

SUPPLEMENT TO 2022 ANNUAL REPORT ON THE SERVICE PLAN

Reporting Period: January 1, 2022 – December 31, 2022

CASCADE METROPOLITAN DISTRICT NO. 1

Pursuant to Section 32-1-207(3)(c), Colorado Revised Statutes, Cascade Metropolitan District No. 1 (the “District”) provides the following supplemental information to the 2022 annual report on the service plan dated February 24, 2023 for the year ended December 31, 2022:

1. Boundary changes made to District’s the boundaries as of December 31, 2022.

There were no boundary changes in 2022.

2. Intergovernmental agreements entered into or terminated with other government entities.

There were no intergovernmental agreements entered into or terminated with other government entities.

3. Access Information for copies of the District’s rules and regulations, if any, as of December 31, 2022.

Information on the District’s rules and regulations, if any, may be obtained by contacting the District’s Manager, Rebecca Harris, at (719) 447-1777. Information on the District may also be obtained from the District’s website: <https://cascademd1.colorado.gov/>.

4. A summary of litigation involving public improvements owned by the special district.

To our actual knowledge, based on review of the court records in El Paso County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2022.

5. The status of the construction of public improvements by the special district.

There is no active construction of public improvements by the District.

6. A list of all facilities and improvements constructed by the District that have been conveyed or dedicated to the Governing Jurisdiction as of December 31 of the report year.

The District did not convey or dedicate any facilities or improvements to the Governing Jurisdiction as of December 31 of the reporting year.

7. The final assessed valuation of the District as of December 31, 2022.

See attached Final Assessed Valuation at **Exhibit A**.

8. A copy of the Current year's budget.

A copy of the 2023 Budget is attached hereto as **Exhibit B**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The annual Audit Report for the fiscal year ending December 31, 2022 ("**2022 Audit**") has not been finalized to-date. A copy of the 2022 Audit will be submitted as a supplement to this report once available.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, there is no uncured default existing for more than ninety days under any debt instrument of the District.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

To our actual knowledge, there is no inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety day period.

EXHIBIT A
2022 FINAL ASSESSED VALUATION

CERTIFICATION OF VALUATION BY EL PASO COUNTY ASSESSOR

New Tax Entity? ☐ YES ☒ NODate November 23, 2022**NAME OF TAX ENTITY:** CASCADE METROPOLITAN #1
USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 :

| | | |
|---|--------|------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 1. \$ | 11,650,890 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡ | 2. \$ | 11,385,830 |
| 3. LESS TOTAL TIF AREA INCREMENTS, IF ANY: | 3. \$ | 0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 4. \$ | 11,385,830 |
| 5. NEW CONSTRUCTION: * | 5. \$ | 36,280 |
| 6. INCREASED PRODUCTION OF PRODUCING MINE: ≈ | 6. \$ | 0 |
| 7. ANNEXATIONS/INCLUSIONS: | 7. \$ | 0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈ | 8. \$ | 0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ | 9. \$ | 0 |
| 10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified: | 10. \$ | 0.00 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | 11. \$ | 0.00 |

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 :

| | | |
|--|-------|-------------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ | 1. \$ | 143,603,973 |
| ADDITIONS TO TAXABLE REAL PROPERTY | | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * | 2. \$ | 521,975 |
| 3. ANNEXATIONS/INCLUSIONS: | 3. \$ | 0 |
| 4. INCREASED MINING PRODUCTION: § | 4. \$ | 0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | 5. \$ | 0 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | 6. \$ | 0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7. \$ | 0 |

DELETIONS FROM TAXABLE REAL PROPERTY

| | | |
|---|--------|---|
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 8. \$ | 0 |
| 9. DISCONNECTIONS/EXCLUSIONS: | 9. \$ | 0 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | 10. \$ | 0 |

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:
TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$ N/A

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 3,160

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT A
2023 BUDGET

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Cascade Metropolitan District No. 1 (the “**Board**”), County of El Paso, Colorado (the “**District**”), held a regular meeting via teleconference on October 25, 2022, at the hour of 5:30 p.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2023 BUDGET

AFFIDAVIT OF PUBLICATION

STATE OF COLORADO
COUNTY OF El Paso

I, Lorre Cosgrove, being first duly sworn, deposes and says that she is the Legal Sales Representative of The Colorado Springs Gazette, LLC., a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Colorado Springs Gazette; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper **1 time(s) to wit 10/03/2022**

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.

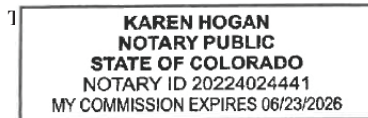


Lorre Cosgrove
Sales Center Agent

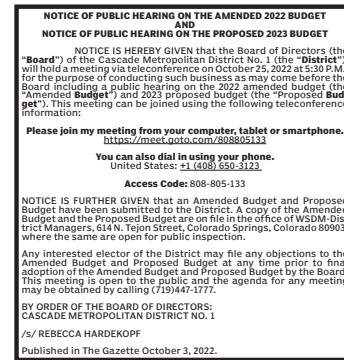
Subscribed and sworn to me this 10/03/2022, at said City of Colorado Springs, El Paso County, Colorado.
My commission expires June 23, 2026.



Karen Hogan
Notary Public



Document Authentication Number
20224024441-502213



WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of

0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

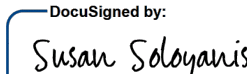
Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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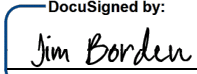
ADOPTED THIS 25TH DAY OF OCTOBER 2022.

DISTRICT:

**CASCADE METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
DocuSigned by:
Susan Soloyanis
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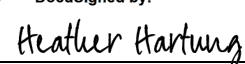
Attest:

By: _____
DocuSigned by:
Jim Borden
A96ABB29A1E843B...

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON

Attorneys at Law

_____
DocuSigned by:
Heather Hartung
BE8B1188F444E3...

General Counsel to the District

STATE OF COLORADO

COUNTY OF EL PASO

CASCADE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on October 25, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 25th day of October 2022.

_____
DocuSigned by:
Rebecca Hardkopf
4A1832EF5746405...

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

CASCADE METROPOLITAN DISTRICT NO. 1
AMENDED 2022 and ADOPTED 2023 BUDGET
GENERAL FUND

| | 2021 ACTUAL | 2022 ACTUAL | 2022 BUDGET | 2023 BUDGET |
|--|----------------------|----------------------|---------------------|---------------------|
| GENERAL FUND: BEGINNING BALANCE | \$ 187,203.26 | \$ 134,422.25 | \$ 134,422.25 | \$ 191,941.34 |
| REVENUES | | | | |
| OPERATIONS ADMINISTRATIVE FEE (\$8.34/MONTH/ACCOUNT) | \$ 56,266.20 | \$ 43,457.29 | \$ 42,000.00 | \$ 42,000.00 |
| COLLECTION CHARGES | \$ 4,490.00 | \$ 643.44 | \$ 5,000.00 | \$ 5,000.00 |
| WATER SERVICE BULK | \$ 34.00 | \$ - | \$ - | \$ - |
| LATE FEES | \$ 6,017.74 | \$ 3,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| BACKFLOW NON-COMPLIANCE FEE | \$ 54.45 | \$ - | \$ - | \$ - |
| MISCELLANEOUS INCOME | \$ 275.20 | \$ - | \$ - | \$ - |
| GAIN ON SALE OF ASSETS | \$ 8,332.52 | \$ 66,552.00 | \$ 10,000.00 | \$ - |
| INTEREST INCOME | \$ 22.97 | \$ 38.86 | \$ 100.00 | \$ 100.00 |
| TOTAL REVENUES | \$ 75,493.08 | \$ 114,191.59 | \$ 59,600.00 | \$ 49,600.00 |
| TOTAL FUNDS AVAILABLE | \$ 262,696.34 | \$ 248,613.84 | \$ 194,022.25 | \$ 241,541.34 |
| EXPENSES | | | | |
| BILLING AND CUSTOMER SERVICE | \$ 24,000.00 | \$ 16,000.00 | \$ 24,000.00 | \$ 24,000.00 |
| MANAGEMENT | \$ 7,500.00 | \$ 5,000.00 | \$ 7,500.00 | \$ 4,000.00 |
| ACCOUNTING AND BOOKKEEPING | \$ 2,000.04 | \$ 1,333.36 | \$ 2,000.00 | \$ 2,000.00 |
| CSU SETTLEMENT | \$ - | \$ - | \$ 35,000.00 | \$ 100,000.00 |
| COLLECTION CHARGES | \$ - | \$ 6,569.00 | \$ 5,000.00 | \$ 5,000.00 |
| AUDIT | \$ 8,400.00 | \$ 8,825.00 | \$ 9,000.00 | \$ 9,000.00 |
| BANK FEES | \$ 1,845.50 | \$ 1,265.00 | \$ 1,800.00 | \$ 1,800.00 |
| ELECTION | \$ - | \$ 3,572.66 | \$ 2,500.00 | \$ 10,000.00 |
| INSURANCE/SDA DUES | \$ 6,197.02 | \$ 450.00 | \$ 2,500.00 | \$ 2,500.00 |
| DUES, FEES, & SUBSCRIPTIONS | \$ 250.00 | \$ 557.61 | \$ 250.00 | \$ 450.00 |
| LEGAL | \$ 27,909.47 | \$ 10,447.04 | \$ 10,000.00 | \$ 10,000.00 |
| COST OF SALES | \$ 2,344.82 | \$ - | \$ 2,500.00 | \$ - |
| PAYROLL TAXES | \$ 55.84 | \$ - | \$ - | \$ - |
| OPERATION LABOR | \$ 730.00 | \$ - | \$ - | \$ - |
| REPAIRS & MAINTENANCE | \$ 106.32 | \$ - | \$ 2,500.00 | \$ - |
| COST TO REMOVE PUMP HOUSE | | | | \$ 10,000.00 |
| TELEPHONE/UTILITIES EXPENSE | \$ 587.37 | \$ - | \$ - | \$ - |
| WATER PURCHASE EXPENSE | \$ 42,044.00 | \$ - | \$ - | \$ - |
| OFFICE SUPPLIES & POSTAGE | \$ 4,303.71 | \$ 2,652.83 | \$ 3,600.00 | \$ 3,600.00 |
| CONTINGENCY | \$ - | \$ - | \$ 5,000.00 | \$ 5,000.00 |
| TOTAL EXPENSES | \$ 128,274.09 | \$ 56,672.50 | \$ 113,150.00 | \$ 187,350.00 |
| OTHER | | | | |
| TRANSFERS IN - GRANT CAPITAL PROJECT FUND | | | | |
| TRANSFER OUT TO DEBT SERVICE FUND | | \$ 66,552.00 | | |
| GENERAL FUND: ENDING BALANCE | \$ 134,422.25 | \$ 191,941.34 | \$ 80,872.25 | \$ 54,191.34 |
| EMERGENCY RESERVE: State Required at 3% | \$ 3,848.22 | \$ 1,700.18 | \$ 3,394.50 | \$ 5,620.50 |

CASCADE METROPOLITAN DISTRICT NO. 1
AMENDED 2022 and ADOPTED 2023 BUDGET
DEBT SERVICE FUND

| | 2021 ACTUAL | 2022 ACTUAL | 2022 BUDGET | 2023 BUDGET |
|---|----------------------|----------------------|----------------------|----------------------|
| DEBT SERVICE FUND: BEGINNING BALANCE | \$ 472,773.18 | \$ 462,526.14 | \$ 462,526.14 | \$ 427,460.28 |
| REVENUE | | | | |
| TRANSFER IN - GENERAL FUND | | \$ 66,552.00 | | |
| DEBT SERVICE WATER FEE (\$87.78/MONTH) | \$ 327,889.52 | \$ 233,126.36 | \$ 330,000.00 | \$ 382,000.00 |
| AOS FEES | \$ 1,161.30 | \$ - | \$ - | \$ - |
| MALCOM RESTITUTION | \$ 1,055.87 | \$ - | \$ - | \$ - |
| INTEREST INCOME | \$ 215.08 | \$ 2,662.50 | \$ 300.00 | \$ 3,000.00 |
| TOTAL REVENUE | \$ 330,321.77 | \$ 302,340.86 | \$ 330,300.00 | \$ 385,000.00 |
| EXPENSES | | | | |
| SERIES 2015A INTEREST | \$ 193,050.00 | \$ 190,675.00 | \$ 190,675.00 | \$ 188,300.00 |
| SERIES 2015A PRINCIPAL | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ 60,000.00 |
| SERIES 2015B INTEREST | \$ 79,475.00 | \$ 78,650.00 | \$ 78,650.00 | \$ 77,824.00 |
| SERIES 2015B PRINCIPAL | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| SERIES 2015 BANK FEES | \$ 3,043.81 | \$ 3,081.72 | \$ 3,500.00 | \$ 3,500.00 |
| CONTINGENCY | | | \$ 5,000.00 | \$ 5,000.00 |
| TOTAL EXPENSES | \$ 340,568.81 | \$ 337,406.72 | \$ 342,825.00 | \$ 349,624.00 |
| DEBT SERVICE: ENDING BALANCE | \$ 462,526.14 | \$ 427,460.28 | \$ 450,001.14 | \$ 462,836.28 |
| OTHER FINANCING SOURCES (USES) | | | | |
| SERIES 2015A DEBT SERVICE RESERVE FUND | \$ 367,766.00 | | | |

BUDGET MESSAGE

(Pursuant to § 29-1-103(1) (e), C.R.S.)

Cascade Metropolitan District No. 1

The attached 2023 Budget for Cascade Metropolitan District No. 1 includes these important features:

- The 2023 Budget reflects a debt service fee established to repay debt issued in 2015 and the costs to administer the billing, collection and payment to facilitate this scope of work.
- The primary sources of revenue for the District are fees, penalties, and charges.

The Budgetary basis of accounting timing measurement method used is:

- ☐ Cash basis
- ☒ Modified accrual basis
- ☐ Encumbrance basis
- ☐ Accrual basis

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the district's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred, or the long-term obligation is paid.

The services to be provided/ delivered during the budget year are the following:

- Contracted legal and management services including state required reporting, financial and accounting reports, billing and other services.
- Accounting and bookkeeping, billing, collection and related services.