

MOUNTAIN'S EDGE METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mountain's Edge Metropolitan District
Jefferson County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mountain's Edge Metropolitan District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Dassio & Associates, P.C.

June 29, 2023

BASIC FINANCIAL STATEMENTS

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 40,647
Cash and Investments - Restricted	44,292
Receivable from County Treasurer	1,610
Accounts Receivable	4,320
Prepaid Expenses	5,329
Property Taxes Receivable	365,139
Capital Assets:	
Capital Assets, Net	<u>107,993</u>
Total Assets	<u>569,330</u>
LIABILITIES	
Accounts Payable	7,892
Unearned Revenue	4,440
Accrued Interest Payable	7,919
Noncurrent Liabilities:	
Due Within One Year	100,000
Due in More Than One Year	<u>6,655,415</u>
Total Liabilities	<u>6,775,666</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>365,139</u>
Total Deferred Inflows of Resources	<u>365,139</u>
NET POSITION	
Net Investment in Capital Assets	(69,204)
Restricted For:	
Emergency Reserves	5,800
Debt Service	29,452
Unrestricted	<u>(6,537,523)</u>
Total Net Position	<u><u>\$ (6,571,475)</u></u>

See accompanying Notes to Basic Financial Statements.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expense) and Change in Net Position
Primary Government: Government Activities: General Government Interest and Related Costs on Long-Term Debt	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Total Government Activities	\$ 194,066	\$ 16,600	\$ -	\$ (177,466)
	295,923	-	-	(295,923)
	<u>\$ 489,989</u>	<u>\$ 16,600</u>	<u>\$ -</u>	<u>(473,389)</u>
GENERAL REVENUES				
Property Taxes				363,956
Specific Ownership Taxes				24,986
Net Investment Income				198
Total General Revenues				<u>389,140</u>
CHANGE IN NET POSITION				
Net Position - Beginning of Year				(6,487,226)
NET POSITION - END OF YEAR				
				<u>\$ (6,571,475)</u>

See accompanying Notes to Basic Financial Statements.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

ASSETS	General	Special Revenue	Debt Service	Total Governmental Funds
Cash and Investments	\$ 38,191	\$ 2,456	\$ -	\$ 40,647
Cash and Investments - Restricted	5,300	500	38,492	44,292
Receivable from County Treasurer	731	-	879	1,610
Accounts Receivable	-	4,320	-	4,320
Prepaid Expense	5,329	-	-	5,329
Property Tax Receivable	171,239	-	193,900	365,139
Total Assets	\$ 220,790	\$ 7,276	\$ 233,271	\$ 461,337
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 5,182	\$ 710	\$ 2,000	\$ 7,892
Unearned Revenue	-	4,440	-	4,440
Total Liabilities	5,182	5,150	2,000	12,332
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	171,239	-	193,900	365,139
Total Deferred Inflows or Resources	171,239	-	193,900	365,139
FUND BALANCES				
Nonspendable:				
Prepaid Expense	5,329	-	-	5,329
Restricted For:				
Emergency Reserves	5,300	500	-	5,800
Debt Service	-	-	37,371	37,371
Committed	-	1,626	-	1,626
Assigned To:				
Subsequent Year's Expenditures	7,424	-	-	7,424
Unassigned	26,316	-	-	26,316
Total Fund Balances	44,369	2,126	37,371	83,866
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 220,790	\$ 7,276	\$ 233,271	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Net	107,993
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Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Loan Payable	(3,145,000)
Developer Advances	(2,416,069)
Accrued Interest Payable - Developer Advances	(1,194,346)
Accrued Interest Payable - Loan	(7,919)
	(6,763,334)

Net Position of Governmental Activities	\$ (6,571,475)
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See accompanying Notes to Basic Financial Statements.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Total Governmental Funds
REVENUES				
Property Taxes	\$ 165,218	\$ -	\$ 198,738	\$ 363,956
Specific Ownership Taxes	11,343	-	13,643	24,986
District Service Fees	-	16,600	-	16,600
Net Investment Income	90	-	108	198
Total Revenues	176,651	16,600	212,489	405,740
EXPENDITURES				
General, Administrative, Operations, and Maintenance:				
Accounting	26,385	-	-	26,385
Audit	5,000	-	-	5,000
Billing	-	3,646	-	3,646
County Treasurer's Fees	2,479	-	2,983	5,462
District Management	16,950	-	-	16,950
Dues	428	-	-	428
Election	4,808	-	-	4,808
Electricity	161	-	-	161
Insurance	4,756	-	-	4,756
Irrigation Repairs	1,559	-	-	1,559
Landscape Improvements	7,794	-	-	7,794
Landscape Maintenance	22,597	-	-	22,597
Legal	42,321	-	-	42,321
Miscellaneous	1,743	-	-	1,743
Snow Removal	7,718	-	-	7,718
Trash Removal	-	15,935	-	15,935
Fence Repairs	14,065	-	-	14,065
Water	7,951	-	-	7,951
Website	650	-	-	650
Debt Service:				
Bond Interest	-	-	97,893	97,893
Bond Principal	-	-	95,000	95,000
Paying Agent Fees	-	-	2,000	2,000
Total Expenditures	167,365	19,581	197,876	384,822
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,286	(2,981)	14,613	20,918
OTHER FINANCING SOURCES (USES)				
Transfers (to) from other funds	(1,500)	1,500	-	-
Total Other Financing Sources (Uses)	(1,500)	1,500	-	-
NET CHANGE IN FUND BALANCES	7,786	(1,481)	14,613	20,918
Fund Balances - Beginning of Year	36,583	3,607	22,758	62,948
FUND BALANCES - END OF YEAR	\$ 44,369	\$ 2,126	\$ 37,371	\$ 83,866

See accompanying Notes to Basic Financial Statements.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 20,918

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation Expense (7,120)

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal Payment 95,000

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

Loan Interest - Change in Liability 239

Developer Interest - Change in Liability (193,286)

Changes in Net Position of Governmental Activities \$ (84,249)

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 165,225	\$ 165,134	\$ 165,218	\$ 84
Specific Ownership Taxes	11,566	11,082	11,343	261
Net Investment Income	11	10	90	80
Total Revenues	<u>176,802</u>	<u>176,226</u>	<u>176,651</u>	<u>425</u>
EXPENDITURES				
General, Administrative, Operations, and Maintenance:				
Accounting	28,000	27,000	26,385	615
Audit	5,000	5,000	5,000	-
Contingency	2,347	-	-	-
County Treasurer's Fees	2,478	2,477	2,479	(2)
District Management	17,000	17,000	16,950	50
Drainage Maintenance	5,000	5,000	-	5,000
Dues	450	428	428	-
Election	2,500	4,206	4,808	(602)
Electricity	175	175	161	14
Fence Repairs	18,000	14,065	14,065	-
Insurance	4,500	4,756	4,756	-
Irrigation Repairs	3,000	2,000	1,559	441
Landscape Improvements	16,400	8,000	7,794	206
Landscape Maintenance	32,000	22,597	22,597	-
Legal	33,000	55,000	42,321	12,679
Miscellaneous	2,000	8,796	1,743	7,053
Snow Removal	3,150	7,500	7,718	(218)
Water	10,000	8,500	7,951	549
Website	1,000	1,000	650	350
Total Expenditures	<u>186,000</u>	<u>193,500</u>	<u>167,365</u>	<u>26,135</u>
OTHER FINANCING SOURCES				
Transfer to Other Fund	(1,500)	(1,500)	(1,500)	-
Total Other Financing Sources	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(10,698)	(18,774)	7,786	26,560
Fund Balance - Beginning of Year	<u>16,180</u>	<u>36,583</u>	<u>36,583</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,482</u>	<u>\$ 17,809</u>	<u>\$ 44,369</u>	<u>\$ 26,560</u>

See accompanying Notes to Basic Financial Statements.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
District Service Fees	\$ 16,400	\$ 16,600	\$ 200
Total Revenues	<u>16,400</u>	<u>16,600</u>	<u>200</u>
EXPENDITURES			
Billing	4,000	3,646	354
Trash Removal	16,000	15,935	65
Total Expenditures	<u>20,000</u>	<u>19,581</u>	<u>419</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,600)	(2,981)	619
OTHER FINANCING SOURCES			
Transfers from Other Funds	1,500	1,500	-
Total Other Financing Sources	<u>1,500</u>	<u>1,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,100)	(1,481)	619
Fund Balance - Beginning of Year	<u>2,472</u>	<u>3,607</u>	<u>1,135</u>
FUND BALANCE - END OF YEAR	<u>\$ 372</u>	<u>\$ 2,126</u>	<u>\$ 1,754</u>

See accompanying Notes to Basic Financial Statements.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Mountain's Edge Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for Jefferson County as recorded on December 9, 2013 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the boundaries of the Southwest Metropolitan Water and Sanitation District in Jefferson County, Colorado. The District was established to provide water, storm sewer and sanitary sewer, streets and traffic safety protection, mosquito control, and other powers.

The District was originally organized under the name Reserve at the Meadows Metropolitan District. The District changed its name to Mountain's Edge Metropolitan District, effective April 7, 2016, pursuant to the recorded Order Granting Petition for Name Change. Agreements executed under the name "Reserve at the Meadows Metropolitan District" are considered to be the same as those executed under Mountain's Edge Metropolitan District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 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 as general revenues.

Separate financial statements are provided for governmental funds. 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 related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds, notes and Developer advances are recorded as a reduction in liabilities.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues and expenditures related to providing trash and recycling services to properties in the District. Revenue reported in this fund include the Trash and Recycling Fee as authorized by Resolution 2017-11-06.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

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

The District has amended its annual budget on the year ended December 31, 2022.

Pooled Cash and Investments

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

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 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property and infrastructure assets (e.g., detention ponds and similar items), are reported in the applicable governmental 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. Such assets are recorded at historical cost 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 asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Landscaping	20 Years
Storm and Sanitary Sewer	20 Years
Water	20 Years

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period 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. Accordingly, that item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

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

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

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 40,647
Cash and Investments - Restricted	44,292
Total Cash and Investments	<u>\$ 84,939</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 84,939
Total Cash and Investments	<u>\$ 84,939</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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.

At December 31, 2022, the District's cash deposits had a bank balance of \$84,589 and carrying balance of \$84,939.

Investments

The District has adopted a formal investment policy that follows state statutes regarding investments.

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

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

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2022, the District had no investments.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Capital Assets, Being Depreciated:				
Landscape Improvements	\$ 44,725	\$ -	\$ -	\$ 44,725
Storm and Sewer Improvements	22,046	-	-	22,046
Water Improvements	75,637	-	-	75,637
Total Capital Assets, Being Depreciated	142,408	-	-	142,408
Less: Accumulated Depreciation	(27,295)	(7,120)	-	(34,415)
Capital Assets, Net	<u>\$ 115,113</u>	<u>\$ (7,120)</u>	<u>\$ -</u>	<u>\$ 107,993</u>

Depreciation expense was charged to the general government function.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
General Obligation Refunding					
Taxable (Convertible to Tax-Exempt)					
Loan - Series 2020	\$ 3,240,000	\$ -	\$ 95,000	\$ 3,145,000	\$ 100,000
Other Debt:					
Developer Advance					
- Capital	2,222,800	-	-	2,222,800	-
Developer Advance					
- O&M	193,269	-	-	193,269	-
Developer Advance					
- Interest on Capital	928,582	177,824	-	1,106,406	-
Developer Advance					
- Interest on O&M	72,478	15,462	-	87,940	-
Total	<u>\$ 6,657,129</u>	<u>\$ 193,286</u>	<u>\$ 95,000</u>	<u>\$ 6,755,415</u>	<u>\$ 100,000</u>

The details of the District's long-term obligations are as follows:

\$3,315,000 Series 2020 General Obligation Refunding Taxable (Convertible to Tax-Exempt) Loan

On December 2, 2020 (the Closing Date), the District entered into a Loan Agreement (The Loan Agreement) with Zion Bancorporation, N.A. dba: Vectra Bank Colorado (the Bank) in connection with the issuance of a loan in the maximum amount of \$3,315,000 (The 2020 Loan). The proceeds from the 2020 Loan were used to (i) refund the 2016A Senior Bonds in the principal amount of \$2,620,000 which had an interest rate of 5.00% and the 2016B Subordinate Bonds in the principal amount of \$561,000 which had an interest rate of 7.375%; (ii) pay the Bank's combined loan commitment fee and rate lock fee; and (iii) pay the costs of issuing the 2020 Loan. The average interest rate on the 2020 Loan is 3.17%.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$3,315,000 Series 2020 General Obligation Refunding Taxable (Convertible to Tax-Exempt) Loan (Continued)

Prior to September 16, 2021 (the Tax-Exempt Reissuance Date), the 2020 Loan bore interest at the Base Rate of 3.64% (subject to the Interest Reset Date as defined in the Loan Agreement). On and after the Tax-Reissuance Date, September 16, 2021, until the first Interest Reset Date, the Base Rate is 2.98%. The Tax-Exempt Reissuance Date is the date on which any portion of the 2020 Loan bearing Taxable Interest is reissued for federal income tax purposes for an obligation bearing Tax-Exempt Interest. The Interest Reset Date is December 1, 2040 and every five-year anniversary thereafter until the 2020 Loan is paid.

Interest payments are due on June 1 and December 1 of each year, commencing June 1, 2021 (Interest Payment Dates). All interest due and payable shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period. Interest not paid when due shall compound on each Interest Payment Date at the then-applicable interest rate. Principal payments are due December 1 of each year beginning on December 1, 2021. The 2020 Loan matures on December 1, 2045.

At its option, the District may prepay all or any part of the principal of the 2020 Loan upon payment of the principal amount so prepaid, accrued interest thereon, and a Prepayment Fee. On a date prior to the fifth anniversary of the Closing Date, the Prepayment Fee is 1% of the principal amount so prepaid, provided that there will not be a fee if the 2020 Loan is paid from excess annual revenues resulting from the District's imposition of its debt service mill levy. On and after the fifth anniversary of the Closing Date, no Prepayment Fee shall apply. To the extent principal of the loan is not paid when due, principal shall remain outstanding until paid.

The principal of and interest on the 2020 Loan is payable solely from and to the extent of Pledged Revenue, which consists of (a) the Required Mill Levy (net of collection costs); (b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue. No assets have been pledged as collateral on the loan.

Prior to the time when the Parity Debt to Assessed Ratio is 50% or less, the Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to pay the Annual Debt Requirements (as defined in the Loan Agreement) for the next fiscal year, but not in excess of 50 mills (subject to adjustment).

In the event the method of calculating assessed valuation is changed after August 6, 2013, the mill levy shall be increased or decreased to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$3,315,000 Series 2020 General Obligation Refunding Taxable (Convertible to Tax-Exempt) Loan (Continued)

Once the Parity Debt to Assessed Ratio is 50% or less, the Required Mill Levy shall be equal to an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to generate property tax revenues of not less than the Annual Debt Requirements for the next fiscal year without limitation of rate.

The 2020 Loan is not subject to acceleration. The 2020 Loan does not have any unused lines of credit. Events of default occur if before the Unlimited Tax Receipt Date (as defined in the Loan Agreement) the District fails to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Loan Agreement, or on or after the Unlimited Tax Receipt Date, the District fails to pay the principal of, premium (including the Prepayment Fee) if any, or interest on the 2020 Loan when due. There are additional events of default if the District does not comply with other customary terms and conditions consistent with normal municipal financings, as described in the Loan Agreement. Notwithstanding, no event of default will be deemed to have occurred unless the Bank provides notice to the District in accordance with the Loan Agreement.

The District's long-term bond obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 100,000	\$ 95,023	\$ 195,023
2024	100,000	92,253	192,253
2025	105,000	88,980	193,980
2026	110,000	85,807	195,807
2027	110,000	82,484	192,484
2028-2032	605,000	360,846	965,846
2033-2037	700,000	263,749	963,749
2038-2042	790,000	182,132	972,132
2043-2045	525,000	54,293	579,293
Total	<u>\$ 3,145,000</u>	<u>\$ 1,305,567</u>	<u>\$ 4,450,567</u>

Authorized Debt

On November 5, 2013, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$36,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

	Authorized November 5, 2013 Election	Authorization Used for Series 2016A Bonds	Authorization Used for Series 2016B Bonds	Authorization Used for Series 2020 Loan	Authorization Contingently Used for Series 2020 Loan	Authorized But Unissued
Street Improvements	\$ 4,000,000	\$ 1,040,495	\$ 219,856	\$ -	\$ -	\$ 2,739,649
Water	4,000,000	383,382	81,008	-	-	3,535,610
Storm or Sanitary Sewer	4,000,000	1,231,123	260,136	-	-	2,508,741
Traffic and Safety	4,000,000	-	-	-	-	4,000,000
Mosquito Control	4,000,000	-	-	-	-	4,000,000
Operations and Maintenance	4,000,000	-	-	-	-	4,000,000
Debt Refunding	8,000,000	-	-	134,000	3,181,000	4,685,000
Intergovernmental Agreements	4,000,000	-	-	-	-	4,000,000
Total	<u>\$ 36,000,000</u>	<u>\$ 2,655,000</u>	<u>\$ 561,000</u>	<u>\$ 134,000</u>	<u>\$ 3,181,000</u>	<u>\$ 29,469,000</u>

Per the Loan Agreement, the District allocates the aggregate principal amount of the 2020 Loan as follows: (i) the amount of \$134,000, being the principal amount of the portion of the 2020 Loan used to refund the Refunded Bonds which is in excess of the outstanding principal amount of the Refunded Bonds, has been allocated to the authorized but unissued electoral authorization for refunding purposes, and (ii) the remaining principal amount of the 2020 Loan, being the amount of \$3,181,000, has been allocated to the authorized but unissued electoral authorization for refunding purposes, but such allocation is contingent upon whether the final net effective interest rate of the 2020 Loan is lower than the net effective interest rate on the Refunded Bonds.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$4,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets calculated as follows:

	<u>Governmental Activities</u>
Capital Assets, Net	\$ 107,993
Outstanding Long-Term Debt Applicable to Capital Assets	(103,820)
Outstanding Developer Advances Related to Capital Assets	(73,377)
Net Investment in Capital Assets	<u>\$ (69,204)</u>

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 NET POSITION (CONTINUED)

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 5,800
Debt Service	29,452
Total Restricted Net Position	\$ 35,252

The District has a deficit in unrestricted net position. The deficit is a result of the District being responsible for the repayment of debt issued for public improvements which were conveyed to other entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTY

Funding and Reimbursement Agreement

Operations Funding

The District and Reserve at the Meadows, LLC (the Developer) entered into the 2013-2014 Operation Funding Agreement dated December 10, 2013 (the 2013-2014 OFA). Pursuant to the 2013-2014 OFA, the Developer agreed to advance funds to the District for payment of operation and maintenance expenses for fiscal years 2013 and 2014 up to \$60,000. The District has agreed to reimburse the Developer for funds advanced under the 2013-2014 OFA along with interest of 8% per annum.

The District and the Developer entered into the 2015 Operation Funding Agreement on December 4, 2014, with an effective date of December 1, 2015 (the 2015 OFA), whereby the Developer agreed to provide funding for operation and maintenance expenses of the District for fiscal year 2015 up to \$40,000. The District agreed to reimburse the Developer for such advances along with interest at 8% per annum. Reimbursement payments made under the 2015 OFA are applied first to the 2013-2014 OFA interest then principal, then to the 2015 OFA interest then principal.

The District and the Developer entered into the 2016 Operation Funding Agreement on November 13, 2015, with an effective date of January 1, 2016 (the 2016 OFA), whereby the Developer agreed to provide funding for operation and maintenance expenses of the District for fiscal year 2016 up to \$37,295. The District agreed to reimburse the Developer for such advances along with interest at 8% per annum. Reimbursement payments made under the 2016 OFA are applied first to the to the 2013-2014 OFA interest then principal, then to the 2015 OFA interest then principal, then to the 2016 OFA interest then to principal.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 RELATED PARTY (CONTINUED)

Funding and Reimbursement Agreement (Continued)

Operations Funding (Continued)

The District and the Developer entered into a 2017 Operation Funding Agreement dated November 18, 2016, with an effective date of January 1, 2017 as amended on November 21, 2017 (the 2017 OFA). Pursuant to the 2017 OFA, the Developer agreed to provide funding for operation and maintenance expenses for the District for fiscal year 2017 through 2018 up to \$153,000. The District has agreed to reimburse the Developer for such advances along with interest at 8%. Payments made under the 2017 OFA are first applied to the 2013-2014 OFA interest then principal, then to the 2015 OFA interest then principal, then to the 2016 OFA interest then principal, then to the 2017 OFA interest then principal. As of December 31, 2022, the amount outstanding under the aggregate of Operation Funding Agreements totaled \$281,209, comprised of principal of \$193,269 and accrued interest of \$87,940.

Facilities Funding and Acquisition

The District and the Developer entered into a Facilities Funding and Acquisition Agreement, dated December 10, 2013, as amended by the First Amendment dated December 4, 2014, the Second Amendment dated September 26, 2016, and the Third Amendment dated November 18, 2016 (collectively, the FFAA). Pursuant to the FFAA, the Developer agreed to advance funds to the District for the construction of public improvements for fiscal years 2013 to 2018 up to \$8,000,000. The District has agreed to reimburse the Developer for funds advanced under the FFAA, together with interest thereon at the rate of 8% per annum. Payments made under the FFAA are applied first to interest and then to principal. As of December 31, 2022, the outstanding advances under the FFAA total \$3,329,206, comprised of principal of \$2,222,800 and accrued interest of \$1,106,406.

NOTE 8 DISTRICT AGREEMENTS

Intergovernmental Agreements

Service Plan IGA

On December 19, 2014, the District and Southwest Metropolitan Water and Sanitation District (SMWSD) entered into an Intergovernmental Agreement (the Service Plan IGA) whereby the parties acknowledge that the District has the limited authority to finance, acquire and construct certain potable water and sanitary sewer facilities for ultimate dedication and conveyance to SMWSD. Upon the dedication and acceptance by SMWSD of such facilities, the District no longer has any authority to finance, construct and/or acquire potable water and sanitary sewer service facilities. Further, the District acknowledges that the property within its boundaries is subject to the rules and regulations of SMWSD relative to provisions of water and sanitary sewer services and the construction of facilities for the same.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 DISTRICT AGREEMENTS (CONTINUED)

Intergovernmental Agreements

Underdrain Agreement

The District and SMWSD entered into an Underdrain Agreement dated April 17, 2015 (the Underdrain Agreement) whereby the parties agreed to allow the District to install, operate, maintain, and repair a District owned underdrain in the same trench with SMWSD's sanitary sewer line(s) to serve property within the District.

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Special Revenue Fund was to support the ongoing maintenance of District facilities.

NOTE 10 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property, and public officials' liability. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that 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.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 5, 2013, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees from the District annually, without regard to any limitations under TABOR.

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.

SUPPLEMENTARY INFORMATION

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 198,747	\$ 198,738	\$ (9)
Specific Ownership Taxes	13,912	13,643	(269)
Net Investment Income	115	108	(7)
Total Revenues	<u>212,774</u>	<u>212,489</u>	<u>(285)</u>
EXPENDITURES			
County Treasurer's Fees	2,981	2,983	(2)
Loan Interest	97,893	97,893	-
Loan Principal	95,000	95,000	-
Paying Agent Fees	2,000	2,000	-
Contingency	9,126	-	9,126
Total Expenditures	<u>207,000</u>	<u>197,876</u>	<u>9,124</u>
NET CHANGE IN FUND BALANCE	5,774	14,613	8,839
Fund Balance - Beginning of Year	<u>23,646</u>	<u>22,758</u>	<u>(888)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 29,420</u></u>	<u><u>\$ 37,371</u></u>	<u><u>\$ 7,951</u></u>

OTHER INFORMATION

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

<u>Loan and Interest Maturing in the Year Ending December 31,</u>	\$3,315,000 General Obligation Refunding Taxable (Convertible to Tax-Exempt) Loan, Series 2020 Interest 2.98% - 5.00% Dated December 2, 2020 Interest Payable June 1 and December 1 Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 100,000	\$ 95,023	\$ 195,023
2024	100,000	92,253	192,253
2025	105,000	88,980	193,980
2026	110,000	85,807	195,807
2027	110,000	82,484	192,484
2028	115,000	79,377	194,377
2029	115,000	75,686	190,686
2030	120,000	72,211	192,211
2031	125,000	68,586	193,586
2032	130,000	64,986	194,986
2033	130,000	60,881	190,881
2034	135,000	56,953	191,953
2035	140,000	52,874	192,874
2036	145,000	48,778	193,778
2037	150,000	44,263	194,263
2038	155,000	39,731	194,731
2039	160,000	35,048	195,048
2040	165,000	30,297	195,297
2041	150,000	42,330	192,330
2042	160,000	34,726	194,726
2043	165,000	26,615	191,615
2044	175,000	18,300	193,300
2045	185,000	9,378	194,378
Total	\$ 3,145,000	\$ 1,305,567	\$ 4,450,567

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ 2,455,628	90.277	\$ 221,687	\$ 221,687	100.00 %
2019	2,829,822	90.277	255,468	255,468	100.00
2020	3,714,805	90.664	336,799	336,799	100.00
2021	3,725,533	90.664	337,772	337,354	99.88
2022	4,014,515	90.664	363,972	363,956	99.99
Estimated for the Year Ending December 31, 2023	\$ 3,916,628	93.228	\$ 365,139		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.