

**YARROW GARDENS METROPOLITAN DISTRICT**

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

<https://yarrowgardensmd.colorado.gov/>

**NOTICE OF A SPECIAL MEETING AND AGENDA**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Brooks Cannon	President	2025/May 2025
Jeanette Kelder	Treasurer	2027/May 2027
Shane Harris	Assistant Secretary	2027/May 2027
Jeffrey Seibold	Assistant Secretary	2025/May 2025
<b>VACANT</b>	Assistant Secretary	2025/May 2025

DATE: Friday, August 9, 2024

TIME: 2:00 P.M.

PLACE: Zoom Meeting

Join Zoom Meeting:

<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>

Meeting ID: 862 6755 0643

Passcode: 987572

Dial In: 1-719-359-4580

**I. ADMINISTRATIVE MATTERS**

A. Call to Order, Conform Quorum, and Present Disclosures of Potential Conflicts of Interest.

---

B. Approve Agenda, confirm posting of meeting notices.

---

C. Review and consider approval of Minutes from the March 12, 2024 Regular Meeting (enclosures).

---

D. Acknowledge Resignation of John “Jay” Garcia from Board of Directors.

---

**II. PUBLIC COMMENT**

A. 

---

III. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims (enclosure).
- 

- B. Review and accept audited financial statements through the period ending March 31, 2024 (enclosure).
- 

- C. Consider approval of draft 2023 Audit (enclosure) and approval of execution of Representations Letter.
- 

- D. 2018 A and B Bonds: Discuss refinancing options with Piper Sandler (enclosure).
- 

IV. LEGAL MATTERS

- A. \_\_\_\_\_

V. COVENANTS, OPERATION, AND MAINTENANCE MATTERS

- A. Community Manager's Report.
- 

- B. Review and approve Proposal from Landtech Contractors, LLC for breeze installation in the amount of \$4,950.00 (enclosure).
- 

- C. Review and approve Proposal from Landtech Contractors, LLC for ornamental grass installation in the amount of \$4,800.00 (enclosure).
- 

- D. Review and approve Proposal from Landtech Contractors, LLC for tree installation in the amount of \$3,800.00 (enclosure).
- 

- E. Review and approve Proposal from Landtech Contractors, LLC for boulder installation in the amount of \$7,487.00 (enclosure).
-

- F. Review and approve Proposal from Landtech Contractors, LLC for replacement of mulch with rock in the amount of \$40,980.00 (enclosure).
- 

- H. Review and approve Proposal from Property Solutions Team for trip hazard and redirect in the amount of \$4,456.25 (enclosure).
- 

- G. Review and approve Residential Water Systems Management Policy (enclosure).
- 

VI. OTHER BUSINESS

- A. Discuss Parking issues (enclosure).
- 

- VII. ADJOURNMENT: **THE NEXT REGULAR MEETING IS SCHEDULED FOR DECEMBER 10, 2024.**

# RECORD OF PROCEEDINGS

---

## MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE YARROW GARDENS METROPOLITAN DISTRICT HELD MARCH 12, 2024

A Regular Meeting of the Board of Directors (referred to hereafter as “Board”) of the Yarrow Gardens Metropolitan District (referred to hereafter as the “District”) was convened on Tuesday, the 12th day of March, 2024, at 2:00 p.m. This District Board Meeting was held by teleconference. The meeting was open to the public by teleconference.

### ATTENDANCE

#### Directors In Attendance Were:

Brooks Cannon  
Jeanette Kelder

#### Also In Attendance Were:

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

Jeffrey Erb, Esq. and **Gloria ?????**, Esq.; Erb Law LLC

Joy Tatton & Lucinda Gang; Simmons & Wheeler, PC

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Ripko noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. Attorney Erb noted that Conflict of Interest Disclosure Statements were filed for all directors at least 72-hours before the meeting.

### ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko reviewed with the Board the proposed agenda for the meeting.

Following discussion, upon motion duly made by Director Cannon, seconded by Director Seibold and, upon vote, unanimously carried, the Board approved the agenda and excused the absences of Directors Garcia, Harris and Seibold.

Minutes: The Board reviewed the Minutes from the December 12, 2023 Regular Meeting, from the December 12, 2023 Statutory Annual Meeting and from the February 13, 2024 Special Meeting.

## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director Cannon seconded by Director Kelder and, upon vote, unanimously carried, the Minutes from December 12, 2023 Regular Meeting, from the December 12, 2023 Statutory Annual Meeting and from the February 13, 2024 Special Meeting were approved.

---

**PUBLIC COMMENT** There were no public comments.

---

**FINANCIAL MATTERS**

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

Fund	Period ending Dec. 31, 2023
Total	\$ 31,626.74

Following discussion, upon motion duly made by Director Cannon, seconded by Director Kelder and, upon vote, unanimously carried, the Board ratified the payment of claims, as presented.

**Unaudited Financial Statements:** The Board reviewed the unaudited financial statements for the period ending December 31, 2023.

Following discussion, upon motion duly made by Director Cannon, seconded by Director Kelder and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending December 31, 2023, as presented.

---

**LEGAL MATTERS**

**Resolution adopting Residential Water Systems Management Policy:** The Board reviewed Resolution adopting Residential Water Systems Management Policy.

Following discussion, upon motion duly made by Director Cannon, seconded by Director Kelder and, upon vote, unanimously carried, the Board adopted Resolution adopting Residential Water Systems Management Policy.

**Resolution adopting Website Accessibility Plan and Policy:** The Board reviewed Resolution adopting Website Accessibility Plan and Policy.

Following discussion, upon motion duly made by Director Cannon, seconded by Director Kelder and, upon vote, unanimously carried, the Board adopted Resolution adopting Website Accessibility Plan and Policy.

## RECORD OF PROCEEDINGS

---

**COVENANTS,  
OPERATION, AND  
MAINTENANCE  
MATTERS**

**Community Manager's Report:** The Board reviewed the Community Manager's Report.  
\_\_\_\_\_

**OTHER BUSINESS**

There was no other business to discuss.  
\_\_\_\_\_

**ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Cannon and seconded by Director Kelder, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

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

Account	PO/Cont	Vend #	Invoice	Date	Description	Amount
01-000-09050	0	1	38349	05/31/2024	05 Accounting	1,050.25
**** TOTAL FOR VEN# 1 Simmons & Wheeler PC						1,050.25
01-000-09100	0	6	136948	05/31/2024	05 Management	2,013.25
**** TOTAL FOR VEN# 6 Special District Management Svcs, I						2,013.25
01-000-09600	0	8	9630	06/14/2024	06 Irrigation	175.59
**** TOTAL FOR VEN# 8 Landtech Contractors, Inc						175.59
01-000-09300	0	12	611	05/31/2024	05 Legal	472.50
**** TOTAL FOR VEN# 12 ERB Law LLC						472.50
CLAIMS TO BE HELD						0.00
CLAIMS TO BE PAID						3,711.59
*** GRAND TOTAL ***						3,711.59

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-09050	0	1157	37740	02/29/2024	04/01/2024	02 Accounting	1,330.88
	**** TOTAL ****			Simmons & Wheeler PC			1,330.88
01-000-09200	0	1158	02 21 24	02/21/2024	04/01/2024	2024 Fee	422.05
	**** TOTAL ****			Special District Association of Col			422.05
01-000-09100	0	1159	02 29 24	02/29/2024	04/01/2024	02 Management	2,336.53
	**** TOTAL ****			Special District Management Svcs, I			2,336.53
01-000-09650	0	1160	8102	02/20/2024	04/01/2024	02 Snow removal	1,885.31
01-000-09650	0	1160	8103	02/20/2024	04/01/2024	02 Snow removal	763.40
	**** TOTAL ****			Landtech Contractors, Inc			2,648.71
01-000-09300	0	1161	517	02/29/2024	04/01/2024	02 Legal	3,026.48
	**** TOTAL ****			ERB Law LLC			3,026.48
01-000-09450	0	1162	535761	02/29/2024	04/01/2024	02 Dog Station	129.18
	**** TOTAL ****			Pet Scoop			129.18
01-000-09100	0	1163	03 31 2024	03/31/2024	04/19/2024	03 Management	2,601.47
	**** TOTAL ****			Special District Management Svcs, I			2,601.47
01-000-09650	0	1164	8392	03/21/2024	04/19/2024	03 Snow removal	3,469.98
01-000-09650	0	1164	8549	03/27/2024	04/19/2024	03 Snow Removal	910.23
01-000-09600	0	1164	8667	04/01/2024	04/19/2024	04 Landscape	1,571.00
	**** TOTAL ****			Landtech Contractors, Inc			5,951.21
01-000-09300	0	1165	546	03/31/2024	04/19/2024	03 Legal	1,502.00
	**** TOTAL ****			ERB Law LLC			1,502.00
01-000-09450	0	1166	538984	03/31/2024	04/19/2024	03 Dog Station	147.03
	**** TOTAL ****			Pet Scoop			147.03
01-000-09050	0	1167	38039	03/31/2024	05/17/2024	03 Accounting	1,285.50
	**** TOTAL ****			Simmons & Wheeler PC			1,285.50
01-000-09050	0	1168	38175	04/30/2024	06/18/2024	04 Accounting	767.50
	**** TOTAL ****			Simmons & Wheeler PC			767.50
01-000-09100	0	1169	04 30 24	04/30/2024	06/18/2024	04 Management	1,376.47
	**** TOTAL ****			Special District Management Svcs, I			1,376.47
01-000-09650	0	1170	8887	05/01/2024	06/18/2024	05 Landscape	1,571.00
01-000-09600	0	1170	9021	05/14/2024	06/18/2024	05 Landscape maintenance	386.02
01-000-09600	0	1170	9219	05/31/2024	06/18/2024	05 Landscape maintenance	125.17
01-000-09600	0	1170	9381	06/03/2024	06/18/2024	05 Landscape maintenance	1,571.00
	**** TOTAL ****			Landtech Contractors, Inc			3,653.19
01-000-09300	0	1171	576	04/30/2024	06/18/2024	04 Legal	212.50
	**** TOTAL ****			ERB Law LLC			212.50



Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-09450	0	1172	542813	04/30/2024	06/18/2024	04 Dog Station	147.03
01-000-09450	0	1172	549077	05/31/2024	06/18/2024	05 Dog Station	183.79
**** TOTAL ****						Pet Scoop	330.82
01-000-09450	0	1173	164813909	01/03/2024	06/18/2024		447.00
**** TOTAL ****						Andre Amoor	447.00
01-000-09450	0	1174	12493695	01/09/2024	06/18/2024	01 Backfl	553.00
**** TOTAL ****						Integrity Fire Safety Services	553.00
*** GRAND TOTAL ***							28,721.52

Yarrow Gardens Metropolitan District  
Financial Statements

March 31, 2024


ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Yarrow Gardens Metropolitan District

Management is responsible for the accompanying financial statements of each major fund of Yarrow Gardens Metropolitan District, as of and for the period ended March 31, 2024, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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



June 25, 2024  
Englewood, Colorado

Yarrow Gardens Metropolitan District  
Balance Sheet - Governmental Funds and Account Groups  
March 31, 2024

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Debt Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets				
Current assets				
Cash in checking	\$ 13,522	\$ -	\$ -	\$ 13,522
Cash in Colotrust	271,142	155,807	-	426,949
Cash with Trustee	-	386,042	-	386,042
Taxes Receivable	<u>8,710</u>	<u>9,760</u>	<u>-</u>	<u>18,470</u>
	<u>293,374</u>	<u>551,609</u>	<u>-</u>	<u>844,983</u>
Other assets				
Improvements	-	-	2,688,447	2,688,447
Amount available in debt service fund	-	-	551,609	551,609
Amount to be provided for retirement of debt	<u>-</u>	<u>-</u>	<u>3,245,410</u>	<u>3,245,410</u>
	<u>-</u>	<u>-</u>	<u>6,485,466</u>	<u>6,485,466</u>
	<u>\$ 293,374</u>	<u>\$ 551,609</u>	<u>\$ 6,485,466</u>	<u>\$ 7,330,449</u>
Liabilities and Equity				
Current liabilities				
Accounts payable	<u>\$ 19,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,810</u>
	<u>19,810</u>	<u>-</u>	<u>-</u>	<u>19,810</u>
Bonds Payable 2018A	-	-	2,200,000	2,200,000
Bonds Payable 2018B	-	-	292,000	292,000
Note Payable - Developer (Gen)	-	-	57,325	57,325
Note Payable - Developer (Cap)	-	-	988,403	988,403
Note Payable - Dev interest (Gen)	-	-	11,831	11,831
Note Payable - Dev interest (Cap)	<u>-</u>	<u>-</u>	<u>247,460</u>	<u>247,460</u>
Total liabilities	<u>19,810</u>	<u>-</u>	<u>3,797,019</u>	<u>3,816,829</u>
Fund Equity				
Investment in improvements	-	-	2,688,447	2,688,447
Fund balance (deficit)	<u>273,564</u>	<u>551,609</u>	<u>-</u>	<u>825,173</u>
	<u>273,564</u>	<u>551,609</u>	<u>2,688,447</u>	<u>3,513,620</u>
	<u>\$ 293,374</u>	<u>\$ 551,609</u>	<u>\$ 6,485,466</u>	<u>\$ 7,330,449</u>

Yarrow Gardens Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
Budget and Actual  
For the Three Months Ended March 31, 2024  
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 203,445	\$ 106,863	\$ (96,582)
Specific ownership taxes	14,241	3,430	(10,811)
Interest Income	-	5,216	5,216
Miscellaneous income	<u>500</u>	<u>-</u>	<u>(500)</u>
	<u>218,186</u>	<u>115,509</u>	<u>(102,677)</u>
<b>Expenditures</b>			
Community Management	14,400	-	14,400
District Management	20,000	8,864	11,136
Insurance	3,200	3,093	107
Accounting	14,000	3,630	10,370
Legal	20,000	7,184	12,816
Audit	6,000	-	6,000
Miscellaneous	1,500	907	593
Website Review/Updates	1,000	-	1,000
County Collection Fee	3,052	1,603	1,449
Detention Pond	1,500	-	1,500
Irrigation Repairs	2,500	-	2,500
Landscape Maintenance	30,000	-	30,000
Tree Care	2,500	-	2,500
Snow Removal	25,000	10,973	14,027
Landscape Enhancements	2,500	-	2,500
Irrigation/Water	10,000	1,402	8,598
Electric-Irrigation & Lighting	7,500	103	7,397
Winter Watering/Irrigation	2,500	-	2,500
Entrance Monuments	1,500	-	1,500
Mailbox - Cluster Boxes	2,500	-	2,500
Graffiti Removal	2,500	-	2,500
Contingency	228,795	-	228,795
Emergency Reserve	<u>6,531</u>	<u>-</u>	<u>6,531</u>
	<u>408,978</u>	<u>37,759</u>	<u>371,219</u>
Excess (deficiency) of revenues over expenditures	(190,792)	77,750	268,542
Fund balance - beginning	<u>190,792</u>	<u>195,814</u>	<u>5,022</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 273,564</u>	<u>\$ 273,564</u>

Yarrow Gardens Metropolitan District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
Budget and Actual  
For the Three Months Ended March 31, 2024  
Debt Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 227,962	\$ 119,741	\$ (108,221)
Specific ownership taxes	15,957	3,844	(12,113)
Interest income	<u>9,000</u>	<u>3,633</u>	<u>(5,367)</u>
	<u>252,919</u>	<u>127,218</u>	<u>(125,701)</u>
<b>Expenditures</b>			
Series 2018A Bond Principal	25,000	-	25,000
Series 2018A Bond Interest	129,250	-	129,250
Series 2018 B Bond Interest	80,592	-	80,592
Treasurer's Fees	3,419	1,796	1,623
Trustee/Paying Agent Fees	<u>6,000</u>	<u>-</u>	<u>6,000</u>
	<u>244,261</u>	<u>1,796</u>	<u>242,465</u>
Excess (deficiency) of revenues over expenditures	8,658	125,422	116,764
Fund balance - beginning	<u>431,342</u>	<u>426,187</u>	<u>(5,155)</u>
Fund balance - ending	<u>\$ 440,000</u>	<u>\$ 551,609</u>	<u>\$ 111,609</u>

YARROW GARDENS METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

DRAFT 06.25.2024

## C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	17
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	18



**Yarrow Gardens Metropolitan District**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>					
Cash and investments	\$ 202,228	\$ -	\$ 202,228	\$ -	\$ 202,228
Cash and investments - restricted	6,531	425,482	432,013	-	432,013
Receivable - County Treasurer	670	706	1,376	-	1,376
Property taxes receivable	203,445	227,962	431,407	-	431,407
Prepaid expenses	-	6,000	6,000	-	6,000
Capital assets not being depreciated	-	-	-	2,688,447	2,688,447
<b>Total Assets</b>	<u>\$ 412,874</u>	<u>\$ 660,150</u>	<u>\$ 1,073,024</u>	<u>2,688,447</u>	<u>3,761,471</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 13,616	\$ -	\$ 13,616	-	13,616
Accrued interest	-	-	-	150,589	150,589
Long-term liabilities:					
Due within one year	-	-	-	25,000	25,000
Due in more than one year	-	-	-	3,755,071	3,755,071
<b>Total Liabilities</b>	<u>13,616</u>	<u>-</u>	<u>13,616</u>	<u>3,930,660</u>	<u>3,944,276</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	<u>203,445</u>	<u>227,962</u>	<u>431,407</u>	-	<u>431,407</u>
<b>Total Deferred Inflows of Resources</b>	<u>203,445</u>	<u>227,962</u>	<u>431,407</u>	-	<u>431,407</u>
<b>FUND BALANCES/NET POSITION</b>					
Fund Balances:					
Nonspendable:					
Prepays	-	6,000	6,000	(6,000)	-
Restricted:					
Emergencies	6,531	-	6,531	(6,531)	-
Debt service	-	426,188	426,188	(426,188)	-
Assigned:					
Subsequent years' expenditures	<u>189,282</u>	-	<u>189,282</u>	<u>(189,282)</u>	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>195,813</u>	<u>432,188</u>	<u>628,001</u>	<u>(628,001)</u>	-
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 412,874</u>	<u>\$ 660,150</u>	<u>\$ 1,073,024</u>		
<b>Net Position:</b>					
Restricted for:					
Emergencies				6,531	6,531
Debt service				275,599	275,599
Unrestricted				<u>(896,342)</u>	<u>(896,342)</u>
<b>Total Net Position</b>				<u>\$ (614,212)</u>	<u>\$ (614,212)</u>

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

**Yarrow Gardens Metropolitan District**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>					
Accounting and audit	\$ 18,296	\$ -	\$ 18,296	\$ -	\$ 18,296
Insurance	2,971	-	2,971	-	2,971
Legal	18,958	-	18,958	-	18,958
Landscape maintenance	29,755	-	29,755	-	29,755
Snow removal	8,152	-	8,152	-	8,152
Management fees	28,132	-	28,132	-	28,132
Miscellaneous expenses	1,631	-	1,631	-	1,631
Electric-irrigation & lighting	215	-	215	-	215
Irrigation/water	7,984	-	7,984	-	7,984
County collection fee	2,267	2,388	4,655	-	4,655
Bond interest expense	-	129,250	129,250	32,448	161,698
Paying agent fees	-	6,000	6,000	-	6,000
Interest on developer advances	-	-	-	67,972	67,972
	<u>118,361</u>	<u>137,638</u>	<u>255,999</u>	<u>100,420</u>	<u>356,419</u>
<b>GENERAL REVENUES</b>					
Property taxes	151,135	159,168	310,303	-	310,303
Specific ownership taxes	10,816	11,391	22,207	-	22,207
Interest income	19,418	13,505	32,923	-	32,923
Miscellaneous income	151	-	151	-	151
	<u>181,520</u>	<u>184,064</u>	<u>365,584</u>	<u>-</u>	<u>365,584</u>
<b>NET CHANGES IN FUND BALANCES</b>	63,159	46,426	109,585	(109,585)	
<b>CHANGE IN NET POSITION</b>				9,165	9,165
<b>FUND BALANCES/NET POSITION:</b>					
BEGINNING OF YEAR	<u>132,654</u>	<u>385,762</u>	<u>518,416</u>	<u>(1,141,793)</u>	<u>(623,377)</u>
END OF YEAR	<u>\$ 195,813</u>	<u>\$ 432,188</u>	<u>\$ 628,001</u>	<u>\$ (1,242,213)</u>	<u>\$ (614,212)</u>

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

## Yarrow Gardens Metropolitan District

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

For the Year Ended December 31, 2023

	Original & Final		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 151,135	\$ 151,135	\$ -
Specific ownership taxes	10,579	10,816	237
Interest income	-	19,418	19,418
Miscellaneous income	500	151	(349)
Total Revenues	162,214	181,520	19,306
<b>EXPENDITURES</b>			
Accounting and audit	12,000	18,296	(6,296)
Election expense	5,000	-	5,000
Insurance	7,500	2,971	4,529
District and community management	29,400	28,132	1,268
Miscellaneous	1,500	1,631	(131)
Website review/updates	1,000	-	1,000
County collection fee	2,266	2,267	(1)
Legal	15,000	18,958	(3,958)
Landscape maintenance	25,000	29,755	(4,755)
Irrigation repairs	2,500	-	2,500
Tree care	2,500	-	2,500
Snow removal	25,000	8,152	16,848
Landscape enhancement	2,500	-	2,500
Irrigation/water	10,000	7,984	2,016
Electric	350	215	135
Winter watering	2,500	-	2,500
Mailbox-Cluster box	2,500	-	2,500
Graffiti removal	2,500	-	2,500
Detention ponds	1,500	-	1,500
Entrance monuments	1,500	-	1,500
Contingency	136,156	-	136,156
Emergency reserve	4,851	-	4,851
Total Expenditures	293,023	118,361	174,662
<b>NET CHANGES IN FUND BALANCE</b>	(130,809)	63,159	193,968
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	130,809	132,654	1,845
END OF YEAR	\$ -	\$ 195,813	\$ 195,813

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

# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Note 1: Summary of Significant Accounting Policies

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

#### Definition of Reporting Entity

The District was organized on November 30, 2018, as a quasi-municipal organization established under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by the City of Wheat Ridge (the “City”) on August 13, 2018 (the “Service Plan”). The District was established to provide for the construction and completion of a part or all of the public improvements for the use and benefit of the residents and property owners within the service area. The District is governed by an elected Board of Directors.

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

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

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

#### Basis of Presentation

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

# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

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

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

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

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

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

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

The District reports the following major governmental funds:

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

# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

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

### Budgetary Accounting

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

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

#### Deposits and Investments

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

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

#### Estimates

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

# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Deferred Outflows/Inflows of Resources

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

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

### Capital Assets

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

### Property Taxes

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

# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

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

### Long-Term Obligations

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

### Fund Equity

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

### Nonspendable Fund Balance

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

The nonspendable fund balance in the Debt Service Fund in the amount of \$6,000 represents prepaid expenditures.

### Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$6,531 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$426,188 is restricted for the payment of the debt service costs associated with the Series 2018A Bonds (see Note 4).

### Committed Fund Balance

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



# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Assigned Fund Balance

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

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2024.

### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund and all funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

### Net Position

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

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

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

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

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

YARROW GARDENS METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Note 2: Cash and Investments

As of December 31, 2023, cash is classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 202,228
Cash and investments - restricted	<u>432,013</u>
Total	<u>\$ 634,241</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with financial institutions	\$ 12,485
COLOTRUST	<u>621,756</u>
Total	<u>\$ 634,241</u>

Deposits

Custodial Credit Risk

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

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

Investments

Credit Risk

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

Custodial and Concentration of Credit Risk

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

# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Interest Rate Risk

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

### Investment Valuation

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

As of December 31, 2023, the District had the following investment:

### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2023, the District had \$621,756 invested in COLOTRUST PLUS+.

YARROW GARDENS METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2023</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$2,688,447	\$ -	\$ -	\$ 2,688,447
Total capital assets not being depreciated	<u>2,688,447</u>	<u>-</u>	<u>-</u>	<u>2,688,447</u>
Government type assets, net	<u>\$2,688,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,688,447</u>

Pursuant to the Service Plan, all public improvements are to be owned and maintained by the City upon their completion and acceptance by the City.

Note 4: Long Term Debt

DRAFT 06.25.2024

A description of the long-term obligations as of December 31, 2023, is as follows:

\$2,200,000 General Obligation (Limited Tax Convertible to Unlimited Tax Bonds, Series 2018A and \$292,000 Subordinate General Obligation Limited Tax Bonds, Series 2018B

On December 28, 2018, the District issued \$2,200,000 General Obligation (Limited Tax Convertible to Unlimited) Tax Bonds, Series 2018A (“Series 2018A Bonds”) and \$292,000 Subordinate General Obligation Limited Tax Bonds, Series 2018B (“Series 2018B Bonds”), for the purpose of financing public improvements and paying the cost of issuance of the Bonds, and, with respect to the Series 2018A Bonds only, funding a surplus fund and funding capitalized interest. The Series 2018A Bonds bear interest at the rate of 5.875%, payable semiannually on each June 1 and December 1, commencing on June 1, 2019. The Series 2018B Bonds bear interest at the rate of 8.125%, payable annually on December 15, commencing on December 15, 2019, to the extent that Subordinate Pledged Revenue is available. The Series 2018A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2024 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2023, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

YARROW GARDENS METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

The Series 2018A Bonds are secured by the Senior Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, and any other legally available moneys as determined by the District. The Series 2018A Bonds are also secured by the capitalized interest and by the Senior Surplus Fund. The Series 2018B Bonds are secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, the amount in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture, and any other legally available moneys as determined by the District.

The Series 2018B bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Subordinate Pledged Revenue for payment. In the event any amounts due and owing on the Series 2018B Bonds remain outstanding on December 16, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Events of Default as defined in the Series 2018 Bond Indentures are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indentures, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds.

Failure to pay the principal of or interest on the Series 2018 Bonds when due shall not, of itself, constitute an Event of Default under the Indentures. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2018 Bonds is not an available remedy for an Event of Default.

The following is an analysis of changes in long-term debt for the year ended December 31, 2023:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023	Current Portion
<b>General Obligation Bonds:</b>					
Series 2018A	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000	\$ 25,000
Series 2018B	292,000	-	-	292,000	-
	<u>2,492,000</u>	-	-	<u>2,492,000</u>	<u>25,000</u>
<b>Other:</b>					
Developer Advance - Principal	1,045,728	-	-	1,045,728	-
Developer Advance -Interest	174,371	67,972	-	242,343	-
	<u>1,220,099</u>	<u>67,972</u>	-	<u>1,288,071</u>	-
Total	<u>\$ 3,712,099</u>	<u>\$ 67,972</u>	<u>\$ -</u>	<u>\$ 3,780,071</u>	<u>\$ 25,000</u>

YARROW GARDENS METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2018A Bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 25,000	\$ 129,250	\$ 154,250
2025	25,000	127,781	152,781
2026	30,000	126,313	156,313
2027	30,000	124,550	154,550
2028	35,000	122,788	157,788
2029-2033	230,000	579,275	809,275
2034-2038	355,000	497,906	852,906
2039-2043	525,000	374,825	899,825
2044-2048	945,000	195,344	1,140,344
	<u>\$ 2,200,000</u>	<u>\$ 2,278,032</u>	<u>\$ 4,478,032</u>

Because of the uncertainty of the timing of the principal and interest payment on the Series 2018B Bonds, no schedule of principal and interest payments is presented.

Debt Authorization

A majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$144,000,000. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$6,000,000. As of December 31, 2023, the District had \$3,508,000 remaining authority under the Service Plan. The District did not budget to issue any additional debt for 2024.

Note 5: Other Agreements

Funding and Reimbursement Agreement

On December 7, 2018, the District entered into a Funding and Reimbursement Agreement with TH Yarrow Gardens LLC, a Colorado limited liability company (the “Developer”) (the “Funding and Reimbursement Agreement”). The Funding and Reimbursement Agreement states that the Developer will make certain advances to the District for general operations, administration and maintenance. In the Funding and Reimbursement Agreement, the District agrees to reimburse the Developer for these advances plus interest at the rate of 6.5% per annum. The Funding and Reimbursement Agreement limits the aggregate amount of loans from the Developer to the District for operations and maintenance-related costs to a maximum of \$50,000 per annum for two years, up to \$100,000, unless such amount is subsequently increased. The District’s obligation to make reimbursement payments is subject to annual appropriations of the Board. As of December 31, 2023, the outstanding balances pursuant to this agreement were principal of \$57,325 and interest of \$10,902, for a total of \$68,227.

# YARROW GARDENS METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Infrastructure Acquisition and Reimbursement Agreement

On December 7, 2018, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with the Developer. The District and the Developer determined the terms and conditions under which the District may coordinate the (i) reimbursement of the Developer for Certified District Eligible Improvements, (ii) acquisition of certain Public Infrastructure that is to be owned by the District and to pay the Certified District Eligible Costs thereof and (iii) reimbursement of the Developer for Eligible Professional Service Costs. As of December 31, 2023, the outstanding balances pursuant to this agreement were principal of \$988,403 and interest of \$231,441, for a total of \$1,219,844.

### Note 6: Tax, Spending and Debt Limitations

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

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

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

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

On November 6, 2018, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

### Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an

YARROW GARDENS METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

Note 9: Related Party

One member of the Board of Directors is affiliated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed as required by Colorado law.

Note 10: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

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

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

- 1) Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives; and
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method in the statement of activities.



SUPPLEMENTAL INFORMATION

DRAFT 06.25.2024

## Yarrow Gardens Metropolitan District

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original & Final		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 159,168	\$ 159,168	\$ -
Specific ownership taxes	11,142	11,391	249
Interest income	300	13,505	13,205
Total Revenues	170,610	184,064	13,454
<b>EXPENDITURES</b>			
Bond interest expense	129,250	129,250	-
Paying agent fees	6,000	6,000	-
County collection fee	2,388	2,388	-
Total Expenditures	137,638	137,638	-
<b>NET CHANGES IN FUND BALANCE</b>	32,972	46,426	13,454
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	384,298	385,762	1,464
END OF YEAR	\$ 417,270	\$ 432,188	\$ 14,918

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

## Yarrow Gardens Metropolitan District

### SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED December 31, 2023

<b>Year Ended December 31,</b>	<b>Prior Year Assessed Valuation for Current Year Properly Tax Levy</b>	<b>Mills Levied</b>		<b>Total Property Tax</b>		<b>Percent Collected to Levied</b>
		<b>General Fund</b>	<b>Debt Service</b>	<b>Levied</b>	<b>Collected</b>	
2019	\$ 116,745	8.000	60.000	\$ 7,939	\$ 7,939	100.00%
2020	\$ 814,803	8.000	60.000	\$ 55,407	\$ 55,406	100.00%
2021	\$ 1,753,964	56.975	60.000	\$ 205,170	\$ 310,303	151.24%
2022	\$ 2,266,059	56.972	60.000	\$ 265,065	\$ 265,066	100.00%
2023	\$ 2,652,793	56.972	60.000	\$ 310,303	\$ 310,303	100.00%

Estimated for  
year ending  
December 31,  
2024

DRAFT 06.25.2024

\$ 3,209,157	63.395	71.035	\$ 431,407
--------------	--------	--------	------------

**NOTE**

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

**Yarrow Gardens Metropolitan District**

Summary of Existing Debt

June 21, 2024

	<b>Existing Debt</b>
<b>Outstanding Debt</b>	2018A and 2018B
<b>Maturity</b>	Series 2018A: 12/1/2048 Series 2018B: 12/15/2048
<b>Amortization</b>	Series 2018A: 12/1/2048 Series 2018B: 12/15/2048
<b>Repayment of Developer Advances</b>	N/A
<b>Tax Status</b>	Tax-Exempt
<b>Tax-Exempt Rate</b>	Series 2018A: 5.875% Series 2018B: 8.125%
<b>Prepayment Features</b>	Callable in December 2023 @ 103%   Redemption Premium: \$74,760 Callable in December 2024 @ 102%   Redemption Premium: \$49,340 Callable in December 2025 @ 101%   Redemption Premium: \$24,420
<b><i>Savings:</i></b>	
<b>2025 Mill Levy</b>	64.0 mills
<b>2025 Annual Estimated Savings per \$500k home</b>	\$0
<b>Average Mill Levy through Maturity</b>	60.0 mills

**Yarrow Gardens Metropolitan District**

Refunding Scenario Summary

June 21, 2024

	<b>August Issuance: Current Market Rates</b>	<b>December Issuance: Current Market +50 bps</b>	<b>December Issuance: Current Market Rates</b>	<b>December Issuance: Current Market Rates -50 bps</b>
<b>Date of Issuance</b>	August 15, 2024	December 15, 2024	December 15, 2024	December 15, 2024
<b>Maturity</b>	December 1, 2034	December 1, 2034	December 1, 2034	December 1, 2034
<b>Amortization</b>	December 1, 2054	December 1, 2054	December 1, 2054	December 1, 2054
<b>Repayment of Developer Advances</b>	\$430k	\$335k	\$440k	\$535k
<b>Tax-Exempt Rate<sup>1</sup></b>	5.55%	6.05%	5.55%	5.05%
<b>Redemption Premium<sup>2</sup></b>	\$74,760	\$49,340	\$49,340	\$49,340
<b><i>Savings:</i></b>				
<b>2025 Mill Levy</b>	51.2 mills	51.4 mills	51.4 mills	51.4 mills
<b>2025 Annual Estimated Savings per \$500k home</b>	\$430	\$420	\$420	\$420
<b>Average Mill Levy through Maturity</b>	49.3 mills	49.5 mills	49.5 mills	49.5 mills

<sup>1</sup>Estimated based off current market rates (subject to rate lock)

<sup>2</sup>Refinancing the outstanding bonds in December allows the call premium to decrease to 102% of the outstanding principal of the 2018A and 2018B Bonds

## Breeze Installation

**Date** 7/25/2024  
**Customer** Peggy Ripko | Special District Management Services, Inc | 141 Union Blvd, Suite 150 | Lakewood, CO 80228  
**Property** Yarrow Gardens | 4249 Yarrow Street | Wheat Ridge, CO 80033  
**Billing Email** pripko@sdmsi.com

Dear Travis,

Thank you for the opportunity to present our proposal to you. The scope of work included on this proposal is as follows:

- Court Yard by 7827
- Remove sod, cap the irrigation system, breeze Installation, pet station relocation, compaction of the breeze area.
- Court Yard by 7884
- Remove rock, cap the irrigation system, breeze installation, pet station relocation, compaction of the breeze area.
- Mobilization fee included
- Foreman and Labor fee included.
- Delivery fee included.
- Dump fee included.





## Description

**Breeze Installation**

**Breeze Installation:** \$4,950.00

---

**PROJECT TOTAL:** \$4,950.00

## Terms & Conditions

We appreciate your time in considering Landtech Contractors, LLC. for this project. If you should have any questions or require additional information, please do not hesitate to call. Price will be honored for 30 days from proposal date. Sales tax will be charged on selling price of all materials at local rates unless tax exempt.

By \_\_\_\_\_

**Fernando Lopez**

Date 7/25/2024

**Landtech Contractors, LLC**

By \_\_\_\_\_

Date \_\_\_\_\_

**Yarrow Gardens**

## Ornamental Grass Installation

**Date** 7/25/2024  
**Customer** Peggy Ripko | Special District Management Services, Inc | 141 Union Blvd, Suite 150 | Lakewood, CO 80228  
**Property** Yarrow Gardens | 4249 Yarrow Street | Wheat Ridge, CO 80033  
**Billing Email** pripko@sdmsi.com

Dear Travis,

Thank you for the opportunity to present our proposal to you. The scope of work included on this proposal is as follows:

- Install 5-1 Gal. Blue Oat Grass next to 7859
- Install 8-1 Gal. Blue Oat Grass by unit 7859 ( Pull dead shrubs)
- Install 12- 1 Gal. Feather Reed Grass behind 7859,7861,7865 & 7853.
- Install 3-1 Gal. Blue Oat Grass by 7865
- Install 3-1 Gal. Blue Oat Grass by 7861
- Replace mulch with 1 1/2" Foothills rock by 7859 due to extreme wind conditions.
- Replace mulch with 1 1/2" Foothills rock by 7857 due to extreme wind conditions.
- Re use the rock from the 7884 ( remove rock and replace with breeze project) and install by Westside of the site.
- Mobilization fee included.
- Foreman and Labor fee included.
- Delivery fee included.







# Description

## Plant Installation

Items	Quantity	Unit		
Labor and Material included	1.00	Hr		
			<b>Plant Installation:</b>	<b>\$4,800.00</b>
			<b>PROJECT TOTAL:</b>	<b>\$4,800.00</b>

## Terms & Conditions

We appreciate your time in considering Landtech Contractors, LLC. for this project. If you should have any questions or require additional information, please do not hesitate to call. Price will be honored for 30 days from proposal date. Sales tax will be charged on selling price of all materials at local rates unless tax exempt.

By \_\_\_\_\_

**Fernando Lopez**

Date 7/25/2024

**Landtech Contractors, LLC**

By \_\_\_\_\_

Date \_\_\_\_\_

**Yarrow Gardens**

## Tree installation project

**Date** 7/24/2024  
**Customer** Peggy Ripko | Special District Management Services, Inc | 141 Union Blvd, Suite 150 | Lakewood, CO 80228  
**Property** Yarrow Gardens | 4249 Yarrow Street | Wheat Ridge, CO 80033  
**Billing Email** pripko@sdmsi.com

Dear Travis,

Thank you for the opportunity to present our proposal to you. The scope of work included on this proposal is as follows:

- Replace dead Tree with 1-2" Cal. Chanticleer Pear Tree between unit 7867 & 7876
- Replace dead Tree with 1-2" Cal. Chanticleer Pear Tree between unit 7827 & 7843.
- Filling in the hole under the concrete sidewalk
- Filling the area with 1 1/2" Foothills rock ( 1/2 Ton).
- Mobilization fee included
- Foreman and Labor fee included.
- Equipment fee included.
- Delivery fee included.
- Irrigation adjustments on T & M basis.



# Description

**Stipulations:**

A one year plant material warranty is included. Landtech Contractors reserves the right to avoid all warranties expressed in the specifications due to abuse and/or neglect by the owner including, but not limited: Landtech not having the maintenance contract, improper site use, vandalism, if winter watering is not provided by Landtech, acts of God, etc.

**Tree Installation:** \$3,800.00

---

**PROJECT TOTAL:** \$3,800.00

## Terms & Conditions

We appreciate your time in considering Landtech Contractors, LLC. for this project. If you should have any questions or require additional information, please do not hesitate to call. Price will be honored for 30 days from proposal date. Sales tax will be charged on selling price of all materials at local rates unless tax exempt.

By \_\_\_\_\_

**Fernando Lopez**

Date 7/24/2024

**Landtech Contractors, LLC**

By \_\_\_\_\_

Date \_\_\_\_\_

**Yarrow Gardens**

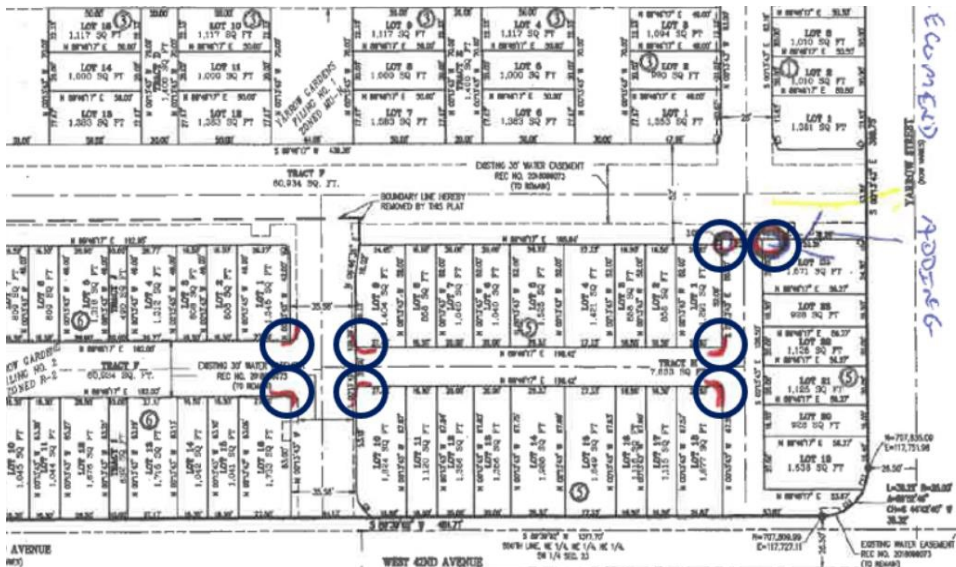
## Boulder Installation

**Date** 3/27/2024  
**Customer** Peggy Ripko | Special District Management Services, Inc | 141 Union Blvd, Suite 150 | Lakewood, CO 80228  
**Property** Yarrow Gardens | 4249 Yarrow Street | Wheat Ridge, CO 80033  
**Billing Email** ripko@sdmsi.com

Dear Michelle,

Thank you for the opportunity to present our proposal to you. The Scope of work included is as follows:

- Install 8- Mountain Granite boulders (3/4 Ton.)
- Location of the installation according to the site map.
- Mobilization fee
- Delivery Fee
- Foreman and Labor fee



## Description

### Rock Installation (Boulder Install)

Items	Quantity	Unit	
Labor - Material Included	1.00	Hr	
<b>Rock Installation (Boulder Install):</b>			<b>\$7,487.00</b>

## **Terms & Conditions**

We appreciate your time in considering Landtech Contractors, LLC. for this project. If you should have any questions or require additional information, please do not hesitate to call. Price will be honored for 30 days from proposal date. Sales tax will be charged on selling price of all materials at local rates unless tax exempt.

**By** \_\_\_\_\_

**Fernando Lopez**

**Date** 3/27/2024

**Landtech Contractors, LLC**

**By** \_\_\_\_\_

**Date** \_\_\_\_\_

**Yarrow Gardens**



## Replace mulch w Rock

**Date** 3/28/2024  
**Customer** Peggy Ripko | Special District Management Services, Inc | 141 Union Blvd, Suite 150 | Lakewood, CO 80228  
**Property** Yarrow Gardens | 4249 Yarrow Street | Wheat Ridge, CO 80033  
**Billing Email** pripko@sdmsi.com

Dear Michelle,

Thank you for the opportunity to present our proposal to you. The Scope of work included in this proposal is as follows:

- Remove approx. 86 yards of Mulch throughout the community
- Install 130 Tons. of 1 1/2" Local River Rock throughout the community.
- Mobilization fee included
- Foreman and Labor fee included
- Supervisor fee included
- Equipment fee included
- Delivery fee included

Please note that the mulch areas already have landscape fabric and looks in good conditions so replacement of the fabric is not needed.

## Description

### Replace mulch w Rock

Items	Quantity	Unit		
Labor and Material included	1.00	Hr		
			<b>Replace mulch w Rock:</b>	<b>\$40,980.00</b>
			<b>PROJECT TOTAL:</b>	<b>\$40,980.00</b>

## Terms & Conditions

We appreciate your time in considering Landtech Contractors, LLC. for this project. If you should have any questions or require additional information, please do not hesitate to call. Price will be honored for 30 days from proposal date. Sales tax will be charged on selling price of all materials at local rates unless tax exempt.

By \_\_\_\_\_

**Fernando Lopez**

Date 3/28/2024

**Landtech Contractors, LLC**

By \_\_\_\_\_

Date \_\_\_\_\_

**Yarrow Gardens**





# Estimate

4191 Inca St  
Denver CO 80211  
Phone (303) 350-4778 Fax (303) 232-3344

Date: 2/23/2024

Job # 8619MNT

Yarrow Gardens Metro  
SDMS - Michelle Gardner  
4273 Yarrow St  
Wheat Ridge CO 80033

Bid Description: Estimate to repair trip hazard and redirect water from down

Items:

I Item Name: Item Cost

Notes - This estimate is to repair trip hazard on the sidewalk. During inspection there is a downspout that is dumping water into a rock area and the other downspout on that side of the building goes into a hard pipe underground drain line to the open area to the side of the building. The downspout that is dumping water may be causing the sidewalk to be moving from the excess water. This estimate is to remove the concrete pad, install a new underground hard pipe that exits to the other side of the sidewalk and daylights into the open grass area, and then install a new concrete pad level to the existing concrete.

- 1) Install caution zone for work area.
- 2) Contact 811 for locates.
- 3) Sawcut 4'x5' concrete pad and dispose.
- 4) Trench from building downspout away from building approx. 15'.
- 5) Install new 6" hard PVC pipe through trench.
- 6) Attach the existing downspout to new 6" hard line.
- 7) Backfill soil for trench.
- 8) Compact 4'x5' area for new concrete pad.
- 9) Form area for new concrete pad.
- 10) Install #3 rebar into area for new concrete.
- 11) Install new 4500PSI fiber mesh high-early concrete 4'x5' with broom finish.
- 12) Return 48 hrs. later to remove forms and caution zone area.
- 13) Final cleanup.



Notes

- 1) Job will take 5 days to complete, weather dependent.
- 2) Any items not listed above or unforeseen conditions will result in change order.
- 3) 30% commencement required for order of material.

Total

\$ 4,456.25



Respectfully submitted by \_\_\_\_\_

David Lian, Property Solutions Team

ACCEPTANCE OF PROPOSAL / CONTRACT

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Accepted by: \_\_\_\_\_

Printed Name & Title: \_\_\_\_\_

Terms and Conditions & Exclusions:

- \* All material is guaranteed to be as specified, the work to be performed in accordance with the drawings and/or specifications submitted (if any), and the job completed in a substantial workmanlike manner.
- \* This Proposal is based on our interpretation of the plans, specifications, or description of the work supplied by Owner. Estimate subject to equitable adjustment due to Owner directed changes in anticipated specifications, sequence, scope, or schedule.
- Excludes any utility relocates or repairs that may be required.
- Excludes any and all associated cost with winter conditions and will be addressed on a time and material bases if required. (i.e. Including but not limited to acts of God, excessive snow, frozen ground, below freezing temperatures and other unforeseen conditions)
- I reserve the right to revise this report if and when additional information is provided.
- \* This proposal is valid for a period of 30 days from its effective date.
- Note: The owner to have the property tested for asbestos and lead prior to start of work on any building constructed prior to October 12, 1988, as per Colorado Department of Public Health and Environment Regulation No. 8 part B - Asbestos section III subparagraph III.A.I.d., all abatement by OWNER.
- Note: If the estimate contains materials that fluctuate in price, i.e. steel, petroleum, etc. the estimate may change if not accepted within 30 days.
- \* If accepted, the above items noted as "OPTIONS" will be incorporated into the contract through a change order, therein modifying the contract amount accordingly.

Exclusions:

- \* Engineering, life safety, or permits.
- \* Code related upgrades or corrections.
- \* Bonding, permitting, or any related fees.
- \* Remediation, removal, or abatement of any hazardous or toxic materials (e.g. lead paint, asbestos, etc.).
- \* EPA regulations and requirements are the responsibility of the owner.

**YARROW GARDENS METROPOLITAN DISTRICT  
RESIDENTIAL WATER SYSTEMS MANAGEMENT POLICY**

Adopted March 12, 2024

## TABLE OF CONTENTS

<b>I.</b>	<b>SECTION 1: GENERAL</b> .....	1
	A. <b>Definitions</b> .....	1
	B. <b>Policy and Purpose</b> .....	2
	C. <b>Rules of Construction</b> .....	2
	D. <b>Amendment/Modification/Waivers</b> .....	2
	E. <b>Liability</b> .....	2
	F. <b>Severability</b> .....	3
<b>II.</b>	<b>SECTION 2: RESIDENTIAL WATER SYSTEMS</b> .....	4
	A. <b>Ownership and Responsibilities</b> .....	4
	B. <b>Recordkeeping</b> .....	6
	C. <b>Right of Entry</b> .....	6
	D. <b>Compliance and Notification</b> .....	6
	E. <b>Violations and Penalties</b> .....	7

**I. SECTION 1: GENERAL**

A. **Definitions.** Unless the context specifically indicates otherwise the meaning of terms used in this Policy shall be as follows:

1. “Backflow Prevention Assembly” means any mechanical assembly installed on a Fire Service Line to prevent a backflow contamination event.
2. “Board” and “Board of Directors” means the governing body of the District.
3. “District” means the Yarrow Gardens Metropolitan District.
4. “Domestic Water Service Line” means the water line, conduit and appurtenances, from the water main/curb stop to the property that provides domestic water service.
5. “Fire Service Lines” refers to all water-related infrastructure extending from the water main to the Backflow Prevention Assembly. The Fire Service Lines are located at the following properties within the District:

<u>Number</u>	<u>Address</u>
1	7810 W. 43 <sup>rd</sup> Cir.
2	7814 W. 43 <sup>rd</sup> Cir.
3	7818 W. 43 <sup>rd</sup> Cir.
4	7822 W. 43 <sup>rd</sup> Cir.
5	7826 W. 43 <sup>rd</sup> Cir.
6	7807 W. 43 <sup>rd</sup> Pl.
7	7811 W. 43 <sup>rd</sup> Pl.
8	7819 W. 43 <sup>rd</sup> Pl.
9	7823 W. 43 <sup>rd</sup> Pl.
10	7831 W. 43 <sup>rd</sup> Pl.
11	7839 W. 43 <sup>rd</sup> Pl.
12	7863 W. 43 <sup>rd</sup> Pl.
13	7847 W. 43 <sup>rd</sup> Pl.
14	7849 W. 43 <sup>rd</sup> Pl.
15	7867 W. 43 <sup>rd</sup> Pl.
16	7876 W. 43 <sup>rd</sup> Cir.
17	7880 W. 43 <sup>rd</sup> Cir.

6. “Homeowner” means an individual or entity that owns the property and holds the legal title to such property. The term “Homeowner” shall encompass the party identified as the property owner and shall include their respective successors, assigns, and legal representatives.

7. “Manager” or “District Manager” means the Manager of the Yarrow Garden Metropolitan District or a designated representative.

8. “Residential Fire Sprinkler System” refers to all infrastructure and water-related components installed on the property located after the Backflow Prevention Assembly that includes, but is not limited to, pipes, valves, heads, controllers, and associated equipment designed for the controlled distribution of water for fire prevention purposes. The Residential Fire Sprinkler System specifically includes all water distribution components located downstream from the Backflow Prevention Assembly.

B. **Policy and Purpose.** The District is a quasi-municipal corporation and political subdivision of the State of Colorado. The Board of Directors of the District has adopted this Policy to clarify the ownership and responsibility for the testing, maintenance, repair and replacement of the Domestic Water Service Line, Fire Service Line, Backflow Prevention Assembly and Residential Fire Systems with the District. This Policy applies to all property within the District and all Homeowner, contractors and their designated representatives shall comply with this Policy. This Policy applies at all times to all persons regardless of any persons’ failure to become familiar with the Policy.

C. **Rules of Construction.** This Policy shall be construed to affect the general purposes set forth in this Policy. Nothing contained in this Policy shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law now in effect or any law which may subsequently be enacted by the Colorado General Assembly pertaining to the affairs of the District. Any dispute as to the interpretation of this Policy or as to its application in any given case shall be submitted to the Board of Directors and their decision shall be final. The Board reserves the right to construe any provision of this Policy in its sole discretion in order to effectuate lawful purposes of the District and to attempt to ensure orderly and non-discriminatory treatment of all persons or entities subject to this Policy now or in the future.

D. **Amendment/Modification/Waivers.** The Board shall have the sole authority to waive, suspend or modify this Policy at any time without notice. No refusal, failure or omission of the Board or its agents to apply or enforce this Policy shall be construed as an alteration, waiver, or deviation from this Policy or from any grant of power, duty or responsibility, or any limitation or restriction upon the Board of Directors or the District by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other person or entity. Any express waiver shall not be deemed an amendment of this Policy. No waiver shall be deemed a continuing waiver.

E. **Liability.** Except as provided by the Colorado Government Immunity Act, § 24-10-101, *et seq.*, C.R.S. (the “CGIA”), it is expressly stipulated that no claim for damage shall be made against the District by reason of any of the circumstances governed by the CGIA, including but not limited to the following: failure of the Residential Fire Sprinkler System; failure of the water supply; shutting off or turning on of water; damage caused by water running or escaping from open or defective faucets; burst service lines and other facilities not owned by the District; damage to property resulting from shutting water off, or from turning it on, or from inadequate or sporadic pressures; or from inadequate water delivery, or interruption of any services brought about by circumstances beyond its control.

F. **Severability.** If any term, condition or provision of this Policy shall be declared invalid or unenforceable, the remainder of this Policy shall not be affected and shall be valid and enforceable to the fullest extent permitted by law.

## II. SECTION 2: RESIDENTIAL WATER SYSTEMS

This Policy delineates the ownership and responsibilities of the Yarrow Gardens Metropolitan District and Homeowners regarding the Fire Service Lines, Residential Fire Sprinkler Systems, Backflow Prevention Assemblies, and Domestic Water Lines located within the District.

### A. Ownership and Responsibilities.

#### 1. Fire Service Lines.

a. Ownership. The District owns each Fire Service Line located within the District.

b. Homeowner's Responsibility. Each Homeowner shall protect the Fire Service Line on their property from damage. Each Homeowner shall promptly notify the District in the event of any issues with the Fire Service Line, including any damage or needed repairs.

c. District Responsibility. The District is responsible for the inspection, maintenance, and repair of the Fire Service Lines.

d. Access. Each Homeowner is required to provide access to the District or its authorized contractors for the purpose of inspecting, maintaining, and repairing the Fire Service Line located on their property.

e. Maintenance, Repairs and Costs of Repairs. The District shall perform all repairs or replacements of the Fire Service Line. Any required repairs or replacements will be performed within 120 days of discovery of the needed repair or replacement.

i. Repairs or replacements needed due to the action or inaction of the Homeowner shall be paid for by the Homeowner, including the costs to return the property to the condition that existed immediately prior to the repair or replacement.

ii. Repairs or replacements needed due to normal wear and tear shall be paid for by the District, including the costs to return the property to the condition that existed immediately prior to the repair or replacement.

#### 2. Backflow Prevention Assembly.

a. Ownership. The District owns each Backflow Prevention Assembly located within the District.

b. Homeowner's Responsibility. The Homeowner shall protect the Backflow Prevention Assembly from damage. Each Homeowner shall promptly notify the District in the event of any issues with the Backflow Prevention Assembly, including any damage or needed repairs.



i. Freezing Weather Precautions. Each Homeowner shall ensure that the Backflow Prevention Assembly and Fire Service Line connecting to the Backflow Prevention Assembly is properly insulated and heated as necessary to prevent freezing, damage to and breaking of the Backflow Prevention Assembly or connected Fire Service Line.

c. District Responsibility. The District is responsible for the testing, repair and replacement of the Backflow Prevention Assembly.

d. Access. Each Homeowner is required to provide access to the District or its authorized contractors for the purpose of inspecting, maintaining, and repairing the Backflow Prevention Assembly located on their property.

e. Testing. All Backflow Prevention Assemblies shall be tested annually at the District's expense by a District-approved contractor trained to perform Backflow Prevention Assembly testing. Each Homeowner is required to provide access to the District for the purpose of conducting Backflow Prevention Assembly testing.

f. Maintenance, Repairs and Costs of Repairs. The District shall perform all repairs or replacements of the Backflow Prevention Assembly. Any required repairs or replacements will be performed within 120 days of discovery of the needed repair or replacement.

i. Repairs or replacements needed due to the action or inaction of the Homeowner shall be paid for by the Homeowner, including the costs to return the property to the condition that existed immediately prior to the repair or replacement.

ii. Repairs or replacements needed due to normal wear and tear shall be paid for by the District, including the costs to return the property to the condition that existed immediately prior to the repair or replacement.

g. Repairs or replacements needed due to the action or inaction of the Homeowner shall be paid for by the Homeowner. Repairs or replacements needed due to normal wear and tear shall be paid for by the District. The District will perform any required repairs or replacements to the Backflow Prevention Assembly within 120 days of discovery of the needed repair or replacement.

### 3. Residential Fire Sprinkler System.

a. Ownership. Each Homeowner owns the Residential Fire Sprinkler System located on their property.

b. Homeowner Responsibility. Each Homeowner is responsible for all maintenance, repairs and replacement of the Residential Fire Sprinkler System located on their property.

c. District Responsibility/No Liability. The District does not assume any obligation nor will it acquire any liability for damage to the property or any portion thereof caused by or resulting from the Residential Fire Sprinkler System. The District is not responsible

for any loss or damage caused by the Homeowner or any contractor in installing, maintaining, using, or operating the Residential Fire Sprinkler System. The Homeowner shall hold the District harmless from any loss or damage that may be directly or indirectly caused by the installation, use or malfunction of the Residential Fire Sprinkler System.

d. Repairs. The Homeowner shall bear the costs associated with repairing, upgrading, modifying, or replacing their existing Residential Fire Sprinkler System, including expenses related to adjustments needed for the Backflow Prevention Assembly located on their property due to changes to the Residential Fire Sprinkler System.

4. Domestic Water Lines.

a. Ownership. The Domestic Water Lines are owned by the Homeowner.

b. Homeowner Responsibility: Each Homeowner is responsible for all maintenance, repairs and replacement of their Domestic Water Lines.

c. District Responsibility/No Liability. The District does not assume any obligation nor will it acquire any liability for damage to the property or any portion thereof caused by or resulting from the Domestic Water Lines. The District is not responsible for any loss or damage caused by the Homeowner or any contractor in installing, maintaining, using, or operating the Domestic Water Lines. The Homeowner shall hold the District harmless from any loss or damage that may be directly or indirectly caused by the installation, use or malfunction of the Domestic Water Lines.

d. Maintenance. The District is not responsible for maintenance of the Domestic Water Lines located within the District. Each Homeowner is responsible for ensuring that the Domestic Water Line located on their property is operating and in good repair. The District does not assume any obligation nor acquire any liability for damage to the property caused by or resulting from the Domestic Water Lines located within the District.

B. **Recordkeeping.**

1. The District shall keep records of all testing and repairs conducted on Backflow Prevention Assemblies and Fire Service Lines for at least 3 years.

C. **Right of Entry.**

1. District-approved personnel, including contractors, shall have the right of entry to inspect and test any Backflow Prevention Assemblies or Fire Service Lines.

D. **Compliance and Notification.**

1. Compliance. Homeowners shall cooperate with the installation, inspection, testing, maintenance, and repair and replacement of Backflow Prevention Assemblies and Fire Service Lines.

2. Notification. The District shall provide a minimum of 48-hour notice to the Homeowner before conducting the annual testing of the Backflow Prevention Assembly and any testing, repair or replacement activities related to the Backflow Prevention Assembly or Fire Service Lines.

E. **Violations and Penalties.**

1. Any violation of the provisions of this Policy, shall be punishable as provided in all applicable statutes, laws, and regulations.

