



CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

Regular Board Meeting
Tuesday, July 16, 2024– 1:00 PM
614 North Tejon St.
Colorado Springs, CO 80903,
or

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

<https://video.cloudoffice.avaya.com/join/888512457>

You can also dial in using your phone.

United States: +1 (213) 463-4500

Access Code: 888-512-457

Board of Director	Title	Term
Robert Fornof	President	May 2027
Terry Schooler	Secretary/Treasurer	May 2027
VACANT	Director	May 2025
VACANT	Director	May 2025
VACANT	Director	May 2025

AGENDA

1. Call to Order/Introductions
2. Approval of Agenda
3. Approval of the Minutes from the Board Meeting on November 8, 2023 (enclosure)
4. Public Comment (For items not on the Agenda)
5. Legal Matters
6. Financial Report
 - a. Review and consider approval of 2023 Audit and Presentation (enclosure)
 - b. Consider Approval of Unaudited Financial Statements through June 30, 2023 (enclosure)
 - c. Ratify Payables through July 16, 2024 (enclosure)
7. Manager Report
 - a. ADA Website Compliance Policy
8. Adjournment





**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CONSTITUTION HEIGHTS METROPOLITAN DISTRICT
HELD NOVEMBER 8, 2023
AT 9:00 AM**

Pursuant to posted notice, the special meeting of the Board of Directors of the Constitution Heights Metropolitan District was held on Wednesday, November 8, 2023, at 614 N Tejon St., Colorado Springs, CO 80903 and virtually via video teleconference.

In attendance were Directors:

Robert Fornof, President

Terry Schooler, Secretary/Treasurer

Also in attendance were:

Adam Noel, WSDM

Rebecca Harris, WSDM

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron

1. Call to Order/Introductions: Mr. Noel called the meeting to order at 9:02 a.m. and confirmed a quorum was present.
2. Approval of the Agenda: After review, Director Schooler moved to approve the Agenda as written; seconded by President Fornof. Motion passed unanimously.
3. Approval of the Minutes from the Board Meeting on July 26, 2023: After review, Director Schooler moved to approve the July 26, 2023 Minutes; seconded by President Fornof. Motion passed unanimously.
4. Public Comment: There was no public comment.
5. Legal Matters
 - a. Review and Consider Approval of the 2024 WSDM Engagement Letter: Mr. Noel presented the 2024 WSDM Engagement Letter. Mr. Noel noted the monthly rate was lowered to \$2,000 per month. After review, Director Schooler moved to approve the 2024 WSDM Engagement Letter; seconded by President Fornof. Motion passed unanimously.
 - b. Review and Consider Approval of the 2024 Administrative Resolution: Mr. Noel presented the 2024 Administrative Resolution. The Board scheduled 2024 regular meetings for July 24, 2024 and November 13, 2024 at 9:00 a.m. for the Budget Hearing and annual Town Hall meeting and will call special meetings as needed. Director Schooler moved to approve the 2024 Administrative Resolution; seconded by President Fornof. Motion passed unanimously.
6. Financial Report

- a. Consider Approval of Unaudited Financial Statements dated October 31, 2023: Mr. Noel presented the Unaudited Financial Statements dated October 31, 2023. The Board requested WSDM research an interest-bearing account. Director Schooler moved to approve the Unaudited Financial Statements dated October 31, 2023; seconded by President Fornof. Motion passed unanimously.
- b. Ratify Approved Payables through November 8, 2023: Mr. Noel presented the payables through November 8, 2023. After review, Director Schooler moved to ratify the approved payables through November 8, 2023; seconded by President Fornof. Motion passed unanimously.
- c. 2022 Budget Amendment Hearing: President Fornof moved to open the public hearing on the 2022 Budget Amendment; seconded by Director Schooler. Motion passed unanimously. After no public comment, the public hearing was closed. Mr. Allen presented the 2022 Budget Amendment due to additional expenditures noted by the Auditors. After review, Director Schooler moved to approve the 2022 Budget Amendment as presented; seconded by President Fornof. Motion passed unanimously.
- d. 2023 Budget Amendment Hearing: President Fornof moved to open the public hearing on the 2023 Budget Amendment; seconded by Director Schooler. Motion passed unanimously. After no public comment, the public hearing was closed. Mr. Noel presented the 2023 Budget Amendment due to an overage of expenditures on the general fund. After review, Director Schooler moved to approve the 2023 Budget Amendment; seconded by President Fornof. Motion passed unanimously.
- e. Budget Hearing for 2024 Budget: President Fornof moved to open the public hearing on the 2024 Budget; seconded by Director Schooler. Motion passed unanimously. After no public comment, the public hearing was closed. Mr. Noel presented the 2024 Budget. Mr. Harris recommended including a \$10,000 contingency in the general fund. Ms. Harris recommended lowering the debt service mill levy due to the increase in assessed valuations. The Board directed WSDM to lower the mill levy based on the targeted revenue of \$700,000. After review, Director Schooler moved to approve the 2024 Budget as discussed; seconded by President Fornof. Motion passed unanimously.
- f. Review and Consider Approval of Resolutions for Approval of 2024 Budget, 2023 Budget Amendment, and 2022 Budget Amendment: After review, Director Schooler moved to approve the Resolutions for approval of 2024 Budget, 2023 Budget Amendment, and 2022 Budget Amendment; seconded by President Fornof. Motion passed unanimously.

7. Adjournment: The Board unanimously adjourned the meeting at 9:52 a.m.

Respectfully Submitted,

By: Recording Secretary





**MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CONSTITUTION HEIGHTS METROPOLITAN DISTRICT
HELD NOVEMBER 8, 2023, AT 9:00 A.M.**

Pursuant to §32-1-903(6), C.R.S., the annual meeting of the Board of Directors of the Constitution Heights Metropolitan District was held on Wednesday, November 8, 2023, at 9:00 a.m., at 614 N Tejon Street, Colorado Springs, CO, 80903 and virtually via video teleconference.

Attendance

In attendance were Directors:

Robert Fornof, President
Terry Schooler, Secretary/Treasurer

Also in attendance were:

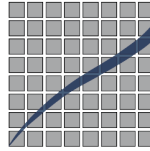
Adam Noel, WSDM
Rebecca Harris, WSDM
K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron

1. Call to Order: Mr. Noel called the meeting to order at 9:52 a.m.
2. Current Structure of District: Mr. Noel provided a presentation regarding the structure of the District.
3. Current Public Infrastructure Projects Within the District: Mr. Noel noted there are no current public infrastructure projects within the District boundaries.
4. Current Bond Status: Mr. Noel provided a presentation on the current bond status.
5. Review Unaudited Financial Statements: Mr. Noel presented a review of the current unaudited financial statements.
6. Open Floor for Questions: There was no public comment.
7. Adjourn: The meeting was adjourned at 9:58 a.m.

Respectfully Submitted,

Secretary





BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

[DATE]

Board of Directors and Management
Constitution Heights Metropolitan District
El Paso County, Colorado

We have audited the financial statements of Constitution Heights 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 April 8, 2024. 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. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2023. 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 related to:

- Property taxes receivable and deferred property taxes

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 known and likely 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 accompanies the financial statements but is not required supplementary information. 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, 2023, 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.

We consider the following to be a significant deficiency:

- *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 management and is not intended to be, and should not be, used by anyone other than the specified parties.

Sincerely,

BiggsKofford, P.C.

BiggsKofford, P.C.

Adjusting Journal Entries

Adjusting Journal Entries

ADJUSTING: To accrue for interest on developer advances

4473	Interest Expense - Developer Advances	24,377.00	
2325	Acc Int-Sand Creed Inv		19,606.00
2326	Acc Int-Marksheffel Bus Cen Inv		4,771.00
Total		24,377.00	24,377.00

ADJUSTING: To record property tax receivable and deferred property tax revenue for 2023.

1200	Property Tax Receivable-Debt	640,929.00	
2210	Deferred Property Tax Rev		640,929.00
1200	Property Tax Receivable-Debt		
Total		640,929.00	640,929.00
	Total Adjusting Journal Entries	665,306.00	665,306.00

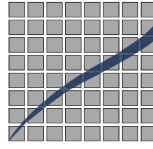
CONSTITUTION HEIGHTS METROPOLITAN DISTRICT
EL PASO COUNTY, COLORADO

FINANCIAL STATEMENTS
DECEMBER 31, 2023

DRAFT

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Constitution Heights Metropolitan District
El Paso County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Constitution Heights Metropolitan District ("District") as of and for the year ended December 31, 2023, 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, 2023, 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 PENDING]

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CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	Governmental Activities
<u>ASSETS</u>	
Cash and investments	\$ 45,397
Cash and investments - restricted	696,674
Receivable from County Treasurer	5,156
Property tax receivable	738,213
Total assets	1,485,440
<u>LIABILITIES</u>	
Accounts payable	12,422
Accrued interest payable	51,396
Noncurrent liabilities:	
Due within one year	55,000
Due in more than one year	12,608,069
Total liabilities	12,726,887
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred property taxes	738,213
Total deferred inflows of resources	738,213
<u>NET POSITION</u>	
Restricted for:	
Debt service	667,843
Emergency reserve	1,700
Unrestricted	(12,649,203)
Total net position	\$ (11,979,660)

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

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2023

<u>FUNCTIONS / PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expenses) Revenues and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government					
Government activities:					
General government	\$ 66,042	\$ -	\$ -	\$ -	\$ (66,042)
Interest and related costs on long-term debt	645,127	-	-	-	(645,127)
Total government activities	<u>\$ 711,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(711,169)</u>
<u>GENERAL REVENUES</u>					
Property taxes					641,182
Specific ownership taxes					67,113
Investment income					44,169
Total general revenues					<u>752,464</u>
Change in net position					41,295
Net position, beginning of year					(12,020,955)
Net position, end of year					<u>\$ (11,979,660)</u>

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

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	General Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 45,397	\$ -	\$ 45,397
Cash and investments - restricted	1,700	694,974	696,674
Receivable from County Treasurer	-	5,156	5,156
Property tax receivable	-	738,213	738,213
Due from other funds	-	19,109	19,109
Total assets	\$ 47,097	\$ 1,457,452	\$ 1,504,549
<u>LIABILITIES</u>			
Accounts payable	\$ 12,422	\$ -	\$ 12,422
Due to other funds	19,109	-	19,109
Total liabilities	31,531	-	31,531
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property taxes	-	738,213	738,213
Total deferred inflows of resources	-	738,213	738,213
<u>FUND BALANCES</u>			
Restricted for:			
Debt service	-	719,239	719,239
Emergency reserve	1,700	-	1,700
Unassigned:			
Unrestricted	13,866	-	13,866
Total fund balances	15,566	719,239	734,805
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,097	\$ 1,457,452	
Amounts reported in governmental activities in the statement of net position are different because:			
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Bonds payable			(12,335,000)
Accrued interest on bonds payable			(51,396)
Developer advances			(153,500)
Accrued interest on developer advances			(174,569)
Net position of governmental activities			\$ (11,979,660)

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

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Property taxes	\$ -	\$ 641,182	\$ 641,182
Specific ownership taxes	67,113	-	67,113
Investment income	2,150	42,019	44,169
Total revenues	69,263	683,201	752,464
<u>EXPENDITURES</u>			
Current:			
Accounting and audit	9,325	-	9,325
Bank charges	3,575	-	3,575
County Treasurer fees	-	9,618	9,618
Dues and subscriptions	657	-	657
Elections	1,372	-	1,372
Insurance	2,786	-	2,786
Legal services	8,624	-	8,624
Management fees	30,056	-	30,056
Supplies	29	-	29
Debt service:			
Bank charges	-	4,000	4,000
Bond interest payments	-	616,750	616,750
Total expenditures	56,424	630,368	686,792
Excess of revenues over expenditures	12,839	52,833	65,672
Net change in fund balances	12,839	52,833	65,672
Fund balances, beginning of year	2,727	666,406	669,133
Fund balances, end of year	\$ 15,566	\$ 719,239	\$ 734,805

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

CONSTITUTION HEIGHTS 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, 2023

Net change in fund balances	\$ 65,672
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Amounts reported for governmental activities in the statement of activities are different because:

Some items in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest on developer advances	(24,377)
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Change in net position	\$ 41,295
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The accompanying notes and independent auditor's report
should be read with these financial statements.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(BUDGET AND ACTUAL)
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance
<u>REVENUES</u>			
Specific ownership taxes	\$ 44,865	\$ 67,113	\$ 22,248
Investment income	150	2,150	2,000
Total revenues	45,015	69,263	24,248
<u>EXPENDITURES</u>			
Accounting and audit	-	9,325	(9,325)
Bank charges	1,000	3,575	(2,575)
Contingency	5,000	-	5,000
Dues and subscriptions	-	657	(657)
Elections	5,000	1,372	3,628
Insurance	3,000	2,786	214
Legal services	5,000	8,624	(3,624)
Management fees	30,000	30,056	(56)
Supplies	1,000	29	971
Total expenditures	50,000	56,424	(6,424)
Net change in fund balance	\$ (4,985)	12,839	\$ 17,824
Fund balance, beginning of year		2,727	
Fund balance, end of year		\$ 15,566	

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

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. DEFINITION OF REPORTING ENTITY

Constitution Heights Metropolitan District ("District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was formed in November 2004, 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 plus deferred outflows of resources and the liabilities plus deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

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.

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

The District reports the following major governmental funds:

The *general fund* accounts for all financial resources of the District except those required to be accounted for in another 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 for repayment of debt.

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 incurred expenditures in excess of appropriations for the year ended December 31, 2023 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 funds to maximize investment earnings. Except when required by trust or other agreements, 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.

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 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 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 amounts, 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.

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. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund balances and transactions

The District reports interfund balances and transfers that are representative of lending and borrowing arrangements between funds in the fund financial statements as due to other funds and due from other funds, respectively. The interfund balances have been eliminated in the government-wide statements.

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Net position and fund balances

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. 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:

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

The *restricted fund balance* is 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.

The *committed fund balance* is 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.

The *assigned fund balance* is 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.

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

For fund presentation purposes, 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.

Use of estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The District has evaluated subsequent events through the date of the attached independent auditor's report, the date these financial statements were available to be issued.

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 45,397
Cash and investments - restricted	<u>696,674</u>
	<u>\$ 742,071</u>

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2023, are as follows:

Deposits with financial institutions	\$ 45,297
Investments	<u>696,774</u>
	<u>\$ 742,071</u>

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, 2023, the District's cash deposits had a bank balance of \$45,297 and a carrying balance of \$45,297.

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. 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.

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

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

As of December 31, 2023, the District had the following in investments:

Investment	Maturity	Amount
Colorado Surplus Asset Trust Fund (CSAFE)	Weighted average under 60 days	\$ 696,774

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust ("CSAFE"), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE offers two portfolios: CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND, which operates similarly to a money market fund in which each share is equal in value to \$1, offers daily liquidity. CSAFE may invest in US Treasury securities, repurchase agreements collateralized by US Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable net asset value ("NAV") local government investment pool, offers weekly liquidity and is managed to approximate a \$2 transactional share price. CSAFE CORE may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities, certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by FitchRatings. CSAFE records its investment at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

4. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt of the District during the year ended December 31, 2023:

	Balance 01-01-23	Additions	Repayments / Amortization	Balance 12-31-23	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2020 Bonds	\$ 12,335,000	\$ -	\$ -	\$ 12,335,000	\$ 55,000
Total bonds payable	12,335,000	-	-	12,335,000	55,000
Other long-term obligations:					
Developer advances	153,500	-	-	153,500	-
Accrued interest on developer advances	150,192	24,377	-	174,569	-
Total other long-term obligations	303,692	24,377	-	328,069	-
Total long-term obligations	\$ 12,638,692	\$ 24,377	\$ -	\$ 12,663,069	\$ 55,000

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Series 2020 General Obligation Limited Tax Refunding Bonds

On June 9, 2020, the District issued Series 2020 General Obligation Limited Tax Refunding Bonds ("Series 2020 Bonds") for the purpose of: (i) paying the costs of refunding the previously issued bonds; (ii) funding reserves and capitalized interest; and (iii) paying other costs incurred in connection with the issuance of the Series 2020 Bonds and the refunding of the previously issued bonds. The Series 2020 Bonds were issued in the amount of \$12,335,000. The bonds bear interest at the rate of 5.00% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of pledged revenue available on each June 1 and December 1, and mature on December 1, 2049.

The District is required to maintain bond payment and surplus cash accounts. The purpose of the surplus 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 bonds are outstanding.

Pledged revenue

The bonds are secured by and payable from the pledged revenue consisting of monies derived by the District from the following sources, net of any collection costs: (a) required mill levy; (b) capital fees; and (c) any other legally available monies which the District determines to be treated as pledged revenue. The bonds are also secured by amounts held by the trustee in the surplus fund. Required mill levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the bonds as the same become due and payable and to make up any deficiencies in the surplus fund. The mill levy is adjusted for changes in the ratio of actual value to assessed value of property within the District.

Optional redemption

The Series 2020 Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on June 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
June 1, 2025 to May 31, 2026	3.00%
June 1, 2026 to May 31, 2027	2.00%
June 1, 2027 to May 31, 2028	1.00%
June 1, 2028 and thereafter	0.00%

The District's long-term obligations on the 2020 Series Bonds mature as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 55,000	\$ 616,750	\$ 671,750
2025	115,000	614,000	729,000
2026	170,000	608,250	778,250
2027	190,000	599,750	789,750
2028	215,000	590,250	805,250
2029 - 2033	1,340,000	2,773,750	4,113,750
2034 - 2038	1,945,000	2,381,750	4,326,750
2039 - 2043	2,710,000	1,822,750	4,532,750
2044 - 2048	3,730,000	1,048,750	4,778,750
2049	1,865,000	93,250	1,958,250
Total	\$ 12,335,000	\$ 11,149,250	\$ 23,484,250

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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 indenture:

- i. The District defaults in the performance and fails or refuses to impose the required mill levy or to apply the pledged revenue as required by the indenture.
- ii. The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the indenture or the bond resolution, and such default continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to the District by the owners of 25% in aggregate principal amount of the bonds then outstanding.
- iii. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the bonds.

It is acknowledged that, due to the limited nature of the pledged revenue, the failure to pay the principal of or interest on the bonds when due does not, in itself, constitute an event of default under the indenture.

Upon the occurrence and continuance of an event of default, the trustee has the following rights and remedies which may be pursued:

- i. Receivership: Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the trustee and of the owners, the trustee is entitled as a matter of right to the appointment of one or more receivers of the trust estate and of the revenues, income, product and profits thereof pending such proceedings, subject, however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the trustee is entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the indenture to, the trustee.
- ii. Suit for judgment: The trustee may proceed to protect and enforce its rights and the rights of the owners by such suit, action, or special proceedings as the trustee, being advised by counsel, deems appropriate.
- iii. Mandamus or other suit: The owner may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce its rights.

Notwithstanding the foregoing or anything else herein to the contrary, acceleration will not be an available remedy for an event of default.

Developer advances

Reimbursement agreement

On November 15, 2005, and as amended on November 24, 2010, the District entered into a reimbursement agreement with two developers, Sand Creek Investments South, LLC and Marksheffel Business Center, LLC ("Developers"), under which the District will reimburse the Developers for the costs of district formation, operations, maintenance expenses, and improvements that benefit the District and development within the District. The District agreed to repay such advances plus interest at 8.00% per annum. Principal and interest repayments are expected to be made from bond proceeds. The developer advances do not constitute a lien or encumbrance upon any bond proceeds now or hereafter held by the District, except to the extent the District appropriates such bond proceeds for the specific purpose of reimbursement repayments. As of December 31, 2023, developer advances totaled \$153,500 and accrued interest related to the developer advances totaled \$174,569.

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Debt authorization

As of December 31, 2023, the District's debt authorized, authorization used, and amounts authorized but unissued are as follows:

	<u>Electoral Authorization</u>	<u>Service Plan Authorization</u>
Amount authorized	\$ 51,200,000	\$ 25,000,000
Authorization used:		
Series 2011 Bonds	(7,608,000)	(7,608,000)
Series 2014 Loans	-	(4,385,000)
Series 2014 Loans for refunding 2011 Bonds	(4,385,000)	-
Series 2020 Bonds for refunding 2014 Loans	(7,294,000)	-
Series 2020 Bonds	-	(12,335,000)
	<u> -</u>	<u> -</u>
Authorized but unissued indebtedness	<u>\$ 31,913,000</u>	<u>\$ 672,000</u>

On November 2, 2004, the District's voters authorized the issuance of indebtedness at an interest rate not to exceed 8%. The service plan set the maximum mill levy at 40 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

5. NET POSITION

The District has net position consisting of restricted and unrestricted.

Restricted net position includes balances with external 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, 2023 as follows:

Restricted net position:		
Debt service (Note 4)	\$ 667,843	
Emergency reserve (Note 9)	1,700	
	<u> -</u>	
	<u>\$ 669,543</u>	

The District has a deficit in unrestricted net position as of December 31, 2023. This deficit is the result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

6. INTERGOVERNMENTAL AGREEMENTS

On September 22, 2009, the District entered into an intergovernmental agreement ("IGA") with the County which provided for the construction of the middle portion of Marksheffel Road by the County with Pikes Peak Regional Transportation Authority ("PPRTA") funds. Upon entering this IGA, the County contemporaneously entered into the November 4, 2008, IGA between the District and Central Marksheffel Metropolitan District. Under the terms of the 2009 IGA, the District agreed to deed certain property to the County and to contribute up to \$2,788,841 for the cost of design, engineering, and construction of Akers Drive (one of the deeded properties) and Marksheffel Road, including \$588,841 for the cost of improvements to Akers Drive and \$2,200,000 for Marksheffel Road improvements. After contributing \$185,000 for the value of work completed to date on Marksheffel Road, the County will be reimbursed for the balance of the Marksheffel Road improvement costs by collecting a building permit fee, recorded against certain properties within the District and against properties within the impact area of the improvements.

See independent auditor's report.

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. RELATED PARTIES

The developers of the property within the District are Sand Creek Investments South, LLC and Marksheffel Business Center, LLC. The members of the board of directors are officers, employees, or associated with the developers and may have conflicts of interest in dealing with the District.

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 employees; or acts of God.

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

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. On November 2, 2004, the District's voters approved a ballot issue allowing the District to retain all revenues.

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

CONSTITUTION HEIGHTS METROPOLITAN DISTRICT
DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE (BUDGET AND ACTUAL)
YEAR ENDED DECEMBER 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>			
Property taxes	\$ 640,929	\$ 641,182	\$ 253
Investment income	5,000	42,019	37,019
Total revenues	645,929	683,201	37,272
<u>EXPENDITURES</u>			
Accounting and audit	9,200	-	9,200
County Treasurer fees	9,614	9,618	(4)
Bank charges	4,100	4,000	100
Bond interest payments	616,750	616,750	-
Miscellaneous	5,000	-	5,000
Total expenditures	644,664	630,368	14,296
Net change in fund balance	\$ 1,265	52,833	\$ 51,568
Fund balance, beginning of year		666,406	
Fund balance, end of year		\$ 719,239	

See independent auditor's report.



Constitution Heights Metropolitan District
Balance Sheet
 As of June 30, 2024

	Jun 30, 24
ASSETS	
Current Assets	
Checking/Savings	
PNC Bank	48,940.83
UMB-Bond Fund 2020 153385.1	150,023.53
UMB-Surplus 153385.2	705,163.36
	904,127.72
Total Checking/Savings	904,127.72
Other Current Assets	
1200 · Property Tax Receivable-Debt	323,832.10
	323,832.10
Total Other Current Assets	323,832.10
Total Current Assets	1,227,959.82
TOTAL ASSETS	1,227,959.82
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	3,585.17
	3,585.17
Total Accounts Payable	3,585.17
Other Current Liabilities	
Advances-Marksheffel BC	30,000.00
Advances-Sand Creek South	123,500.00
2210 · Deferred Property Tax Rev	323,832.10
	477,332.10
Total Other Current Liabilities	477,332.10
Total Current Liabilities	480,917.27
Long Term Liabilities	
2020 Bond	12,335,000.00
Bonds	
Accrued Bond Interest	51,396.00
	51,396.00
Total Bonds	51,396.00
2325 · Acc Int-Sand Creed Inv	121,569.44
2326 · Acc Int-Marksheffel Bus Cen Inv	28,622.55
	150,191.99
Total Long Term Liabilities	12,536,587.99
Total Liabilities	13,017,505.26
Equity	
30000 · Opening Balance Equity	-9,659,193.00
32000 · Retained Earnings	-2,298,142.93
Net Income	167,790.49
	-11,789,545.44
Total Equity	-11,789,545.44
TOTAL LIABILITIES & EQUITY	1,227,959.82

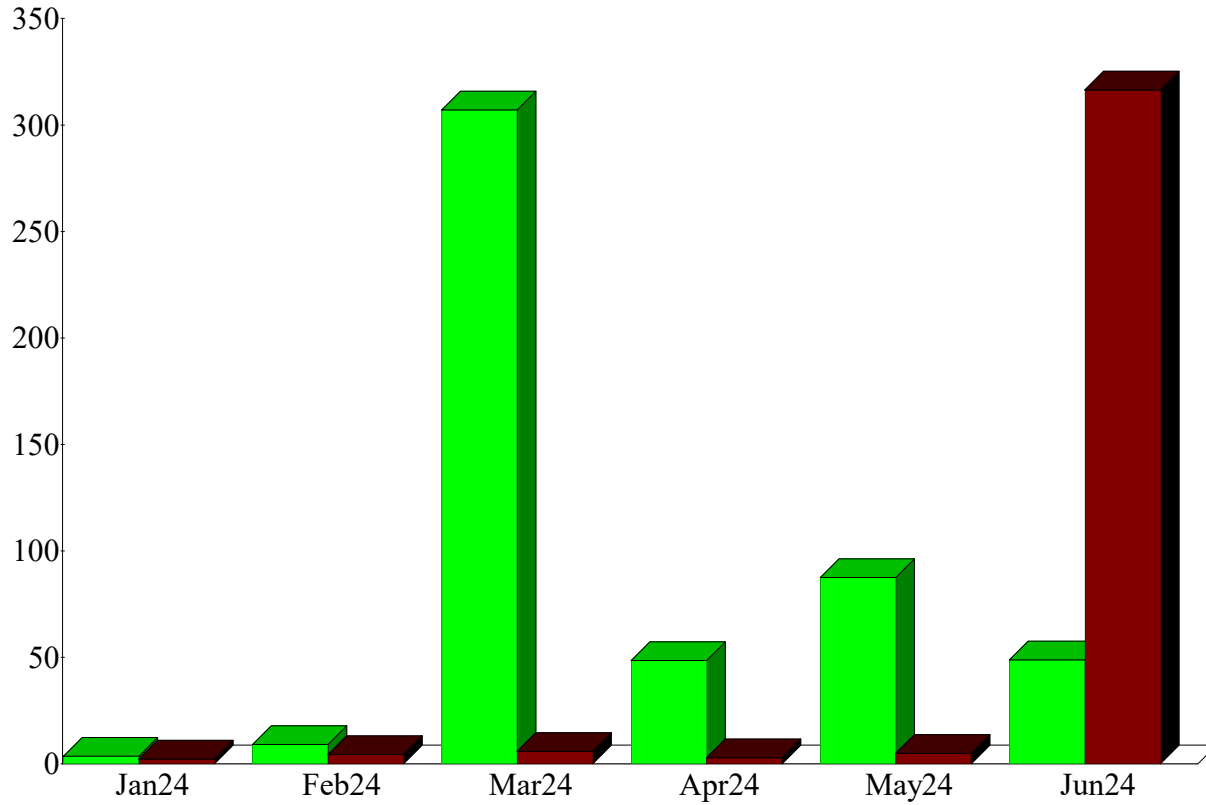
Constitution Heights Metropolitan District Profit & Loss Budget vs. Actual January through June 2024

	TOTAL				
	Jun 24	Jan - Jun 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Interest Income					
Bonds	3,210.72	20,310.42			
Interest Income - Other	288.85	2,362.68	5,150.00	-2,787.32	45.88%
Total Interest Income	3,499.57	22,673.10	5,150.00	17,523.10	440.25%
Property Taxes					
Current Year - Debt	39,837.35	454,218.05	640,929.00	-186,710.95	70.87%
Delinquent Int	13.67	33.15			
Abatement Tax	-80.52	-80.52			
Spec Own Tax	5,589.41	27,886.85	44,865.00	-16,978.15	62.16%
Total Property Taxes	45,359.91	482,057.53	685,794.00	-203,736.47	70.29%
Total Income	48,859.48	504,730.63	690,944.00	-186,213.37	73.05%
Expense					
Copies/Printing/Office Supplies	0.00	9.73			
Dues and Subscriptions	0.00	678.04			
Election	0.00	0.00	5,000.00	-5,000.00	0.0%
Fees Other	0.00	0.00	5,000.00	-5,000.00	0.0%
Treasurer's Fee	597.76	6,813.78	9,614.00	-2,800.22	70.87%
60400 · Bank Service Charges					
Bonds	51.12	60.82			
Lender/ Trustee Fee	4,000.00	4,000.00	4,000.00	0.00	100.0%
60400 · Bank Service Charges - Other	162.04	951.08	1,100.00	-148.92	86.46%
Total 60400 · Bank Service Charges	4,213.16	5,011.90	5,100.00	-88.10	98.27%
63300 · Insurance Expense	0.00	0.00	3,000.00	-3,000.00	0.0%
63400 · Interest Expense					
Bonds	145.96	866.43			
63400 · Interest Expense - Other	308,375.00	308,375.00	616,750.00	-308,375.00	50.0%
Total 63400 · Interest Expense	308,520.96	309,241.43	616,750.00	-307,508.57	50.14%
64500 · Miscellaneous	0.00	0.00	5,000.00	-5,000.00	0.0%
66700 · Professional Fees					
Accounting/ Audit	0.00	0.00	9,200.00	-9,200.00	0.0%
Legal	1,101.88	4,700.79	5,000.00	-299.21	94.02%
Management	2,000.00	10,484.47	30,000.00	-19,515.53	34.95%
Total 66700 · Professional Fees	3,101.88	15,185.26	44,200.00	-29,014.74	34.36%
67500 · Supplies/Postage/Publishing	0.00	0.00	1,000.00	-1,000.00	0.0%
Total Expense	316,433.76	336,940.14	694,664.00	-357,723.86	48.5%
Net Ordinary Income	-267,574.28	167,790.49	-3,720.00	171,510.49	-4,510.5%
Net Income	-267,574.28	167,790.49	-3,720.00	171,510.49	-4,510.5%

Income and Expense by Month
January through June 2024

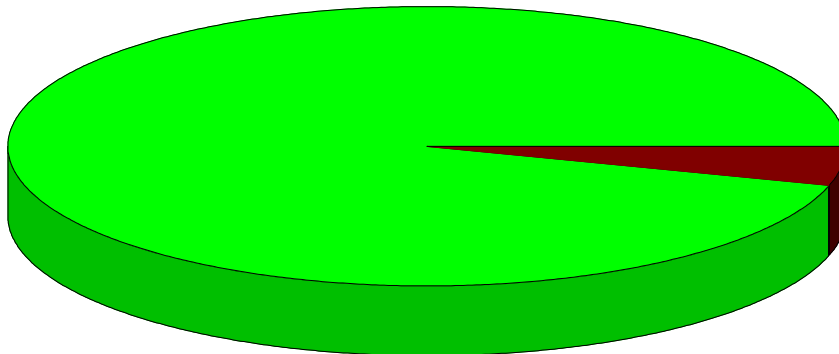
Income
Expense

\$ in 1,000's



Income Summary
January through June 2024

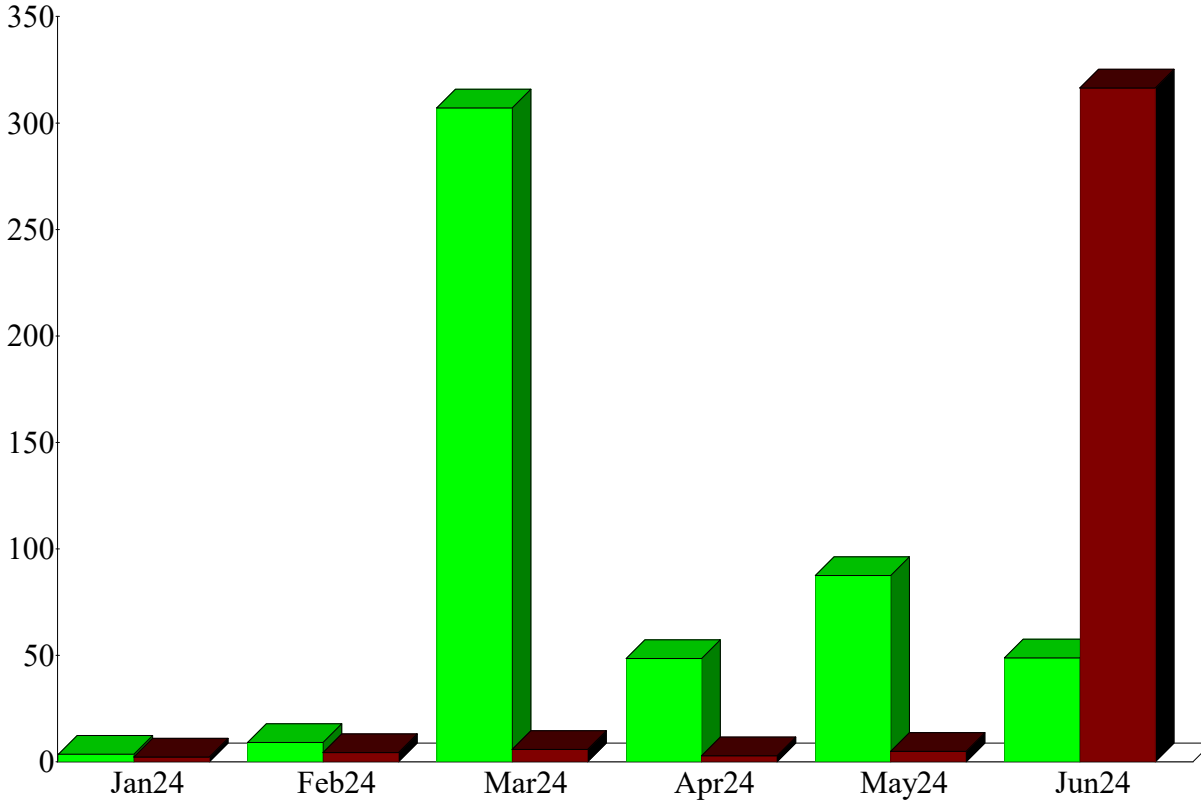
Property Taxes	95.51%
Interest Income	4.49
Total	\$504,730.63



Income and Expense by Month
January through June 2024

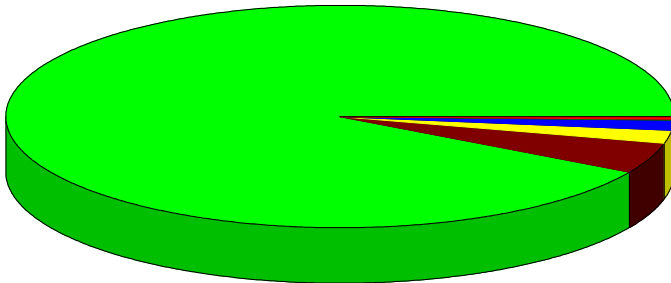
Income
Expense

\$ in 1,000's



Expense Summary
January through June 2024

63400 · Interest Expense	91.78%
66700 · Professional Fees	4.51
Treasurer's Fee	2.02
60400 · Bank Service Charges	1.49
Dues and Subscriptions	0.20
Copies/Printing/Office Supplies	0.01
Total	\$336,940.14





Constitution Heights Metropolitan District
PAYMENT REQUEST
7/16/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	
UMB	978264	6/7/2024		Trustee Fee
White Bear Ankele Tanaka Waldron	35512	6/30/2024	\$ 1,101.88	
WSDM District Managers	8064	6/30/2024	\$ 2,000.00	
TOTAL			\$ 3,101.88	

BOND FUND ACCOUNT

Company	Date	Amount	Comments
UMB	7/10/2024	\$ 272,900.14	June 2024 Pledged Revenue
TOTAL		\$ 272,900.14	

Constitution Heights Board of Director

Total Pay Out Funds: **\$ 276,002.02**

PNC Bank	\$ 327,541.47
6/20/2024 Draw	\$ (276,002.02)
PNC bank balance after draw	<u>\$ 51,539.45</u>





MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: DISTRICT MANAGER
SUBJECT: WEBSITE ACCESSIBILITY MEMORANDUM
DATE: JULY 16, 2024
CC: LEGAL COUNSEL

RULES ESTABLISHING TECHNOLOGY ACCESSIBILITY STANDARDS - 8 CCR 1501-11

The Chief Information Officer (CIO) of the Office of Information Technology (OIT) establishes technology accessibility rules to ensure people with disabilities enjoy the same access as everyone else for participation in state and local government services, activities, and employment opportunities. The rules guide Colorado state and local government teams in complying with state laws.

The OIT recognizes that technology and accessibility standards are evolving and given the diverse needs of residents of our state, no single standard can guarantee universal access. Therefore, while making best efforts to make information technology accessible, the rules also acknowledge that reasonable accommodations or modifications are an important component of compliance. The rules apply to both public external-facing and internal-facing Information and Communication Technology (ICT) procured, developed, maintained, or used by state and local government entities.

A public entity may be considered in compliance with the technology accessibility rules if they:

1. Provide reasonable accommodations or modifications;
2. Have a published accessibility statement; and
3. Are able to provide evidence of making good faith progress on their plan to remove accessibility barriers.

WSDM/District Technology Accessibility Statement

WSDM is committed to providing equitable access to our services to all Coloradans.

Our ongoing accessibility efforts work towards compliance with the Web Content Accessibility Guidelines (WCAG), version 2.1, level AA criteria. WCAG helps make technology accessible to users with sensory, cognitive, and mobility disabilities and ultimately improves access for all users, regardless of ability.

Our Team at WSDM is excited to implement these changes, making all services inclusive and accessible to our clients and municipalities throughout Colorado. We welcome suggestions regarding additional improvements to our technology's accessibility for users with disabilities and requests for accommodations to any WSDM services.

Feedback and Support

We invite your feedback regarding the accessibility of WSDM’s services. Please let us know if you encounter any accessibility barriers. WSDM is committed to responding within one business day.

Phone: 719-447-1777

Email: admin@wsdistricts.co

Office Location: 614 N Tejon St, Colorado Springs, CO 80903

WSDM/District Accessibility Plan

WSDM is committed to providing ubiquitous equitable access. Our ongoing accessibility effort aims to ensure all services, programs, and activities are accessible, providing equal access to information and services to all Coloradans.

WSDM has enacted a plan to prioritize, evaluate, remediate, and continuously improve every digital touchpoint within our services, programs, and activities. Below, you’ll find just some of the measures that WSDM has undertaken.

- Define an accessibility roadmap including timeline, goals, roles, responsibilities, and policies as needed for our organization.
- Develop and maintain an inventory of our current technology, which will be prioritized, validated through testing, and identified issues addressed. (Examples: Google Lighthouse to check all district websites and payment portals, and Word Accessibility check on all documents)
- Create and implement a plan for the provision of reasonable accommodation and modification until the technology can be made accessible.
- Provide contact information and support for receiving accessibility feedback and accommodation requests.
- Train current employees on providing accessible services and technology.
- Implement processes and procedures that are unique to your District.

Accessibility Maturity: WSDM has reached the following accessibility maturity level, as of the date of this memo, for 2024.

Status	Stage	Criteria
Completed	Launch	Recognized need organization-wide. Planning initiated and activities being organized.
In process	Integrate	Roadmap including timeline is in place, overall organizational approach defined and well organized.
Planned	Optimize	Incorporated into the whole organization, consistently evaluated, and actions taken on assessment outcomes.

WSDM –Accessibility Policy

WSDM strives to provide the best service for our Board of Directors, property owners, and residents of the District, including ensuring equal access and usability of websites, services, and information. This WSDM Accessibility Policy (“Policy”) establishes the steps taken (past, present, and future) by WSDM on behalf of our client, the Constitution Heights Metropolitan District (“District”), towards compliance with the rules set forth by the Office of Information Technology (OIT) and meeting the standards established by the Americans with Disabilities Act (ADA). This Policy will be reviewed annually and may be updated from time to time, as new technology and accessibility opportunities are identified.

1. WSDM has designated an internal staff member, Kristina Kulick, as the accessibility officer who will be the go-to contact for accessibility requests.
 - a. Community members may contact us by phone during regular business hours at (719) 447-1777, email us at admin@wsdistricts.co, visit us in-person at 614 N Tejon Street, Colorado Springs, CO 80903, or submit a [form online here](#).
2. A dedicated accessibility website page has been created to house all accessibility-related content, including this policy and plan.
3. Closed Captions have been added to all video content on our websites.
4. All website attachments and the following disclaimer has been provided in association with any third-party attachments that we do not have the ability to remediate:

“8 CCR 1501-11 provides an “undue burden” clause in Section 11.10, this attachment qualifies, as part being established prior to July 1, 2024. We can make these documents accessible upon request to the district Custodian of Record. To submit such a request, revisit Policy #4 above.”
5. Components that are not yet compliant have been identified, and a remediation plan is in place to bring them into compliance.
6. A page-by-page scan of the District’s website will be run by WSDM monthly, ensuring compliance at the best cost option for the District. The resulting report will illustrate any accessibility concerns requiring remediation.
 - a. Action will be taken to remediate and fix any issues detected by the scan or reported by our community. Any remediation that does not cause an “undue burden” to the District will be addressed within a month of the scan or report being made.
7. Any remediation that is found to cause an “undue burden” to the District will be provided with a disclaimer as outlined in item 4 above and revisited for remediation as time and funding allows. An internal review of current technology and this Policy will be conducted on an annual basis and improvements identified to ensure adherence to (or exceeding) the level of accessibility established in WCAG 2.1 AA will be proposed to our Board of Directors for review and approval.