Colorado Department of Local Affairs

Colorado Special Districts Fiscal Health Analysis Calendar Years 2019-2021

Informational Report
October 2023
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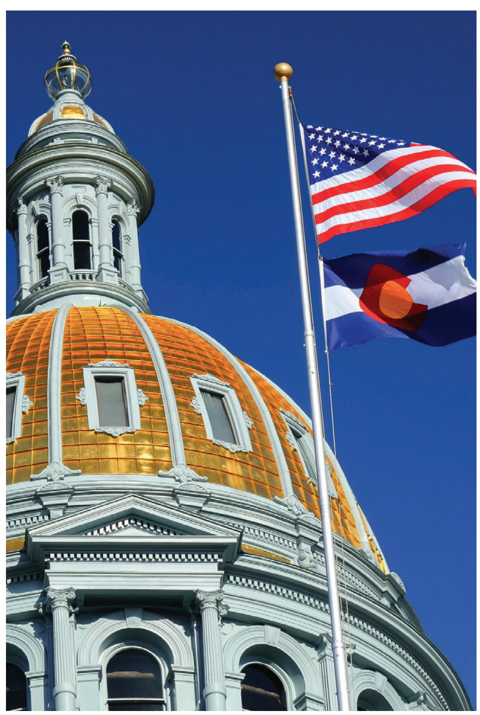


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OFFICE OF THE STATE AUDITOR

KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

October 11, 2023

Members of the Legislative Audit Committee:

Please find attached the fiscal health analysis of selected special districts in accordance with Section 32-1-207(3)(d), C.R.S. The Office of the State Auditor is required to review the annual reports submitted by special districts created on or after July 1, 1991 and report to the Department of Local Affairs any apparent decrease in a district's financial ability to discharge its indebtedness.

This report provides the results of that analysis and required reporting for the 3-year period ending December 31, 2021.

Kerri L. Hunter

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OFFICE OF THE STATE AUDITOR • LOCAL GOVERNMENT AUDIT DIVISION
KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

Fiscal Health Analysis of Special Districts Created after July 1, 1991
Calendar Years Ending December 31, 2019 through December 31, 2021

Date: October 6, 2023

To: Department of Local Affairs—Rick M. Garcia, Executive Director;
Chantal Unfug, Division of Local Government Director

From: Crystal Dorsey, CPA, Local Government Audit Manager

Background

Special districts are independent, special-purpose governmental units that exist separately from other local governments such as county, municipal, and township governments, and have substantial administrative and fiscal independence. They are formed to perform a single function or a set of related functions. In Colorado, as of August 2023, there were more than 2,600 special districts—nearly 1,900 of those special districts were organized after July 1, 1991.

Special districts in Colorado have several reporting requirements to the Department of Local Affairs (DOLA) and the Office of the State Auditor (OSA). For example, as outlined in Section 32-1-207 et seq., C.R.S., special districts are required to report changes in boundaries, intergovernmental agreements, and the status of construction of public improvements, for the preceding calendar year. For financial reporting, all local governments, including special districts, are required to follow the Local Government Audit Law (Audit Law) in Section 29-1-601 et seq., C.R.S., which requires annual submission to the OSA of either audited financial statements, or an application for exemption from audit.

Section 32-1-207(3)(d), C.R.S. requires the OSA to review annual reports submitted by special districts, and to report to DOLA any apparent decrease in a district's financial ability to discharge its indebtedness. For the purposes of this analysis, our review focused on the exemption applications and audited financial statement reports submitted to the OSA as required by the Audit Law, because those applications and reports provide the most reliable source of information to be able to assess a district's financial ability to discharge its indebtedness. This informational report is intended to highlight those districts that triggered fiscal health indicators developed by the OSA for the 3-year period ended December 31, 2021, and to identify any districts that may have trouble repaying their outstanding debt.

During the 2021 legislative session, Senate Bill 21-262 modified this Section 32-1-207(3)(d), C.R.S., by removing the specification that this section be applied to special districts created on or after July 1, 1991. This bill further modified Section 32-1-207(3)(c)(I), C.R.S., effective with the 2022 calendar year, to specify that only special districts created after July 1, 2000, have certain reporting requirements to DOLA. Although the bill revisions changed the special districts required to be reviewed by the OSA under this analysis in the future from special districts created on or after July 1, 1991 to only those created after July 1, 2000, the OSA included special districts created after July 1, 1991 for consistency and informational purposes in this analysis.

This informational report summarizes the OSA's fiscal health analysis of all special districts created under Title 32 C.R.S., on or after July 1, 1991. The Audit Law requires special districts to submit an application for exemption from audit to the OSA by March 31 of the following year. When a district does not qualify for an exemption, the special district must submit an audited financial statement report to the OSA by July 31, or by September 30 with an OSA approved extension. Therefore, Calendar Years 2019 through 2021 represent the most recent completed 3 years of required submissions as of the date of this informational report.

Self-Reported Financial Obligation Concerns

As part of our review, we consider whether there are any districts that are having difficulties meeting their financial obligations. Exhibit 1 contains a list of districts that self- reported in their most recent audited financial statement report or exemption from audit application that they have been or will be unable to make principal or interest payments as they become due. We recommend that DOLA consider possible further investigation of these 23 districts to determine if they are experiencing difficulties meeting their financial obligations.

Exhibit 1
Special Districts Who Self-Reported Difficulty Making Current or Future Debt Service Payments[1]

	Calendar Year		
District	2019	2020	2021
Aberdeen Metropolitan District No. 1[2]	-	-	✓
Buckhorn Valley Metropolitan District No. 2	✓	✓	✓
Conifer Metropolitan District[2]	✓	✓	✓
Country Club Highlands Metropolitan District	-	-	✓
Deer Meadows Metropolitan District	✓	✓	✓
Eastpark 70 Metropolitan District	✓	✓	✓
Estancia Metropolitan District	-	-	✓
Falcon Highlands Metropolitan District	✓	✓	✓
Flying Horse Metropolitan District No. 1[2]	✓	✓	✓
Gateway Regional Metropolitan District	✓	✓	✓
Great Western Metropolitan District No. 5	✓	✓	✓
Hyland Village Metropolitan District[2]	✓	✓	✓
Jeffco Business Center Metropolitan District No. 1	-	-	✓
Lowell Metropolitan District	✓	✓	✓
Marin Metropolitan District	✓	✓	✓
Murphy Creek Metropolitan District No. 3	✓	✓	✓
Neu Towne Metropolitan District	✓	✓	✓
NP125 Metropolitan District[2]	-	-	✓
Old Ranch Metropolitan District[2]	✓	✓	✓
Southwest Timnath Metropolitan District No. 4	✓	✓	✓
Tamarron Metropolitan District	✓	✓	✓
Tri Pointe Commercial Metropolitan District	✓	✓	✓
Valagua Metropolitan District	✓	✓	✓

Source: Office of the State Auditor analysis of the special district audits and applications for exemption from audit for the years ending December 31, 2019 through 2021.
[1]The analysis focuses solely on Title 32 special districts created on or after July 1, 1991.
[2]Districts who triggered one or two indicators but did not meet the criteria to be included in our trend analysis.

Modified Opinion

Based on our review of special districts' submitted audited financial statement reports, we identified two districts described below in which the auditor reported a modification in the auditors' opinion that may warrant further investigation by DOLA. The audit opinion describes at a high level the work the independent certified public accountant performs, responsibilities of management, and provides some assurance that the financial statements are fairly stated in all material respects. In accordance with professional standards, independent auditors may modify an audit opinion to describe certain things in the financial statements that are considered critical to the understanding of the financial statements, or to highlight issues identified by the auditor. Auditors are also required to evaluate whether or not there is substantial doubt of an entity's ability to be able to continue its operations for at least a year beyond the date of the financial statements. If there is substantial doubt as to an entity's ability to continue operations for the upcoming year, the auditor is required by AICPA standards to include an emphasis-of-matter paragraph in the report to reflect their conclusion.

The auditors for Falcon Highlands Metropolitan District noted difficulties in the District's ability to meet its financial obligations in the District's 2019 through 2021 audited financial statement reports. We also reviewed prior reports for the District and determined that the auditors noted similar difficulties in the District's 2012 through 2018 audited financial statement reports. In each of those 9 years, the District's auditor issued modified opinions due to the District's inability to verify certain developer note balances and accrued interest payable on those notes.

The auditors for Lowell Metropolitan District included an emphasis-of-matter paragraph indicating a going concern in their opinion on the District's most recently-reviewed 2021 audited financial statement reports, as well as in the District's 2019 and 2020 audited financial statement reports. We also reviewed prior reports for the District and determined that the auditors included similar paragraphs in the District's 2013 through 2018 audited financial statement reports. The auditors indicated in their opinion that the District has been unable to make its full principal and interest payments on its limited tax general obligation bond series 2004 due to assessed property valuations being lower than originally estimated when the bonds were issued due to economic conditions. Based on current estimates, the District will be unable to meet future obligations when due, which will result in accrued interest that is accumulating faster than the District can pay it. Overall, the absence of available sources of liquidity and increasing amounts of accrued interest have raised a substantial doubt about the District's ability to continue as a going concern.

Fiscal Health Warning Indicators

Based on the OSA's records as of December 31, 2021, there were 1,859 special districts in Colorado that were organized on or after July 1, 1991. The results of our analysis in this informational report include information from districts that meet all of the following criteria:

- Were in existence for all 3 years of our analysis (2019, 2020, 2021)
- Submitted financial information to the OSA for each of the 3 years by the end of our analysis (May 22, 2023).

Districts that were inactive or delinquent (as defined by the Audit Law [Section 29-1-601, et seq., C.R.S.]) for any of the 3 years do not meet these criteria.

Based on the above criteria, we were able to include 1,535 districts in our fiscal health analysis. The remaining 324 districts did not meet the criteria above for our review due to reasons including that (1) they were newly-created districts at some point during the time period, (2) they were inactive for a portion of the time period, or (3) they had not submitted their audited financial statement report or exemption application as statutorily-required by the end of our review. We discuss delinquent special districts in more detail later in this informational report.

We applied nine fiscal health warning indicators to analyze special districts meeting the criteria for our analysis. The warning indicators use ratios designed to analyze key financial information, and a warning indicator triggers when the ratios decline over the 3-year period under review. The analysis used the information from the 2019, 2020, and 2021 audits and exemptions submitted to the OSA, and includes assessed valuations and mill levy information from DOLA.

The descriptions of the nine ratios with information on the calculation of each ratio and the criteria for triggering a warning indicator are described in the following sections.

Indicator 1: Property Tax Coverage of Expenditures

Indicator 1 Formula
Intergovernmental Revenues [from Other Districts] + Property Taxes ÷ Total Expenditures + Transfers to Other Districts

This ratio focuses on the relationship between revenues and other inflows to expenditures and other outflows. This ratio measures the coverage of the existing property taxes to the current expenditures, including debt service, operations or capital projects, and the transfers out to other districts. A decline in this ratio could be attributed to rising expenditures, shrinking taxes, larger transfers needed by other districts, or a combination of these factors.

Warning Indicator: Consistent decline in the ratio over the 3 years under review.

Indicator 2: Developer Advances Required

Indicator 2 Formula
Net Developer Advances ÷ Total Expenditures + Transfers to Other Districts

This ratio is another measure of the coverage of expenditures and indicates whether or not the district is requiring more and more funding by the developer. The net amount of developer advances is used in order to reflect any repayments to the developer by the district. An increase in this ratio could indicate a greater need each year for developer advances, which could lead to higher taxes or issuance of more debt.

Warning Indicator: Consistent increase in the ratio over the 3 years under review.

Indicator 3: Stability of Growth to Debt

Indicator 3 Formula
Outstanding General Obligation Bonds
÷
Assessed Valuation

This ratio focuses on how stable the growth of the district is in relation to the amount of outstanding principal for general obligation bonds. If the assessed valuation is not growing sufficiently in relation to debt, or the assessed valuation is shrinking in relation to debt, the district may need to consider a raise in the mill levy to increase property tax collections in order to pay off the outstanding general obligation bonds.

Warning Indicator: Consistent increase in the ratio over the 3 years under review.

Indicator 4: Capacity for Increased Debt

Indicator 4 Formula
Authorized but Unissued Debt
÷
Assessed Valuation

This ratio evaluates the amount of the remaining debt that has not yet been issued to the assessed property value of the district. This may indicate that the assessed valuation is shrinking and the district cannot support additional debt.

Warning Indicator: Consistent increase in the ratio over the 3 years under review.

Indicator 5: Principal Payments to Total Debt

Indicator 5 Formula Factors
District Has Outstanding Debt for 2 or More Consecutive Years
÷
Principal Payments Equal Zero for All 3 Years

This calculation is not a ratio but is designed to evaluate whether total outstanding debt has consistently increased over the 3 years of this analysis while no principal payments have been paid on the debt. This could be attributed to a longer term for the debt, graduated payments, or balloon payments in future years. These possibilities could lead to higher taxes or a longer amount of time required to support the debt.

Warning Indicator: Consistent increase in debt over the 3 years under review without any principal payments being made.

Indicator 6: Mill Levy Changes

Indicator 6 Formula
Debt Service Mill Levy ÷ Total Mill Levy

This ratio measures the relationship between the mill levy tied to debt and the district's total mill levy. Increases in this ratio would indicate that the debt-related mill levy is increasing, or the total mill levy is decreasing. This could mean the growth projected in the district's service plan has not been realized.

Warning Indicator: Consistent increase in the ratio over the 3 years under review.

Indicator 7: Principal Payments to Total Outstanding Debt

Indicator 7 Formula
Governmental Funds Principal Payments + Enterprise Funds Principal Payments ÷ Total Outstanding Debt

This ratio measures the relationship between principal payments and outstanding debt for both governmental and enterprise funds. Decreases in this ratio would indicate that the debt is consistently increasing, or principal payments are consistently decreasing. It would be normal for a district to have a substantial increase in the year debt was issued, but after that, the ratio will normally increase as the debt is paid down.

Warning Indicator: Consistent decrease in the ratio over the 3 years under review.

Indicator 8: Working Capital

Indicator 8 Formula
Enterprise Funds Current Assets ÷ Enterprise Funds Current Liabilities

This ratio measures the liquidity of a district's enterprise funds. A decline in this ratio would indicate that the district's cash position is deteriorating over time and could be an indication that other funds are subsidizing business-type activities.

Warning Indicator: Consistent decrease in the ratio over the 3 years under review, or a most recent ratio of less than one.

Indicator 9: Cash and Investments over Expenditures

Indicator 9 Formula
Cash and Investments (Governmental & Enterprise Funds) ÷ Total Expenditures/12

This ratio measures the short-term liquidity of a district's governmental and enterprise funds. Total expenditures include governmental plus enterprise funds' operating and non- operating expenses. A decline would indicate that a district would not have enough resources to pay one month of expenses if its revenue streams were to stop suddenly. Best practices indicate that a district should maintain a sufficient cash balance to cover at least 1-month's expenses.

Warning Indicator: Consistent decrease in the ratio over the 3 years under review and the most recent ratio is less than one.

Fiscal Health Watch Indicators

In addition to the fiscal health warning indicators described in the previous section, we also applied two watch indicators to our review of special districts. While these watch indicators alone may not indicate fiscal stress, we believe that they may help to anticipate potential problems in the future.

The first watch indicator includes those districts that have authorized but unissued debt in excess of $500 million. For the 2021 filing year, 413 districts reported authorized but unissued debt in excess of $500 million. Section 29-1-605(2) C.R.S., requires a special district that has authorized but unissued debt to specify in its annual audited financial statement report or application for exemption from audit the amount of authorized but unissued debt and any current or anticipated plans to issue debt as of the end of its fiscal year.

The amount of authorized but unissued debt reported by the districts may be further restricted by its approved service plan. However, those restrictions and possible amendments are not consistently reported to the OSA, either in the service plan or in the audited financial statement report or exemption from audit. The 413 districts that reported authorized but unissued debt in excess of $500 million are grouped by level of authorized but unissued debt in Exhibit 2.

Exhibit 2
Watch Indicator 1: Number of Special Districts with Authorized but Unissued Debt Greater than $500 Million

Authorized but Unissued Debt	Number of Districts
$500 million – $749 million	80
$750 million – $999 million	41
$1.0 billion – $2.49 billion	144
$2.5 billion – $9.9 billion	90
$10.0 billion – $49.9 billion	48
Greater than $50 billion	10
Total	413

Source: Office of the State Auditor analysis of special district audits and applications for exemption from audit for the years ending 2019 through 2021

The 10 districts with the largest watch indicator for authorized but unissued debt greater than $50 billion are shown in Exhibit 3. All 10 districts are related and have various agreements in place which govern the relationships between the districts with respect to financing, construction and operation of public improvements within their combined service area.

Exhibit 3
Districts with Largest Watch 1 Indicator Greater than $50 Billion

District	Total Authorized Debt[1]	Remaining Authorized but Unissued Debt as of 12/31/2021	Service Plan Limit	Most Recent Service Plan Date[2]
Aerotropolis Area Coordinating Metropolitan District	$104,000,000,000	$103,632,495,430	$8,000,000,000	October 16, 2017
ATEC Metropolitan District No. 1	$56,000,000,000	$56,000,000,000	$4,000,000,000	August 6, 2018
ATEC Metropolitan District No. 2	$56,000,000,000	$56,000,000,000	$4,000,000,000	August 6, 2018
Aurora Highlands Metropolitan District No. 1	$54,405,000,000	$54,405,000,000	$4,000,000,000	October 16, 2017
Aurora Highlands Metropolitan District No. 2	$54,405,000,000	$54,405,000,000	$4,000,000,000	October 16, 2017
Aurora Highlands Metropolitan District No. 3	$54,405,000,000	$54,405,000,000	$4,000,000,000	October 16, 2017
Green Valley Aurora Metropolitan District No. 1	$54,405,000,000	$54,405,000,000	$4,000,000,000	October 16, 2017
Green Valley Ranch East Metropolitan District No. 6	$52,000,000,000	$51,956,410,000	$4,000,000,000	October 16, 2017
Green Valley Ranch East Metropolitan District No. 7	$54,404,000,000	$54,404,000,000	$4,000,000,000	October 16, 2017
Green Valley Ranch East Metropolitan District No. 8	$54,404,000,000	$54,404,000,000	$4,000,000,000	October 16, 2017

Source: Office of the State Auditor analysis of special district audits and applications for exemption from audit for the years ending 2019 through 2021 and approved service plans.
[1] Authorized debt approved through the election process. Approved service plans may limit the amounts a district is allowed to issue.
[2] Most recent approved service plan, including any amendments as of December 31, 2021.

The OSA also reviewed the most recent service plans available on DOLA's website for these districts, and although the districts have authorized the amounts listed through an elections process, the districts' approved service plans, including any subsequent amendments, may restrict the amounts they are allowed to issue. Only Aerotropolis submitted audited financial statement reports to the OSA for each of the 3 years reviewed, and Green Valley Ranch East Metropolitan District No. 6 only submitted audited financial statement reports to the OSA for 2020 and 2021. The remaining 8 districts filed an application for exemption from audit.

The second watch indicator includes those districts with a total mill levy in excess of 50 mills. There were 509 districts who reported an excess of 50 mills and they are grouped by mill levy amount in Exhibit 4.

Exhibit 4
Watch Indicator 2: Number of Special Districts with Mill Levies Greater Greater than 50 Mills

Mill Levies	Number of Districts
50.01 – 59.99 mills	173
60.00 – 69.99 mills	205
70.00 – 79.99 mills	90
80.00 – 89.99 mills	22
90.00 – 99.99 mills	10
Greater than 100.00 mills	9
Total	509

Source: Office of the State Auditor analysis of special district audits and applications for exemption from audit for the years ending 2019 through 2021

The 9 districts with the largest mill levies greater than 100 mills are shown below.

Total Mill Levy Greater than 100.00:

- Aspen Village Metropolitan District –132.46 mills.
- Sky Ranch Metropolitan District No. 5 –123.19 mills.
- Yarrow Gardens Metropolitan District –116.97 mills.
- Indy Oak TOD Metropolitan District –112.28 mills.
- Cornerstone Metropolitan District No. 2 –110.00 mills.
- Riverdale Peaks II Metropolitan District –107.11 mills.
- Homestead Hills Metropolitan District –105.76 mills.
- Belleview Place Metropolitan District –102.09 mills.
- Cornerstar Metropolitan District –100.43 mills.

Trend Analysis

For the purpose of our analysis, we focused our review on those districts identified with three warning indicators; for those districts, we also reviewed whether they triggered any of the previously discussed watch indicators. As shown in Exhibit 5, 12 districts triggered three warning indicators during the period reviewed. It should be noted that the presence of a fiscal health indicator does not always mean that a district is facing fiscal stress; however, it does prompt the need for further examination. The more indicators that exist for a district, the more likely it is that the district may be facing fiscal stress.

Exhibit 5
Special Districts with Three Indicators

District	Warning Indicator									Watch Indicators	
	1	2	3	4	5	6	7	8	9	1	2
4 Way Ranch Metropolitan District No.2	-	✓	-	-	✓	-	-	✓	-	-	-
Belford South Metropolitan District	✓	-	-	-	✓	-	-	-	✓	-	✓
Chambers Highpoint Metropolitan District No. 1	-	✓	-	✓	✓	-	-	-	-	-	-
City Center West Residential Metropolitan District No. 2	-	-	✓	✓	✓	-	-	-	-	-	✓
Colliers Hill Metropolitan District No.3	-	-	✓	✓	✓	-	-	-	-	-	✓
Denver High Point At DIA Metropolitan District	✓	-	-	✓	✓	-	-	-	-	✓	-
Denver West Promenade Metropolitan District	-	✓	✓	✓	-	-	-	-	-	-	✓
Evan's Place Metropolitan District	-	-	✓	✓	✓	-	-	-	-	-	✓
Lost Creek Farms Metropolitan District	✓	-	-	-	✓	-	-	-	✓	-	✓
Penrith Park Metropolitan District	-	✓	-	-	✓	✓	-	-	-	-	✓
Spring Valley Metropolitan District No.4	-	-	✓	✓	✓	-	-	-	-	-	✓
Tree Farm Metropolitan District	✓	-	-	✓	✓	-	-	-	-	-	-
Totals	**4**	**4**	**5**	**8**	**11**	**1**	**0**	**1**	**2**	**1**	**8**

Source: Office of the State Auditor analysis of the special district audited financial statement reports and applications for exemption from audit for the years ending 2019 through 2021

The most common warning indicator triggered was ratio number five, where 11 out of the 12 districts triggered this warning indicator. Ratio number five looks at principal payments to total debt. This ratio is triggered when there are no principal payments made over the 3-year period under review. Upon further investigation, we found that seven out of the 11 districts had outstanding general obligation debt ranging from $1.9 million to $28.8 million; however, the districts did not have any required principal payments due during the 3-year period under review. Lost Creek Farms Metropolitan District has the earliest principal payment due date, which begins in 2022. The largest general obligation debt of $28.8 million was for Colliers Hill Metropolitan District No. 3, and those required principal payments are required to begin in 2027. The remaining four districts have outstanding debt that consisted of developer advances ranging between $36 thousand to $1.9 million. Based on our review of those district's audits or applications for exemption from audit, the disclosures did not specify the terms of any developer repayment agreements or specify if there were any required future payments coming due.

The next most common warning indicator triggered was ratio number four, where eight out of the 12 districts triggered this warning indicator. Ratio number four looks at authorized but unissued debt compared to a reduction of assessed valuation. None of the districts disclosed any plans to issue any future bond debt. Denver High Point at DIA Metropolitan District disclosed that they have approximately $4.1 billion in authorized but unissued debt but indicated that they have no plans to issue any future bonded debt.

In addition to the warning indicators, we also reviewed to determine if any of the 12 districts also triggered the watch indicators as discussed above and found that nine of the 12 districts also triggered one watch indicator. In terms of watch indicators, the most commonly triggered watch indicator was indicator 2. We noted that eight of the 12 districts triggered watch indicator 2, which is triggered when a district has a mill levy in excess of 50 mills. The mill levies ranged between 53.54 and 77.0 mills, with Belford South Metropolitan District having the highest mill levy of those districts that triggered three warning indicators.

Denver High Point at DIA Metropolitan District was the only one of the 12 districts that triggered watch indicator 1, which includes districts with authorized but unissued debt in excess of $500 million. The district had approximately $4.1 billion in authorized but unissued debt; however, we noted that the district's only outstanding debt for the year ended 2021 was developer advances. The district has further disclosed that it is restricted by its service plan and is prohibited from issuing debt in excess of $157.8 million for improvements and $90.2 million for regional improvements.

Delinquent Special Districts

As previously mentioned, there were 324 special districts that did not meet the criteria for our review. For example, some districts had not submitted their audited financial statements or exemption application by the statutorily-required due date. Specifically, we determined that, in total, 47 of the 324 were delinquent in complying with the Audit Law by failing to file either an audit or exemption for one or more of the 3 calendar years in our analysis by the end of our review. Specifically:

- 11 of the 47 districts failed to submit audited financial statement reports or applications for any of the 3 calendar years.
- 3 of the 47 districts failed to submit audited financial statement reports or applications for 2 of the 3 calendar years.
- 33 of the 47 districts failed to submit audited financial statement reports or applications for 1 of the 3 calendar years.

Districts that have failed to comply with the Audit Law for at least 2 consecutive years may be considered for administrative dissolution by DOLA as authorized under Section 32-1-710, C.R.S. However, statute also specifies that districts that have remaining financial obligations may not be administratively dissolved. A total of 14 districts failed to comply with the Audit Law for 2 or more consecutive years during our review period and are shown in Exhibit 6. We obtained documentation from DOLA that 2 of the districts we list in Exhibit 6 have also been identified by DOLA staff as candidates for administrative dissolution and are in the process of being dissolved; however, as we have not yet received final court order documentation on their dissolutions, we have included them in Exhibit 6 below.

Exhibit 6
Special Districts Formed after 1991 Delinquent with the Audit Law 2 or More Years as of May 22, 2023

	Years Delinquent			Delinquent Since	Financial Obligations[1]
	2021	2020	Prior		
Bradburn Metropolitan District No.1	✓	✓	✓	2019	-
Castle Pines Town Center Metropolitan District No. 1[3]	✓	✓	✓	2015	-
Cottonwood Greens Metropolitan District No. 1[3]	✓	✓	✓	2019	-
E 470 Potomac Metropolitan District[2]	✓	✓	✓	2019	Yes
Football Stadium Metropolitan District[3]	✓	-	✓	2019	Yes
Future Legends Sports Park Metropolitan District No. 2	✓	✓	-	2020	-
Mead Place Metropolitan District No. 3[3]	✓	✓	✓	2019	-
Mead Place Metropolitan District No. 4[3]	✓	✓	✓	2019	-
Mead Place Metropolitan District No. 5[3]	✓	✓	✓	2019	-
Mead Place Metropolitan District No. 6	✓	✓	✓	2019	-
Prairie View Ranch Water District, LLC[3]	✓	✓	✓	2019	-
Stone Ridge Metropolitan District No. 2[2]	✓	✓	✓	2011	Yes
Wheatlands Metropolitan District No. 1	✓	✓	✓	2013	-
Winter Farm Metropolitan District No. 1	✓	✓	-	2020	-

Source: Local Government Audit Division, Office of the State Auditor.
[1] Districts marked with a "Yes" in this column have financial obligations from debt on the most current audited financial statement or Exemption submission and, therefore, may not be eligible for administrative dissolution.
[2] District is pending dissolution.
[3] District has submitted an audit or exemption from audit for one or more missing years, but the OSA is unable to approve the submission due to unresolved compliance issues related to the submission.

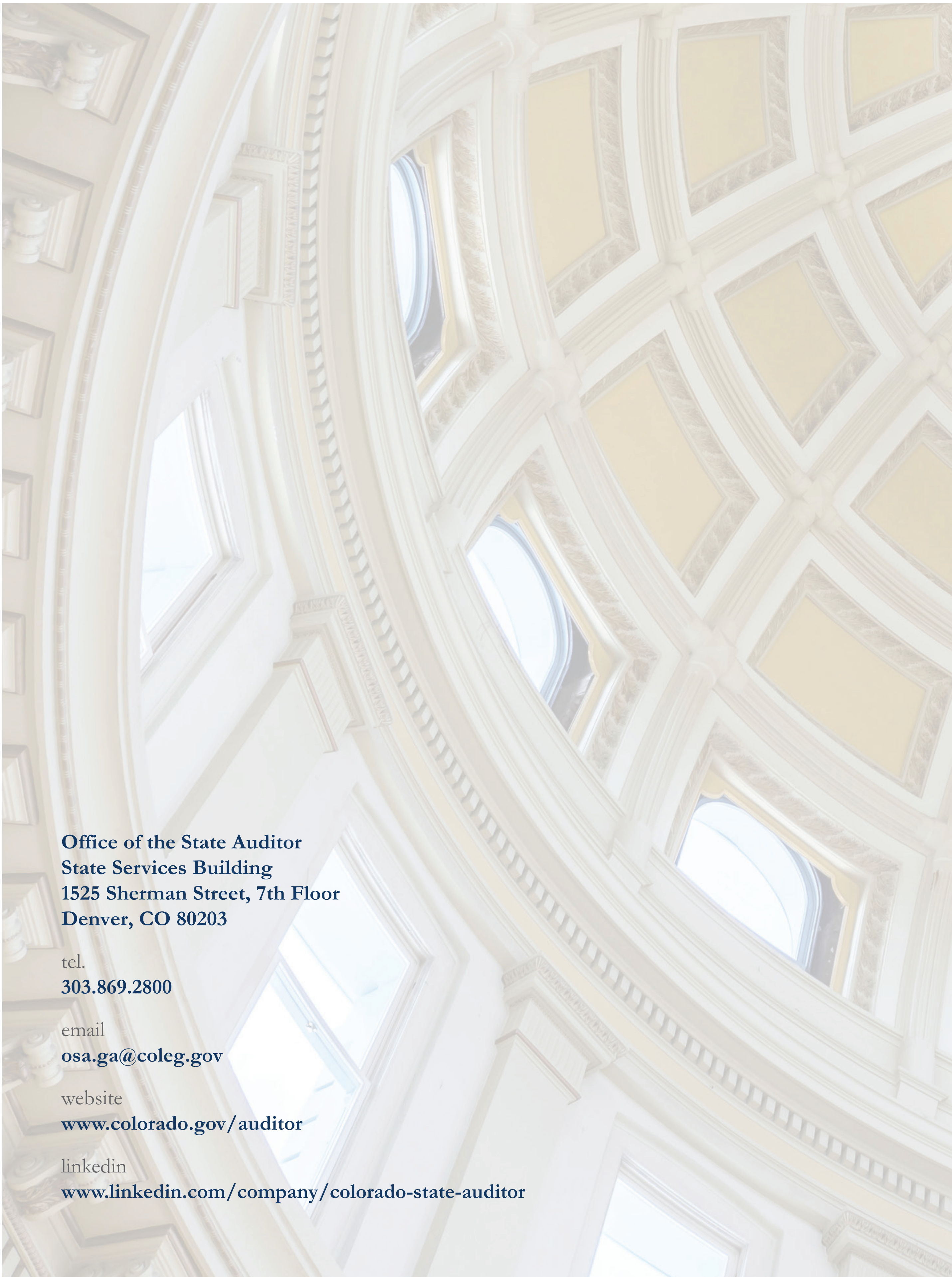
It is important to note that, although our current informational report focuses on those districts formed after July 1, 1991, as previously required by Section 32-1-207(3)(d), C.R.S., the statute outlining the requirements for administrative dissolution [Section 32-1-710, C.R.S.] does not make this distinction. Therefore, in addition to the districts listed above, we want to bring to your attention the following district in Exhibit 7, formed before July 1, 1991, that is considered delinquent with the Audit Law:

Exhibit 7
Special Districts Formed Prior to 1991 Delinquent with the Audit Law 2 or More Years as of May 22, 2023

	Years Delinquent			Delinquent Since	Financial Obligations[1]
	2021	2020	Prior		
Granada Sanitation District	✓	✓	✓	2017	-

Source: Local Government Audit Division, Office of the State Auditor.
[1] Districts marked with a checkmark in this column have financial obligations from debt on the most current audited financial statement or exemption submission and, therefore, may not be eligible for administrative dissolution.

We appreciate the opportunity to provide this information to DOLA. Please feel free to contact us if you have any questions regarding the information included in this informational report.



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