached agenda. Regular meetings for 2022 are on the first Tuesday of every month at 119 N. Wahsatch Avenue, in Colorado Springs, Colorado, so long as there is business to conduct. The regular meetings may be canceled. Please call (719) 447-1777 for meeting confirmation and information. The meeting is open to the public.

BY ORDER OF THE BOARDS OF DIRECTORS:

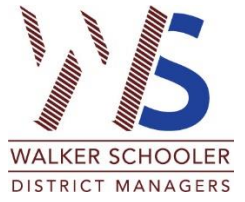
Please join my meeting from your computer, tablet or smartphone.

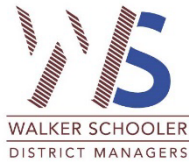
<https://meet.goto.com/686665597>

You can also dial in using your phone.

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**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
HELD NOVEMBER 2, 2021 AT 9:30 A.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Central Marksheffel Metropolitan District was held on Tuesday, November 2, 2021 at 9:30 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and via teleconference and video conference.

Directors in attendance were:

Lindsay Case, President
Randle W. Case II, Secretary
Bryan Long, Vice President
James Morley, Assistant Secretary (arrived late by phone)
Dave Hammers, Assistant Secretary

Also in attendance were:

K. Sean Allen, Esq., White, Bear & Ankele, Tanaka & Waldron (by phone)
Kevin Walker, WSDM
Rebecca Hardekopf, WSDM (by phone)
Sue Gonzales, WSDM (by phone)
Kyle Thomas, D.A. Davidson

1. Call to Order: The meeting was called to order at 9:31 AM by President Lindsay Case.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters: President Lindsay Case indicated that a quorum of the Board was present and Director Morley was excused.

3. Approval of the Agenda: The Board approved the Agenda as presented.

4. Approval of December 1, 2020 Minutes: After review, Director Long moved to approve the December 1, 2020 Minutes; seconded by Director Randle Case II. Motion passed unanimously.

5. Financial Update:

- a. Public Hearing on the adoption of a Resolution amending the 2021 Budget: Mr. Walker presented the Resolution amending the 2021 Budget. President Lindsay Case opened the Public Hearing on the adoption of a Resolution amending the 2021 Budget. After no public comment, the Public Hearing was closed. Director Hammers moved to adopt the Resolution amending the 2021 Budget; seconded by Director Long. Motion passed unanimously.
- b. Public Hearing on the adoption of a Resolution for approval of the 2022 budget (Bond Refinance Update): Mr. Walker presented the Resolution for approval of the 2022 Budget. President Lindsay Case opened the Public Hearing on the adoption of a Resolution for approval of the 2022 Budget. After no public comment, the Public Hearing was closed. Director Hammers moved to adopt the

Resolution for approval of the 2022 Budget; seconded by Director Long. Motion passed unanimously.

Director Randle Case II commented on the Meadowbrook trees and suggested the District should be maintaining them. After discussion, Director Randle Case II moved to approve \$10,000 per year allocated out of the 2022 Budget to maintain the trees, landscaping, and snow removal along Meadowbrook Parkway from Marksheffel to Highway 24; seconded by Director Long. Motion passed unanimously. Mr. Walker discussed the bond refinance update and noted it will be in 2023.

- c. Consider Approval of Unaudited Financial Statements dated September 31, 2021: Mr. Walker presented the Unaudited Financial Statements dated September 31, 2021. After review, Director Hammers moved to approve the Unaudited Financial Statements dated September 31, 2021; seconded by Director Long. Motion passed unanimously.
- d. Ratify Past Payables through October 31, 2021: Mr. Walker presented the Payables through October 31, 2021. After review, Director Hammers moved to ratify the past Payables through October 31, 2021; seconded by Director Long. Motion passed unanimously.

6. Other Business:

- a. Approval for Annual Administrative Resolution: Mr. Walker presented the Annual Administrative Resolution. Director Hammers moved to approve the Annual Administrative Resolution; seconded by Director Long. Motion passed unanimously.
- b. Resolution Calling for 2022 Election: Mr. Allen explained that next year is an election cycle and the Resolution calls the election to happen. If there is not more candidates than seats available 63 days before the election, the election can be cancelled. Mr. Allen explained the changes in State statutes regarding elections including a mailing to registered voters and publishing or posting on the website the Call for Nomination. The Board agreed to post the Call for Nomination on the website if available or it will be published in the newspaper if needed. Director Long moved to adopt the Resolution Calling for the 2022 Election; seconded by Director Hammers. Motion passed unanimously.
- c. Approval of Resolution of the BOD designating the location of meetings of the BOD: Mr. Allen explained the Board can meet online as well as a physical location and a hybrid of the two. Director Long moved to adopt the Resolution designating the location of meetings of the Board of Directors as a hybrid of both physical location and online; seconded by Director Hammers. Motion passed unanimously.

Director Randle Case II moved to amend the Agenda and add items 7.a. Developer Updates, and 7.b. Manager Report; seconded by Director Long. Motion passed unanimously.

7. New Business

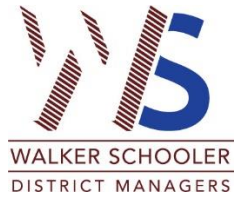
- a. Developer Updates: Director Hammers updated the Board on development. Director Morley joined the meeting. Director Morley discussed development updates.
- b. Manager Report: Mr. Walker updated the board on the management matters.

8. Adjournment: The Board adjourned the meeting at 10:09 AM.

Respectfully Submitted,

By: Board of Director for the Central Marksheffel Metropolitan District

By: Kevin Walker for the Recording Secretary



CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

BiggsKofford, P.C.
630 Southpointe Court, Suite 200
Colorado Springs, CO 80906

This representation letter is provided in connection with your audit of the financial statements of Central Marksheffel Metropolitan District ("District"), which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2021, and the respective changes in financial position, and the respective budgetary comparison for the general fund for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit. These representations are effective as of the date of your report.

General

1. Regarding the non-attest services performed by you; we have—
 - a. Assumed all management responsibilities.
 - b. Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of these services.

Financial Statements

2. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 26, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with US GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
3. The financial statements referred to above are fairly presented, in all material respects, in conformity with US GAAP and include all properly classified funds and other financial

information of the primary government and all component units required by US GAAP to be included in the financial reporting entity.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
7. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with US GAAP.
8. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with US GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.
11. We are in agreement with the adjusting and reclassifying entries you have proposed, and the adjusting journal entries have been posted to the internal accounts. A list of adjusting and reclassifying entries is as follows:

Adjusting Journal Entries JE # 1

ADJUSTING: To reclassify the current portion of long-term debt.

2515	Loan Payable - Series 2014A	365,000.00	
2512	Current Portion Bonds Payable		365,000.00
Total		365,000.00	365,000.00

Adjusting Journal Entries JE # 3

ADJUSTING: To record accrued interest as of December 31, 2021.

6015	Interest Expense - 2014 Bonds	21,940.00	
2022	Accrued Interest - Bonds		21,940.00
Total		21,940.00	21,940.00

Reclassifying Journal Entries JE # 2

RECLASSIFYING: To reclassify property taxes to the respective fund.

	Accounts Receivables - County Taxes -		
1201	General	1,881.00	
	Accounts Receivables - County Taxes -		
1202	Other	8,518.00	
1214	Property Tax Receivable - Other	1,142,129.00	
2610	Deferred Property Tax Revenue	1,142,129.00	
1213	Property Tax Receivable		1,152,528.00
2612	Deferred Property Taxes - Other		1,142,129.00
Total		2,294,657.00	2,294,657.00

Reclassifying Journal Entries JE # 4

RECLASSIFYING: To eliminate government-wide funds to present the government fund types on the modified cash basis.

2022	Accrued Interest - Bonds	21,940.00	
2512	Current Portion Bonds Payable	365,000.00	
2515	Loan Payable - Series 2014A	8,590,000.00	
4090	Principal Payment	350,000.00	
6200	Interest Expense	3,492.00	
1250	IGA Receivable		100,000.00
3910	Retained Earnings		9,230,432.00
Total		9,330,432.00	9,330,432.00

Federal Tax Journal Entries JE # 5

REVERSING: To reverse RJE #4

1250	IGA Receivable	100,000.00	
3910	Retained Earnings	9,230,432.00	
2022	Accrued Interest - Bonds		21,940.00
2512	Current Portion Bonds Payable		365,000.00
2515	Loan Payable - Series 2014A		8,590,000.00
4090	Principal Payment		350,000.00
6200	Interest Expense		3,492.00
Total		9,330,432.00	9,330,432.00

Information Provided

12. We have provided you with:
- a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of meetings of the District's directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
- a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, analysts, regulators, or others.
17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
18. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
19. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, as applicable.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
26. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
28. As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
29. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
30. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
32. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.

33. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
35. Provisions for uncollectible receivables have been properly identified and recorded.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
41. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that the net position is properly recognized under the policy.
42. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
43. The financial statement disclosures related to insurance coverage are accurate for all periods presented.
44. We acknowledge our responsibility for the required supplementary information. The required supplementary information is measured and presented within prescribed guidelines and the methods of measurement, and the presentation have not changed those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the required supplementary information.
45. We acknowledge that Management's Discussion and Analysis is required supplementary information which has been omitted from the financial statements and that your report will be modified accordingly.

46. With respect to the supplementary information as identified in the table of contents:

- a. We acknowledge our responsible for presenting the supplementary information in accordance with US GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Central Marksheffel Metropolitan District

Board Member Signature

Printed Name

Title

Manager Signature

Printed Name

Title



June 2, 2022

Board of Directors

Central Marksheffel Metropolitan District

Via email: BtLong@crlr.net; Dhammers@hammersconstruction.com; jmorley3870@aol.com; sirlindsay64@gmail.com; rwcasa@crlr.net

We have audited the financial statements of Central Marksheffel Metropolitan District ("District"). Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America ("US GAAS"), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 18, 2022. Professional standards also require that we communicate to you the following related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. The District adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the property taxes receivable and deferred property tax revenues is based on the Mill Levy Certificate from the Accounting Administrator for El Paso County Treasurer's Office in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected. We evaluated the key factors and assumptions used to develop the property taxes receivable and deferred property tax revenues in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of debt balances.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes misstatements detected as a result of audit procedures. The adjusting journal entries include those corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Supplementary Information

We were engaged to report on the supplementary information, as identified in the table of contents to the financial statements ("SI"), which accompany the financial statements but are not RSI. With respect to this SI, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Internal Controls

In planning and performing our audit of the financial statements of the District as of and for the year ended December 31, 2021, in accordance with US GAAS, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances and for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

- **Segregation of Duties:** As expected in smaller organizations, due to the limited number of people performing work for the District, many critical duties are combined and assigned to the available employees. To the extent possible, duties should be segregated to serve as a check and balance on employee integrity and to maintain the best control system possible. We suggest that the segregation of duties be reviewed and adjusted where possible to strengthen the system of internal controls. At a minimum, we recommend that members of the board of directors be provided with monthly bank statements including check images directly from the bank (or via direct online access), to enable them to verify that all disbursements were made for approved expenditures. Ideally a record of the board members' regular review would be maintained (e.g., printed statements with their initials and the date of their review).

- *Management Override of Controls:* Our audit procedures revealed that management has the ability to override internal controls. Internal controls are designed and implemented in order to prevent and detect errors and fraud in financial reporting. The ability of management to override and circumvent certain controls increases the risks to the District for errors to exist in the financial statements, whether by mistake or fraud. Those charged with governance should be aware of this possibility in performing their role in overseeing the District.

This information is intended solely for the use of the board of directors and is not intended to be, and should not be, used by anyone other than the specified party.

Sincerely,

BiggsKofford, P.C.

BiggsKofford, P.C.

DRAFT

Adjusting Journal Entries

Adjusting Journal Entries JE # 3

ADJUSTING: To reclassify the current portion of long-term debt.

2515	Loan Payable - Series 2014A	365,000.00	
2512	Current Portion Bonds Payable		365,000.00
Total		<u>365,000.00</u>	<u>365,000.00</u>

Adjusting Journal Entries JE # 3

ADJUSTING: To record accrued interest as of December 31, 2021.

6015	Interest Expense - 2014 Bonds	21,940.00	
2022	Accrued Interest - Bonds		21,940.00
Total		<u>21,940.00</u>	<u>21,940.00</u>

DRAFT

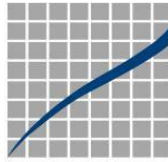
CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Central Marksheffel Metropolitan District
Colorado Springs, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Central Marksheffel Metropolitan District ("District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, the respective changes in financial position, and the 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 the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

Management has omitted 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 which 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 opinions on the basic financial statements are 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 District's basic financial statements. The supplementary information, as identified 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DRAFT - NOT FOR DISTRIBUTION

Colorado Springs, Colorado

[REPORT DATE]

BASIC FINANCIAL STATEMENTS

DRAFT

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
<u>ASSETS</u>	
Cash and investments	\$ 843,673
Cash and investments - restricted	5,492,989
Receivable from County Treasurer	10,399
Property taxes receivable	1,394,399
Reimbursement revenues receivable	100,000
 Total assets	 <u>\$ 7,841,460</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 16,105
Accrued interest payable	21,940
Noncurrent liabilities:	
General obligation limited tax bonds:	
Due within one year	365,000
Due in more than one year	8,590,000
 Total liabilities	 <u>8,993,045</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred property tax revenues	1,394,399
 Total deferred inflows of resources	 <u>1,394,399</u>
<u>NET POSITION</u>	
Restricted for:	
Debt service	5,475,067
Emergency reserve	4,500
Unrestricted	(8,025,551)
 Total net position	 <u>\$ (2,545,984)</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position
			Operating	Capital	
	Expenses	Charges for	Grants and	Grants and	Governmental
		Services	Contributions	Contributions	Activities
FUNCTIONS/PROGRAMS					
<u>PRIMARY GOVERNMENT</u>					
General government	\$ 160,602	\$ -	\$ -	\$ -	\$ (160,602)
Reimbursement revenues	-	-	384,306	-	384,306
Impact fees	-	33,031	-	-	33,031
Commercial fees	-	95,538	-	-	95,538
Interest and related costs on long-term debt	276,667	-	-	-	(276,667)
Total governmental activities	\$ 437,269	\$ 128,569	\$ 384,306	\$ -	75,606
<u>GENERAL REVENUES</u>					
Property taxes					1,114,200
Specific ownership taxes					131,756
Investment income					2,703
Total general revenues					1,248,659
Changes in net position					1,324,265
Net position, beginning of year					(3,870,249)
Net position, end of year					\$ (2,545,984)

The accompanying notes and independent auditor's report
should be read with these financial statements.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 843,673	\$ -	\$ 843,673
Cash and investments - restricted	4,500	5,488,489	5,492,989
Receivable from County Treasurer	1,881	8,518	10,399
Property taxes receivable	252,270	1,142,129	1,394,399
Total assets	<u>\$ 1,102,324</u>	<u>\$ 6,639,136</u>	<u>7,741,460</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 16,105	\$ -	16,105
Total liabilities	<u>16,105</u>	<u>-</u>	<u>16,105</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property tax revenues	252,270	1,142,129	1,394,399
Total deferred inflows of resources	<u>252,270</u>	<u>1,142,129</u>	<u>1,394,399</u>
<u>FUND BALANCES</u>			
Restricted for:			
Debt service	-	5,497,007	5,497,007
Emergency reserve	4,500	-	4,500
Unassigned:			
General government	829,449	-	829,449
Total fund balances	<u>833,949</u>	<u>5,497,007</u>	<u>6,330,956</u>
Total liabilities and fund balances	<u>\$ 1,102,324</u>	<u>\$ 6,639,136</u>	
Amounts reported in governmental activities in the statement of net position are different because:			
Receivables not collected within 60 days of year end are not financial resources and, therefore, are not reported in the funds:			
Reimbursement revenues receivable			100,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Loans payable			(8,955,000)
Accrued interest payable			(21,940)
Net position of governmental activities			<u>\$ (2,545,984)</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General Fund	Debt Service Fund	Total Governmental Funds
<u>REVENUES</u>			
Property taxes	\$ 201,581	\$ 912,619	\$ 1,114,200
Specific ownership taxes	23,837	107,919	131,756
Impact fees	-	95,538	95,538
Reimbursement revenues	-	384,306	384,306
Commercial fees	-	33,031	33,031
Investment income	-	2,703	2,703
	<hr/>	<hr/>	<hr/>
Total revenues	225,418	1,536,116	1,761,534
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
Accounting and audit	8,400	-	8,400
Bank charges	21	-	21
County Treasurer's fees	3,050	13,807	16,857
Dues	675	-	675
Insurance	3,106	-	3,106
Landscape replacement	33,624	-	33,624
Landscaping and maintenance	5,100	-	5,100
Legal	8,757	-	8,757
Management fees	84,000	-	84,000
Postage	19	-	19
Debt service:			
Bond principal	-	350,000	350,000
Interest expense	-	277,409	277,409
Trustee fees	-	2,750	2,750
	<hr/>	<hr/>	<hr/>
Total expenditures	146,752	643,966	790,718
	<hr/>	<hr/>	<hr/>
Net change in fund balances	78,666	892,150	970,816
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	755,283	4,604,857	5,360,140
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 833,949</u>	<u>\$ 5,497,007</u>	<u>\$ 6,330,956</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - governmental funds	\$ 970,816
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Amounts reported for governmental activities in the statement of activities are different because:

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

Bond principal payments	350,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The effect of these differences is as follows:

Accrued interest payable on loans payable - change in liability	3,449
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Change in net position of governmental activities	\$ 1,324,265
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The accompanying notes and independent auditor's report
should be read with these financial statements.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance
	Original	Final	Amounts	
<u>REVENUES</u>				
Property taxes	\$ 205,405	\$ 199,379	\$ 201,581	\$ 2,202
Specific ownership taxes	14,378	23,907	23,837	(70)
Total revenues	219,783	223,286	225,418	2,132
<u>EXPENDITURES</u>				
Accounting and audit	8,500	8,400	8,400	-
Bank charges	100	21	21	-
Contingency	400,000	-	-	-
County Treasurer's fees	3,081	3,020	3,050	(30)
Dues	4,000	1,651	675	976
Insurance	3,200	3,700	3,106	594
Landscape replacement	60,000	-	33,624	(33,624)
Landscaping and maintenance	8,500	-	5,100	(5,100)
Legal	15,000	6,015	8,757	(2,742)
Management fees	84,000	84,000	84,000	-
Postage	300	50	19	31
Total expenditures	586,681	106,857	146,752	(39,895)
Net change in fund balance	\$ (366,898)	\$ 116,429	78,666	\$ (37,763)
Fund balance, beginning of year			755,283	
Fund balance, end of year			\$ 833,949	

The accompanying notes and independent auditor's report
should be read with these financial statements.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. DEFINITION OF REPORTING ENTITY

Central Marshfield Metropolitan District ("District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was formed in October 2002, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado ("County"). The District was organized to construct public improvements including road and bridge improvements, landscaping, sanitary and storm sewer, water systems, park and recreation, channel, and other drainage improvements needed for the area.

The District follows 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 and potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Material interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and fund financial statements (continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment; and b) 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 the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement position

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectable 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 major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

General fund - The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund.

Debt service fund - The debt service fund accounts for the servicing of general long-term debt and revenues generated and received by the District that are required to be used in payment of debt.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

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

The District incurred expenditures in excess of appropriations for the year ended December 31, 2021 in the general fund, which may be a violation of state budget law.

Pooled cash and investments

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

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 and attaches as an enforceable lien as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of the tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

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

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred inflows of resources

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

Net position

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

Fund balances

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

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

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

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

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balances (continued)

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

Unassigned fund balance - The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

3. CASH AND INVESTMENTS

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

Statement of net position:

Cash and investments	\$ 843,673
Cash and investments - restricted	<u>5,492,989</u>
	<u><u>\$ 6,336,662</u></u>

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2021, are as follows:

Deposits with financial institutions	\$ 2,687,345
Investments	<u>3,649,317</u>
	<u><u>\$ 6,336,662</u></u>

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

3. CASH AND INVESTMENTS (CONTINUED)

Deposits with financial institutions

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The 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 102% of the aggregate uninsured deposits.

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

As of December 31, 2021, the District's cash deposits had a bank balance of \$2,688,352 and a book balance of \$2,687,345.

Investments

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

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

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

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

3. CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

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

- Obligations of the US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Fidelity Investments Money Market Government Portfolio - Class I	Less than 1 year	<u>\$ 3,649,317</u>

The Fidelity Investments Money Market Government Portfolio - Class I is a money market fund that is managed by Federated Investors and each share is equal in value to \$1. The fund is rated AAm and invests in high-quality, short-term US government securities. The average maturity of the underlying securities is 90 days or less.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt of the District during the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Repayments	Balance 12/31/21	Due within one year
Series 2014A					
Loan	\$ 9,305,000	\$ -	\$ 350,000	\$ 8,955,000	\$ 365,000
	<u>\$ 9,305,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 8,955,000</u>	<u>\$ 365,000</u>

Series 2014 Tax-Free Refunding Loan

On September 3, 2014, the District issued Series A and Series B tax-free loan agreement for the purpose of: (i) paying the costs of refunding and defeasing the previously issued bonds; (ii) paying the project costs; and (iii) paying issuance and other costs in connection with the loan. The Series 2014 Tax-Free Refunding Loan ("Series 2014 Loan") was issued as follows: (a) Series 2014A Loan in the amount of \$11,230,000; bearing interest at 2.94% per annum, calculated on the basis of a 360-day year of twelve 30-day months; payable to the extent of pledged revenues available on each June 1 and December 1; maturing on September 3, 2024, and (b) Series 2014B Loan in the amount of \$1,000,000; bearing interest at 3.11% per annum, calculated on the basis of a 360-day year of twelve 30-day months; payable to the extent of pledged revenues available on each June 1 and December 1; maturing on September 3, 2024. The Series 2014B Loan was paid in full during the year ended December 31, 2020.

The District is required to maintain debt payment, reserve, and surplus cash accounts. The purpose of the reserve cash account is to provide adequate reserves to meet principal and interest requirements if the bond account does not have enough funding. The reserve account is required to be maintained as long as the loans are outstanding.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. LONG-TERM OBLIGATIONS (CONTINUED)

Series 2014 Tax-Free Refunding Loan (continued)

The Series 2014 Loan is secured by and payable from the pledged revenues consisting of monies derived by the District from the following sources, net of any collection costs: (a) required mill levy; (b) transportation fees; (c) the portion of the specific ownership taxes which are collected as a result of the imposition of the required mill levy; and (d) any other legally available monies which the District determines to be treated as pledged revenues. The Series 2014 Loan is also secured by amounts held by the trustee in the reserve fund. Required mill levy means an ad valorem mill levy imposed upon all taxable property within the District each year in an amount sufficient to pay the principal, premium if any, and interest on the bonds as they become due, and payable, and to make up any deficiencies in the reserve fund. The maximum required mill levy is 35.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. For collection year 2021, the District levied 22.637 mills for the debt service fund.

Events of default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions constitutes an event of default under the loan agreement:

- a. The District fails or refuses to impose the required mill levy or to apply the pledged revenue as required by the loan agreement.
- b. The District fails to pay the principal of or interest on the loan or any other amount payable to the bank when due.
- c. The District to observe or perform any of the covenants, agreements, or conditions in the loan agreement or custodial agreement, and such default continues for 30 days after notice specifying such default provided by the bank.
- d. Any representation or warranty made by the District in the loan agreement or in any other financing document or any certificate, instrument, financial, or other statement furnished by the District to the bank, proves to have been untrue or incomplete in any material respect when made or deemed made.
- e. The occurrence and continuance of an event of default or an event of nonperformance under the custodial agreement or any of the other financing documents after the expiration of any grace period.
- f. Default in the payment of principal of or interest when due on any financial obligation of the District and continuance of such default beyond any grace period.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. LONG-TERM OBLIGATIONS (CONTINUED)

Series 2014 Tax-Free Refunding Loan (continued)

Events of default (continued)

g. The pledge of the pledged revenue or any other security interest created under the loan or custodial agreement fails to be fully enforceable with the priority required by the loan or custodial agreement.

h. Any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$50,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay, or satisfy such judgment or court order for 30 days.

i. A change occurs in the financial or operating conditions of the District, or the occurrence of any other event that, in the bank's reasonable judgment, will have a materially adverse impact on the ability of the District to generate pledged revenue sufficient to satisfy the District's obligations under the loan agreement or its other obligations, and the District fails to cure such condition within the time specified by the Bank in a written notice thereof from the bank.

j. The District commences any case, proceeding, or other action (a) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or the District makes a general assignment for the benefit of its creditors; or (ii) commencement against the District of any case, proceeding, or other action that remains undismissed; or (iii) any case commenced against the District, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which is not vacated, discharged, stayed, or bonded pending appeal, within 30 days from the entry thereof.

k. The loan agreement, custodial agreement, or any other financing document, or any material provision: (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created under the loan or custodial agreement fails to be fully enforceable with the priority required.

l. The District's auditor delivers a qualified opinion with respect to the District's status as a going concern.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. LONG-TERM OBLIGATIONS (CONTINUED)

Series 2014 Tax-Free Refunding Loan (continued)

Events of default (continued)

m. Any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established under the loan or custodial agreement becomes subject to any writ, judgment, warrant, attachment, execution, or similar process.

n. Any determination, decision, or decree is made by the Commissioner Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on the loan is includable in the gross income for federal income tax purposes of the bank by virtue of the intentional or reckless failure or refusal by the District to take actions or refrain from taking actions as required by the agreement, which failure or refusal results in interest payable on the loan becoming includable in the gross income of the bank pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder, if and so long as such determination, decision, or decree is not being appealed or otherwise contested in good faith by the District.

It is acknowledged that, due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on the loans when due does not, in itself, constitute an event of default under the loan agreement, and acceleration is not an available remedy for events of default.

Upon the occurrence and continuance of an event of default, the Series 2014 Loan bears interest at the default interest rate, which means a rate per annum equal to the applicable fixed interest rate plus 5.00%, and the bank at its option, may do any one or more of the following:

- a. Exercise any and all remedies available under the custodial agreement.
- b. Take any other action or remedy available under the other financing documents or any other document, or at law or in equity.

Notwithstanding the foregoing or anything else in the loan or custodial agreement to the contrary: (i) except for the application of the default interest rate or the post maturity default interest rate, as applicable, no remedy will lie at law or in equity for any event of default consisting solely of the failure of the District to pay the principal of and interest on the loan when due, it being acknowledged by the bank that the amount of pledged revenue is limited in accordance with the terms of the loan and custodial agreement; (ii) the only remedy for an event of default is an increase in the then-applicable interest rate on the loan by dividing such otherwise applicable interest rate by 0.65, and such an event of default will not, in and of itself, result in the application of the default rate; and (iii) acceleration shall not be an available remedy for an event of default.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. LONG-TERM OBLIGATIONS (CONTINUED)

Series 2014 Tax-Free Refunding Loan (continued)

The District's long-term obligation on the 2014A Series Loan mature as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 365,000	\$ 263,277	\$ 628,277
2023	380,000	252,546	632,546
2024	<u>8,210,000</u>	<u>182,371</u>	<u>8,392,371</u>
Total	<u>\$ 8,955,000</u>	<u>\$ 698,194</u>	<u>\$ 9,653,194</u>

5. NET POSITION

The District has a net position consisting of two components: restricted and unrestricted.

Restricted net position includes restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

Restricted net position:

Debt service (Note 4)	\$ 5,475,067
Emergency reserve (Note 9)	<u>4,500</u>
	<u>\$ 5,479,567</u>

The District's unrestricted net position as of December 31, 2021, totaled a deficit of \$8,025,551. This deficit amount was a result of the District being responsible for the repayment of general obligation bonds. These bonds were issued to refinance prior debt and to fund the costs of providing certain public improvements for the District. These improvements were contributed to the County upon completion.

6. RELATED PARTIES

The members of the board of directors are officers, employees or associated with the developer and may have conflicts of interest in dealing with the District.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

7. INTERGOVERNMENTAL AGREEMENT

Transportation Impact Fee and Public Improvement Agreement

In June 2004, the District entered into a Transportation Impact Fee and Public Improvement Agreement with the County for the purpose of the District securing fair and equitable participation in the Marshfield improvements from out-of-District properties identified within the area serviced by the improvements. The first amendment to this agreement established a credit for the District within the County's Road Impact Fee Program for regional road improvements previously built and to apply such credits first to the property within the District, and establish a reimbursable amount for the balance of the credit to be reimbursed by the County and paid to the District over time. Under the second amendment to this agreement, the District is entitled to the greater of (a) 50% of each fee program funds disbursement made; or (b) \$100,000. The fees collected by the County and remitted to the District under the agreement totaled \$384,306 during the year ended December 31, 2021.

8. RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool ("Pool") as of December 31, 2021. 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.

The District pays annual premiums to the Pool for liability, property and public officials' liability 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.

9. 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 within the state of Colorado.

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. The District's voters approved a ballot issue allowing the District to retain all revenues.

See independent auditor's report.

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

9. TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

District management believes the District 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 likely require judicial interpretation.

* * * * *

See independent auditor's report.

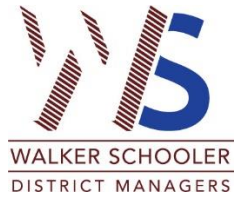
SUPPLEMENTARY INFORMATION

DRAFT

CENTRAL MARKSHEFFEL METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance
	Original	Final	Amounts	
<u>REVENUES</u>				
Property taxes	\$ 918,980	\$ 903,648	\$ 912,619	\$ 8,971
Specific ownership taxes	64,329	96,207	107,919	11,712
Impact fees	50,000	110,000	95,538	(14,462)
Reimbursement revenues	-	384,306	384,306	-
Commercial fees	250,000	40,000	33,031	(6,969)
Investment income	23,000	408	2,703	2,295
Total revenues	1,306,309	1,534,569	1,536,116	1,547
<u>EXPENDITURES</u>				
Bank charges	5,000	2,000	-	2,000
Contingency	6,000	-	-	-
County Treasurer's fees	13,786	13,674	13,807	(133)
Bond principal	350,000	350,000	350,000	-
Interest expense	335,767	276,607	277,409	(802)
Trustee fees	-	-	2,750	(2,750)
Total expenditures	710,553	642,281	643,966	(1,685)
Excess of revenues over (under) expenditures	595,756	892,288	892,150	(138)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer (to) from other funds	-	2,000	-	(2,000)
Total other financing sources (uses)	-	2,000	-	(2,000)
Net change in fund balance	\$ 595,756	\$ 894,288	892,150	\$ (2,138)
Fund balance, beginning of year			4,604,857	
Fund balance, end of year			\$ 5,497,007	

See independent auditor's report.



Central Marksheffel Metropolitan District

Balance Sheet

As of June 30, 2022

	Jun 30, 22
ASSETS	
Current Assets	
Checking/Savings	
US Bank Debt 211352001	53.77
US Bank Reserve 211352002	185,119.85
US Bank Revenue 211352000	3,823,922.96
US Bank Surplus 211352004	350,226.73
1110 · CMMD Checking Account	2,957,097.56
Total Checking/Savings	7,316,420.87
Accounts Receivable	
1213 · Property Tax Receivable	421,450.45
1250 · IGA Receivable	100,000.00
Total Accounts Receivable	521,450.45
Total Current Assets	7,837,871.32
TOTAL ASSETS	7,837,871.32
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	10,681.51
Total Accounts Payable	10,681.51
Other Current Liabilities	
2020 · Accrued Interest - Bonds	21,940.00
2610 · Deferred Property Tax Revenue	421,450.45
Total Other Current Liabilities	443,390.45
Total Current Liabilities	454,071.96
Long Term Liabilities	
2512 · Current Portion Bonds Payable	365,000.00
2515 · Loan Payable - Series 2014A	8,590,000.00
Total Long Term Liabilities	8,955,000.00
Total Liabilities	9,409,071.96
Equity	
3000 · Opening Balance Equity	199.98
3910 · Retained Earnings	-2,547,033.49
Net Income	975,632.87
Total Equity	-1,571,200.64
TOTAL LIABILITIES & EQUITY	7,837,871.32

Central Marksheffel Metropolitan District
Profit & Loss
January through June 2022

	<u>Jan - Jun 22</u>
Ordinary Income/Expense	
Income	
Fees	
Commercial	9,950.00
Taxes	
Abatement - Debt	-7,093.84
Abatement - O&M	-1,566.88
Abatement Int - Debt	-141.86
Abatement Int - O&M	-31.34
Current Year - Debt	932,188.97
Current Year - O&M	205,899.42
Delinquent Int - Debt	602.66
Delinquent Int - O&M	133.11
Spec Own Tax - Debt	56,347.43
Spec Own Tax - O&M	12,445.88
Total Taxes	<u>1,198,783.55</u>
Total Fees	<u>1,208,733.55</u>
Total Income	<u>1,208,733.55</u>
Expense	
Bridge Lights	32,393.40
Copies and Postage	4.95
Treasurer's Collection Fee	
Debt	13,991.88
O&M	3,090.48
Total Treasurer's Collection Fee	<u>17,082.36</u>
6060 · Bank Service Charges	1,835.15
6075 · Bond Expense	
Debt Service	133,101.15
Total 6075 · Bond Expense	<u>133,101.15</u>
6160 · Dues and Subscriptions	695.70
6570 · Professional Fees	
District Management	42,000.00
Landscaping/Mowing	2,987.50
6572 · Legal Fees	7,453.64
Total 6570 · Professional Fees	<u>52,441.14</u>
Total Expense	<u>237,553.85</u>
Net Ordinary Income	971,179.70
Other Income	
7010 · Interest Income	
O&M	1,912.98
7010 · Interest Income - Other	2,523.34
Total 7010 · Interest Income	<u>4,436.32</u>
7030 · Other Income	16.85
Total Other Income	<u>4,453.17</u>
Net Income	<u><u>975,632.87</u></u>

Central Marksheffel Metropolitan District

PAYMENT REQUEST

7/19/2022

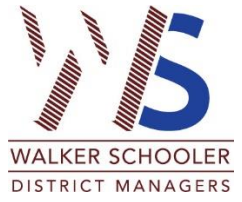
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	
Mountain View Electric Association	107440	6/8/2022	\$ 97.08	Bridge Lights-Auto payment
Walker Schooler District Managers	7110	6/30/2022	\$ 7,000.00	
Weisburg Landscape Maintenance	46385	6/30/2022	\$ 850.00	
White Bear Ankele Tanaka & Waldron	14978	3/31/2021	\$ 150.68	
White Bear Ankele Tanaka & Waldron	18024	8/31/2021	\$ 301.36	
White Bear Ankele Tanaka & Waldron	22681	6/30/2022	\$ 150.00	
White Bear Ankele Tanaka & Waldron	23116	6/30/2022	\$ 2,229.47	
TOTAL			\$ 10,778.59	

BONDS REVENUE FUND ACCOUNT

Description	Date	Transfer	Comments
El Paso County Taxes Paid	June	\$ 298,102.87	
TOTAL		\$ 298,102.87	

_____, Director



GRADING AND EROSION CONTROL NOTES:

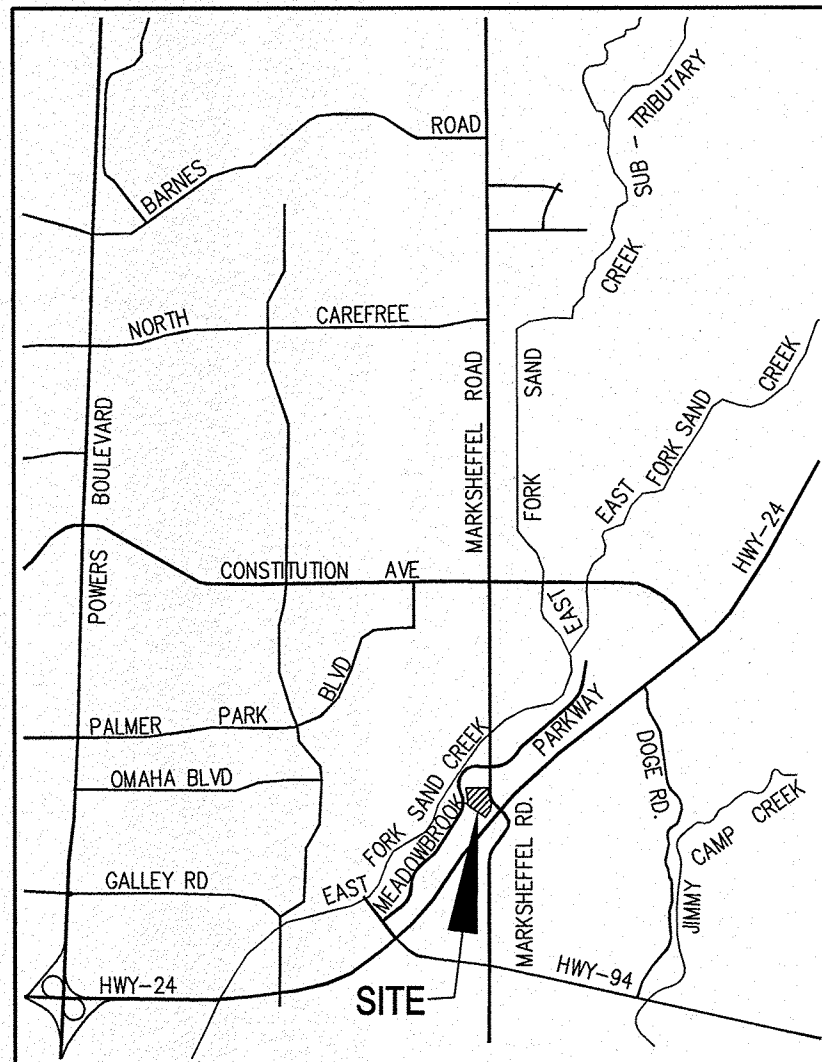
1. STORMWATER DISCHARGES FROM CONSTRUCTION SITES SHALL NOT CAUSE OR THREATEN TO CAUSE POLLUTION, CONTAMINATION, OR DEGRADATION OF STATE WATERS. ALL WORK AND EARTH DISTURBANCE SHALL BE DONE IN A MANNER THAT MINIMIZES POLLUTION OF ANY ON-SITE OR OFF-SITE WATERS, INCLUDING WETLANDS.
2. NOTWITHSTANDING ANYTHING DEPICTED IN THESE PLANS IN WORDS OR GRAPHIC REPRESENTATION, ALL DESIGN AND CONSTRUCTION RELATED TO ROADS, STORM DRAINAGE, AND EROSION CONTROL SHALL CONFORM TO THE STANDARDS AND REQUIREMENTS OF THE MOST RECENT VERSION OF THE RELEVANT ADOPTED EL PASO COUNTY STANDARDS, INCLUDING THE LAND DEVELOPMENT CODE, THE ENGINEERING CRITERIA MANUAL, THE DRAINAGE CRITERIA MANUAL, AND THE DRAINAGE CRITERIA MANUAL VOLUME 2. ANY DEVIATIONS FROM REGULATIONS AND STANDARDS MUST BE REQUESTED, AND APPROVED, IN WRITING.
3. A SEPARATE STORMWATER MANAGEMENT PLAN (SWMP) FOR THIS PROJECT SHALL BE COMPLETED AND AN EROSION AND STORMWATER QUALITY CONTROL PERMIT (ESQCP) ISSUED PRIOR TO COMMENCING CONSTRUCTION. MANAGEMENT OF THE SWMP DURING CONSTRUCTION IS THE RESPONSIBILITY OF THE DESIGNATED QUALIFIED STORMWATER MANAGER OR CERTIFIED EROSION CONTROL INSPECTOR. THE SWMP SHALL BE LOCATED ON SITE AT ALL TIMES DURING CONSTRUCTION AND SHALL BE KEPT UP TO DATE WITH WORK PROGRESS AND CHANGES IN THE FIELD.
4. ONCE THE ESQCP IS APPROVED AND A "NOTICE TO PROCEED" HAS BEEN ISSUED, THE CONTRACTOR MAY INSTALL THE INITIAL STAGE EROSION AND SEDIMENT CONTROL MEASURES AS INDICATED ON THE APPROVED GEC. A PRECONSTRUCTION MEETING BETWEEN THE CONTRACTOR, ENGINEER, AND EL PASO COUNTY WILL BE HELD PRIOR TO ANY CONSTRUCTION. IT IS THE RESPONSIBILITY OF THE APPLICANT TO COORDINATE THE MEETING TIME AND PLACE WITH COUNTY STAFF.
5. CONTROL MEASURES MUST BE INSTALLED PRIOR TO COMMENCEMENT OF ACTIVITIES THAT COULD CONTRIBUTE POLLUTANTS TO STORMWATER. CONTROL MEASURES FOR ALL SLOPES, CHANNELS, DITCHES, AND DISTURBED LAND AREAS SHALL BE INSTALLED IMMEDIATELY UPON COMPLETION OF THE DISTURBANCE.
6. ALL TEMPORARY SEDIMENT AND EROSION CONTROL MEASURES SHALL BE MAINTAINED AND REMAIN IN EFFECTIVE OPERATING CONDITION UNTIL PERMANENT SOIL EROSION CONTROL MEASURES ARE IMPLEMENTED AND FINAL STABILIZATION IS ESTABLISHED. ALL PERSONS ENGAGED IN LAND DISTURBANCE ACTIVITIES SHALL ASSESS THE ADEQUACY OF CONTROL MEASURES AT THE SITE AND IDENTIFY IF CHANGES TO THOSE CONTROL MEASURES ARE NEEDED TO ENSURE THE CONTINUED EFFECTIVE PERFORMANCE OF THE CONTROL MEASURES. ALL CHANGES TO TEMPORARY SEDIMENT AND EROSION CONTROL MEASURES MUST BE INCORPORATED INTO THE STORMWATER MANAGEMENT PLAN.
7. TEMPORARY STABILIZATION SHALL BE IMPLEMENTED ON DISTURBED AREAS AND STOCKPILES WHERE GROUND DISTURBING CONSTRUCTION ACTIVITY HAS PERMANENTLY CEASED OR TEMPORARILY CEASED FOR LONGER THAN 14 DAYS.
8. FINAL STABILIZATION MUST BE IMPLEMENTED AT ALL APPLICABLE CONSTRUCTION SITES. FINAL STABILIZATION IS ACHIEVED WHEN ALL GROUND DISTURBING ACTIVITIES ARE COMPLETE AND ALL DISTURBED AREAS EITHER HAVE A UNIFORM VEGETATIVE COVER WITH INDIVIDUAL PLANT DENSITY OF 70 PERCENT OF PRE-DISTURBANCE LEVELS ESTABLISHED OR EQUIVALENT PERMANENT ALTERNATIVE STABILIZATION METHOD IS IMPLEMENTED. ALL TEMPORARY SEDIMENT AND EROSION CONTROL MEASURES SHALL BE REMOVED UPON FINAL STABILIZATION AND BEFORE PERMIT CLOSURE.
9. ALL PERMANENT STORMWATER MANAGEMENT FACILITIES SHALL BE INSTALLED AS DESIGNED IN THE APPROVED PLANS. ANY PROPOSED CHANGES THAT EFFECT THE DESIGN OR FUNCTION OF PERMANENT STORMWATER MANAGEMENT STRUCTURES MUST BE APPROVED BY THE ECM ADMINISTRATOR PRIOR TO IMPLEMENTATION.
10. EARTH DISTURBANCES SHALL BE CONDUCTED IN SUCH A MANNER SO AS TO EFFECTIVELY MINIMIZE ACCELERATED SOIL EROSION AND RESULTING SEDIMENTATION. ALL DISTURBANCES SHALL BE DESIGNED, CONSTRUCTED, AND COMPLETED SO THAT THE EXPOSED AREA OF ANY DISTURBED LAND SHALL BE LIMITED TO THE SHORTEST PRACTICAL PERIOD OF TIME. PRE-EXISTING VEGETATION SHALL BE PROTECTED AND MAINTAINED WITHIN 50 HORIZONTAL FEET OF A WATERS OF THE STATE UNLESS SHOWN TO BE INFEASIBLE AND SPECIFICALLY REQUESTED AND APPROVED.
11. COMPACTION OF SOIL MUST BE PREVENTED IN AREAS DESIGNATED FOR INFILTRATION CONTROL MEASURES OR WHERE FINAL STABILIZATION WILL BE ACHIEVED BY VEGETATIVE COVER. AREAS DESIGNATED FOR INFILTRATION CONTROL MEASURES SHALL ALSO BE PROTECTED FROM SEDIMENTATION DURING CONSTRUCTION UNTIL FINAL STABILIZATION IS ACHIEVED. IF COMPACTION PREVENTION IS NOT FEASIBLE DUE TO SITE CONSTRAINTS, ALL AREAS DESIGNATED FOR INFILTRATION AND VEGETATION CONTROL MEASURES MUST BE LOOSENEED PRIOR TO INSTALLATION OF THE CONTROL MEASURE(S).
12. ANY TEMPORARY OR PERMANENT FACILITY DESIGNED AND CONSTRUCTED FOR THE CONVEYANCE OF STORMWATER AROUND, THROUGH, OR FROM THE EARTH DISTURBANCE AREA SHALL BE A STABILIZED CONVEYANCE DESIGNED TO MINIMIZE EROSION AND THE DISCHARGE OF SEDIMENT OFF SITE.
13. CONCRETE WASH WATER SHALL BE CONTAINED AND DISPOSED OF IN ACCORDANCE WITH THE SWMP. NO WASH WATER SHALL BE DISCHARGED TO OR ALLOWED TO ENTER STATE WATERS, INCLUDING ANY SURFACE OR SUBSURFACE STORM DRAINAGE SYSTEM OR FACILITIES. CONCRETE WASHOUTS SHALL NOT BE LOCATED IN AN AREA WHERE SHALLOW GROUNDWATER MAY BE PRESENT, OR WITHIN 50 FEET OF A SURFACE WATER BODY, CREEK OR STREAM.
14. DURING DEWATERING OPERATIONS OF UNCONTAMINATED GROUND WATER MAY BE DISCHARGED ON SITE, BUT SHALL NOT LEAVE THE SITE IN THE FORM OF SURFACE RUNOFF UNLESS AN APPROVED STATE DEWATERING PERMIT IS IN PLACE.
15. EROSION CONTROL BLANKETING OR OTHER PROTECTIVE COVERING SHALL BE USED ON SLOPES STEEPER THAN 3:1.
16. CONTRACTOR SHALL BE RESPONSIBLE FOR THE REMOVAL OF ALL WASTES FROM THE CONSTRUCTION SITE FOR DISPOSAL IN ACCORDANCE WITH LOCAL AND STATE REGULATORY REQUIREMENTS. NO CONSTRUCTION DEBRIS, TREE SLASH, BUILDING MATERIAL WASTES OR UNUSED BUILDING MATERIALS SHALL BE BURIED, DUMPED, OR DISCHARGED AT THE SITE.
17. WASTE MATERIALS SHALL NOT BE TEMPORARILY PLACED OR STORED IN THE STREET, ALLEY, OR OTHER PUBLIC WAY, UNLESS IN ACCORDANCE WITH AN APPROVED TRAFFIC CONTROL PLAN. CONTROL MEASURES MAY BE REQUIRED BY EL PASO COUNTY ENGINEERING IF DEEMED NECESSARY, BASED ON SPECIFIC CONDITIONS AND CIRCUMSTANCES.
18. TRACKING OF SOILS AND CONSTRUCTION DEBRIS OFF-SITE SHALL BE MINIMIZED. MATERIALS TRACKED OFF-SITE SHALL BE CLEANED UP AND PROPERLY DISPOSED OF IMMEDIATELY.
19. THE OWNER/DEVELOPER SHALL BE RESPONSIBLE FOR THE REMOVAL OF ALL CONSTRUCTION DEBRIS, DIRT, TRASH, ROCK, SEDIMENT, SOIL, AND SAND THAT MAY ACCUMULATE IN ROADS, STORM DRAINS AND OTHER DRAINAGE CONVEYANCE SYSTEMS AND STORMWATER APPURTENANCES AS A RESULT OF SITE DEVELOPMENT.
20. THE QUANTITY OF MATERIALS STORED ON THE PROJECT SITE SHALL BE LIMITED, AS MUCH AS PRACTICAL, TO THAT QUANTITY REQUIRED TO PERFORM THE WORK IN AN ORDERLY SEQUENCE. ALL MATERIALS STORED ON-SITE SHALL BE STORED IN A NEAT, ORDERLY MANNER, IN THEIR ORIGINAL CONTAINERS, WITH ORIGINAL MANUFACTURER'S LABELS.
21. NO CHEMICAL(S) HAVING THE POTENTIAL TO BE RELEASED IN STORMWATER ARE TO BE STORED OR USED ONSITE UNLESS PERMISSION FOR THE USE OF SUCH CHEMICAL(S) IS GRANTED IN WRITING BY THE ECM ADMINISTRATOR. IN GRANTING APPROVAL FOR THE USE OF SUCH CHEMICAL(S), SPECIAL CONDITIONS AND MONITORING MAY BE REQUIRED.
22. BULK STORAGE OF ALLOWED PETROLEUM PRODUCTS OR OTHER ALLOWED LIQUID CHEMICALS IN EXCESS OF 55 GALLONS SHALL REQUIRE ADEQUATE SECONDARY CONTAINMENT PROTECTION TO CONTAIN ALL SPILLS ONSITE AND TO PREVENT ANY SPILLED MATERIALS FROM ENTERING STATE WATERS, ANY SURFACE OR SUBSURFACE STORM DRAINAGE SYSTEM OR OTHER FACILITIES.
23. NO PERSON SHALL CAUSE THE IMPEDIMENT OF STORMWATER FLOW IN THE CURB AND GUTTER OR DITCH EXCEPT WITH APPROVED SEDIMENT CONTROL MEASURES.
24. OWNER/DEVELOPER AND THEIR AGENTS SHALL COMPLY WITH THE "COLORADO WATER QUALITY CONTROL ACT" (TITLE 25, ARTICLE 8, CRS), AND THE "CLEAN WATER ACT" (33 USC 1344), IN ADDITION TO THE REQUIREMENTS OF THE LAND DEVELOPMENT CODE, DCM VOLUME II AND THE ECM APPENDIX I. ALL APPROPRIATE PERMITS MUST BE OBTAINED BY THE CONTRACTOR PRIOR TO CONSTRUCTION (1041, NPDES, FLOODPLAIN, 404, FUGITIVE DUST, ETC.). IN THE EVENT OF CONFLICTS BETWEEN THESE REQUIREMENTS AND OTHER LAWS, RULES, OR REGULATIONS OF OTHER FEDERAL, STATE, LOCAL, OR COUNTY AGENCIES, THE MOST RESTRICTIVE LAWS, RULES, OR REGULATIONS SHALL APPLY.
25. ALL CONSTRUCTION TRAFFIC MUST ENTER/EXIT THE SITE ONLY AT APPROVED CONSTRUCTION ACCESS POINTS.
26. PRIOR TO CONSTRUCTION THE PERMITTEE SHALL VERIFY THE LOCATION OF EXISTING UTILITIES.
27. A WATER SOURCE SHALL BE AVAILABLE ON SITE DURING EARTHWORK OPERATIONS AND SHALL BE UTILIZED AS REQUIRED TO MINIMIZE DUST FROM EARTHWORK EQUIPMENT AND WIND.
28. THE SOILS REPORT FOR THIS SITE HAS BEEN PREPARED BY TERRACON. #23055071 MAY 30, 2006 AND SHALL BE CONSIDERED A PART OF THESE PLANS WITH AN UPDATED LETTER JUNE 17, 2020.
29. AT LEAST TEN (10) DAYS PRIOR TO THE ANTICIPATED START OF CONSTRUCTION, FOR PROJECTS THAT WILL DISTURB ONE (1) ACRE OR MORE, THE OWNER OR OPERATOR OF CONSTRUCTION ACTIVITY SHALL SUBMIT A PERMIT APPLICATION FOR STORMWATER DISCHARGE TO THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, WATER QUALITY DIVISION. THE APPLICATION CONTAINS CERTIFICATION OF COMPLETION OF A STORMWATER MANAGEMENT PLAN (SWMP), OF WHICH THIS GRADING AND EROSION CONTROL PLAN MAY BE A PART. FOR INFORMATION OR APPLICATION MATERIALS CONTACT:
COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
WATER QUALITY CONTROL DIVISION
WQCD - PERMITS
4300 CHERRY CREEK DRIVE SOUTH
DENVER, CO 80246-1530
ATTN: PERMITS UNIT

CLAREMONT BUSINESS PARK 2 FILING NO. 1

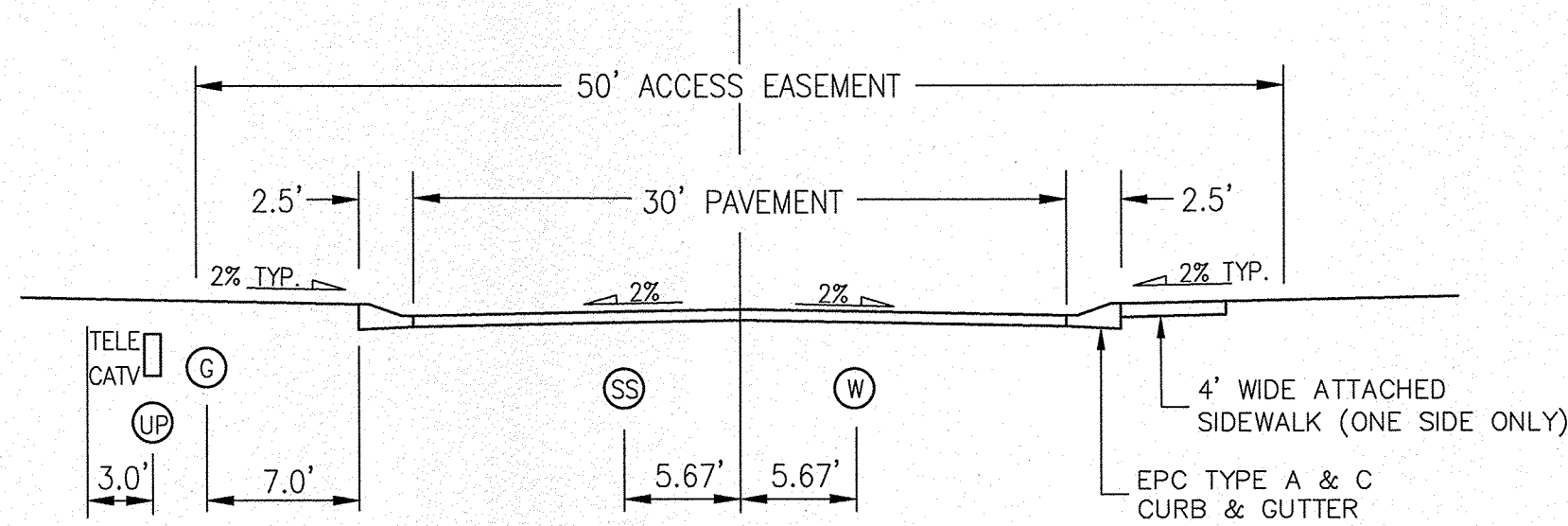
COUNTY OF EL PASO, STATE OF COLORADO

GRADING AND EROSION CONTROL PLAN

JANUARY 2021



VICINITY MAP
N.T.S.



URBAN LOCAL CROSS SECTION (PRIVATE)
SCALE: NTS

POSTED SPEED 25 MPH
DESIGN SPEED 35 MPH

ADDITIONAL NOTES:

- STAGING AREA TO BE DETERMINED BY CONTRACTOR IN THE FIELD. THE LOCATIONS SHALL BE DELINEATED ON THIS PLAN BY THE CONTRACTOR.
- THE EROSION CONTROL DELINEATED ON THIS PLAN SHALL BE REGULARLY UPDATED BY THE CONTRACTOR.
- TEMPORARY SEDIMENT TRAP LOCATIONS WILL BE DETERMINED BY THE CONTRACTOR IN THE FIELD.
- EXISTING SITE TERRAIN GENERALLY SLOPES FROM NORTH TO SOUTHWEST AT GRADE RATES THAT VARY BETWEEN 2% TO 6%.
- THERE ARE NO BATCH PLANTS ON SITE.
- AREAS LEFT OPEN FOR 30 DAYS OR MORE, OTHER THAN FOR UTILITY AND DRAINAGE CONSTRUCTION SHALL BE SEEDED AND/OR MULCHED.

NO PORTION OF THIS PROPERTY IS LOCATED WITHIN A DESIGNATED FEMA FLOODPLAIN IN ACCORDANCE WITH FLOOD INSURANCE RATE MAPS (FIRM) 08041C0756G, EFFECTIVE DATE DECEMBER 7, 2018.

EXISTING VEGETATION: THE SITE ORIGINALLY CONSISTED OF PRAIRIE GRASSES AND SHRUBS. NO OTHER NOTABLE VEGETATION EXISTED. THE SITE IS PROPOSED FOR AN INDUSTRIAL PARK SUBDIVISION. IF THE SUBDIVISION IS NOT COMPLETED, THE ENTIRE SITE SHOULD BE RESEED PER EPC SPECIFICATIONS. FOR AREAS OUTSIDE OF THE DEVELOPED LOTS, THE GROUND SHOULD BE RESEED PER EPC CRITERIA AS SHOWN ON THE GRADING AND EROSION CONTROL PLAN. THE VEGETATION SHOULD BE VISUALLY INSPECTED TO EXCEED THE AMOUNT OF VEGETATION THAT EXISTS IN NON-DISTURBED AREAS AROUND THE SITE.

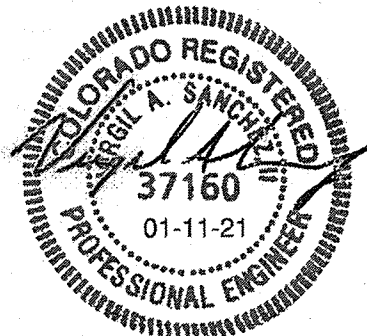
GRADING & EROSION CONTROL PLAN
CLAREMONT BUSINESS PARK 2 FIL. NO. 1
JOB NO. 44-037
DATE PREPARED: APRIL 28, 2020
DATE REVISED: JANUARY 11, 2021

EL PASO COUNTY FILE NO. SF 20-014



DESIGN ENGINEER'S STATEMENT

THIS GRADING AND EROSION CONTROL PLAN WAS PREPARED UNDER MY DIRECTION AND SUPERVISION AND IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. SAID PLAN HAS BEEN PREPARED ACCORDING TO THE CRITERIA ESTABLISHED BY THE COUNTY FOR GRADING AND EROSION CONTROL PLANS. I ACCEPT RESPONSIBILITY FOR ANY LIABILITY CAUSED BY NEGLIGENT ACTS, ERRORS OR OMISSIONS ON MY PART IN PREPARING THIS PLAN.



VIRGIL A. SANCHEZ, COLORADO P.E. #37160
FOR AND ON BEHALF OF M & S CIVIL CONSULTANTS, INC.

DATE

OWNER/DEVELOPER'S STATEMENT:

I, THE OWNER/DEVELOPER HAVE READ AND WILL COMPLY WITH THE REQUIREMENTS OF THE DETAILED GRADING AND EROSION CONTROL PLANS AND SPECIFICATIONS.

[Signature]
HARRIS CONSTRUCTION, INC. DATE 1/19/2021

ADDRESS: 1411 WOOLSEY HEIGHTS, COLORADO SPRINGS, CO 80915

EL PASO COUNTY:

COUNTY PLAN REVIEW IS PROVIDED ONLY FOR GENERAL CONFORMANCE WITH COUNTY DESIGN CRITERIA. THE COUNTY IS NOT RESPONSIBLE FOR THE ACCURACY AND ADEQUACY OF THE DESIGN, DIMENSIONS, AND/OR ELEVATIONS WHICH SHALL BE CONFIRMED AT THE JOB SITE. THE COUNTY THROUGH THE APPROVAL OF THIS DOCUMENT ASSUMES NO RESPONSIBILITY FOR COMPLETENESS AND/OR ACCURACY OF THIS DOCUMENT.

FILED IN ACCORDANCE WITH THE REQUIREMENTS OF THE EL PASO COUNTY LAND DEVELOPMENT CODE, DRAINAGE CRITERIA MANUAL, VOLUMES 1 AND 2, AND ENGINEERING CRITERIA MANUAL AS AMENDED.

IN ACCORDANCE WITH ECM SECTION 1.12, THESE CONSTRUCTION DOCUMENTS WILL BE VALID FOR CONSTRUCTION FOR A PERIOD OF 2 YEARS FROM THE DATE SIGNED BY THE EL PASO COUNTY ENGINEER. IF CONSTRUCTION HAS NOT STARTED WITHIN THOSE 2 YEARS, THE PLANS WILL NEED TO BE RESUBMITTED FOR APPROVAL, INCLUDING PAYMENT OF REVIEW FEES AT THE PLANNING AND COMMUNITY DEVELOPMENT DIRECTORS DISCRETION.

APPROVED
Engineering Department

JENNIFER IRVINE, P.E.
COUNTY ENGINEER / ECM ADMINISTRATOR

02/11/2021 7:26:19 AM
dsdnijkamp
EPC Planning & Community
Development Department

TIMING: OCTOBER 2020
ANTICIPATED STARTING AND COMPLETION TIME PERIOD OF SITE GRADING: SEPT 2021
EXPECTED DATE ON WHICH THE FINAL STABILIZATION WILL BE COMPLETED:
AREAS ~7.3 AC
TOTAL AREA OF THE SITE TO BE CLEARED, EXCAVATED OR GRADED:
RECEIVING WATERS: SAND CREEK



212 N. WAHSATCH AVE., SUITE 305
COLORADO SPRINGS, CO 80903
PHONE: 719.955.5485

CLAREMONT BUSINESS PARK 2 FILING NO. 1

COUNTY OF EL PASO, STATE OF COLORADO

GRADING AND EROSION CONTROL PLAN

MARKSHEFFEL ROAD
(ROW VARIES)
REC. NO. 202028680

U.S. HIGHWAY 24
(ROW VARIES)
REC. NO. 202028680

ADDITIONAL NOTES:
STAGING STORAGE AND STOCK PILES AREAS TO BE DETERMINED BY CONTRACTOR IN THE FIELD. THE LOCATIONS SHALL BE DELINEATED ON THIS PLAN BY THE CONTRACTOR.

THE EROSION CONTROL DELINEATED ON THIS PLAN SHALL BE REGULARLY UPDATED BY THE CONTRACTOR.

TEMPORARY SEDIMENT TRAP LOCATIONS WILL BE DETERMINED BY THE CONTRACTOR IN THE FIELD.

EXISTING SITE TERRAIN GENERALLY SLOPES FROM NORTH TO SOUTHWEST AT GRADE RATES THAT VARY BETWEEN 2% TO 6%.

THERE ARE NO BATCH PLANTS ON SITE.

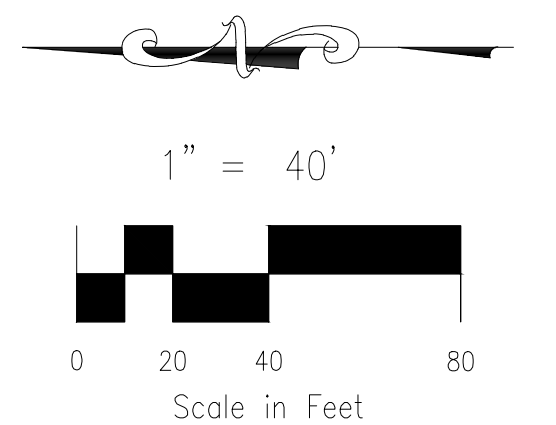
AREAS LEFT OPEN FOR 21 DAYS OR MORE, OTHER THAN FOR UTILITY AND DRAINAGE CONSTRUCTION SHALL BE SEEDED AND/OR MULCHED.

NO PORTION OF THIS PROPERTY IS LOCATED WITHIN A DESIGNATED FEMA FLOODPLAIN IN ACCORDANCE WITH FLOOD INSURANCE RATE MAPS (FIRM) 08041C0756G, EFFECTIVE DATE DECEMBER 7, 2018.

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LEGEND

---	LIMITS OF DISTURBANCE / CONSTRUCTION
---	CUT/FILL LINE
--- (6920) ---	EXISTING CONTOUR
--- 6920 ---	PROP CONTOUR
---	PROPERTY LINE
→	PROP SWALE
---	EASEMENT LINE
---	EXIST STORM SEWER PIPE
---	EXIST INLET
→	EXISTING FLOW DIRECTION
→	EMERGENCY OVERFLOW DIRECTION
→	FLOW DIRECTION
---	FLARED END SECTION
H.P.	HIGH POINT
L.P.	LOW POINT
TSB	TEMPORARY SEDIMENT BASIN PRE-DEV STAGE
SF	SILT FENCE PRE-DEV STAGE
VTC	VEHICLE TRACKING CONTROL PRE-DEV STAGE
SBB	STRAW BALE DITCH CHECK PRE-DEV STAGE
ECB	EROSION CONTROL BLANKET
CWA	CONCRETE WASH-OUT AREA
IP	INLET PROTECTION
SP	TEMPORARY STOCK PILE
---	TEMPORARY MULCHING AND SEEDING
---	MAINTENANCE/ACCESS ROAD ABOVE EURV 8" CDOT CLASS 2
---	MAINTENANCE/ACCESS ROAD BELOW EURV 12" CDOT CLASS 2
---	RIPRAP RUNDOWN & LOW TAILWATER BASIN
---	SC150 NORTH AMERICAN GREEN EROSION CONTROL BLANKET OR EQUIVALENT



GRADING & EROSION CONTROL PLAN
CLAREMONT BUSINESS PARK 2 FIL. NO. 1
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212 N. WAHSATCH AVE., SUITE 305
COLORADO SPRINGS, CO 80903
PHONE: 719.955.5485

EPC 2/11/21
SHEET 2 OF 5

PADMARK BUSINESS PARK FILING NO. 1
REC. NO. 217714046

CLAREMONT BUSINESS PARK FILING NO. 1C
REC. NO. 220714531

14714

GENERAL PLAT NOTES:

- GENERAL PLAT NOTES: (CONT.)

- GENERAL PLAT NOTES: (CONT.)

- GENERAL PLAT NOTES: (CONT.)

- GENERAL PLAT NOTES: (CONT.)

- APPROVED WITH SP-19-007

WAIVER REQUESTS

- FINAL PLAT
CLAREMONT BUSINESS PARK 2
FILING NO. 1
JOB NO. 44-037
DATE PREPARED: 04/28/2020
DATE REVISED: 02/17/2021

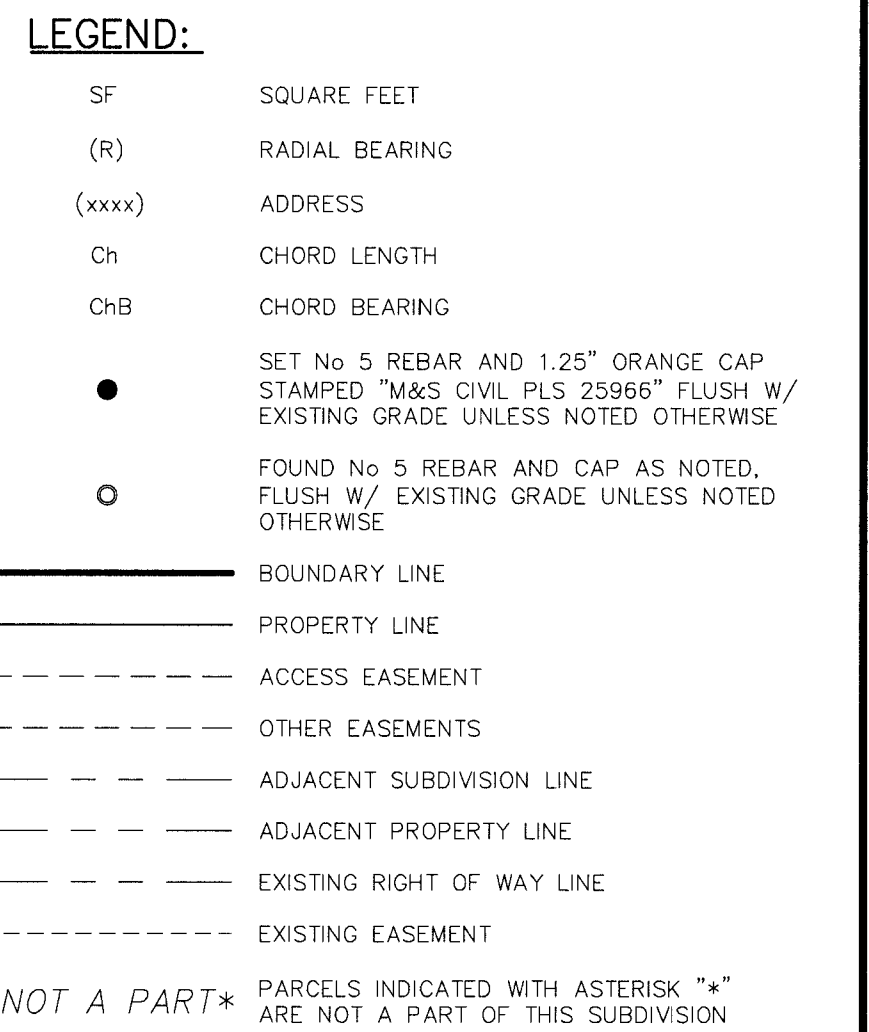


212 N. WAHSATCH AVE., STE 305
COLORADO SPRINGS, CO 80903
PHONE: 719.955.5485

14714

MARKSHEFFEL ROAD
(ROW VARIES)
REC. NO. 202028680
CDOT PROJ. NO. NH 0243-058 UNIT 2

U.S. HIGHWAY 24
(ROW VARIES)
REC. NO. 202028680
CDOT PROJ. NO. NH 0243-058 UNIT 2



1" = 50'

0 25 50 100

Scale in Feet



K&B
CIVIL CONSULTANTS, INC.

SHEET 3 OF 4