

**SPRING MESA METROPOLITAN
DISTRICT
Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**SPRING MESA METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2023**

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

July 23, 2024

Board of Directors
Spring Mesa Metropolitan District

Dear Board of Directors:

We have audited the financial statements of the governmental activities and each major fund of Spring Mesa Metropolitan District (the "District") for the year ended December 31, 2023, and have issued our report thereon dated July 20, 2024. Professional standards require that we provide you with the following information related to our audit:

[Our Responsibility Under Auditing Standards Generally Accepted in the United States of America](#)

As stated in our engagement letter dated December 27, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

[Planned Scope and Timing of the Audit](#)

We performed the audit according to the planned scope, timing, and with respect to significant risks identified by us, all of which were previously communicated, in addition to our engagement letter dated December 27, 2023, accepted by Jo Gentry.

[Significant Audit Matters](#)

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We determined no accounting estimates that were considered significant to the financial statements as a whole that would require evaluation of assumptions used to determine the estimate.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no financial statement disclosures that were considered particularly sensitive to financial statement users in our opinion.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We had no identified misstatements as a result of our audit.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 20, 2024.

Management Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

Other Matters

Supplementary Information Accompanying Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements.

Internal Control Matters

In planning and performing our audit of the financial statements of the District as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore significant deficiencies and material weaknesses may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Spring Mesa Metropolitan District

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July 23, 2024

This communication is intended solely for the information and use of the Board of Directors and, if appropriate, management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the opportunity to be of service to Spring Mesa Metropolitan District.

Sincerely,

Wipfli LLP

Wipfli LLP
Denver, CO
July 23, 2024

BASIC FINANCIAL STATEMENTS

**SPRING MESA METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 262,689 |
| Cash and Investments - Restricted | 237,543 |
| Receivable from County Treasurer | 3,194 |
| Prepaid Expense | 7,480 |
| Property Taxes Receivable | 851,479 |
| Bond Insurance, Net of Amortization | 21,202 |
| Capital Assets, Net of Accumulated Depreciation | 34,901 |
| Total Assets | 1,418,488 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Cost of Refunding, Net of Amortization | 106,752 |
| Total Deferred Outflows of Resources | 106,752 |
| LIABILITIES | |
| Accounts Payable | 35,062 |
| Accrued Interest Payable | 20,358 |
| Noncurrent Liabilities: | |
| Due Within One Year | 207,551 |
| Due in More Than One Year | 6,109,018 |
| Total Liabilities | 6,371,989 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenue | 851,479 |
| Total Deferred Inflows of Resources | 851,479 |
| NET POSITION | |
| Investment in Capital Assets | 34,901 |
| Restricted for: | |
| Emergency Reserves | 11,000 |
| Debt Service | 59,071 |
| Unrestricted | (5,803,200) |
| Total Net Position | \$ (5,698,228) |

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

| | | Program Revenues | | | Net Revenues (Expenses) and Change in Net Position |
|---|------------|----------------------------|--|--|---|
| FUNCTIONS/PROGRAMS | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 212,979 | \$ - | \$ - | \$ - | \$ (212,979) |
| Interest and Related Costs on Long-Term Debt | 247,083 | - | - | - | (247,083) |
| Total Governmental Activities | \$ 460,062 | \$ - | \$ - | \$ - | (460,062) |
| GENERAL REVENUES | | | | | |
| Property Taxes | | | | | 720,047 |
| Specific Ownership Taxes | | | | | 51,529 |
| Interest Income | | | | | 34,295 |
| Other Revenue | | | | | - |
| Total General Revenues | | | | | 805,871 |
| CHANGE IN NET POSITION | | | | | 345,809 |
| Net Position - Beginning of Year | | | | | (6,044,037) |
| NET POSITION - END OF YEAR | | | | | \$ (5,698,228) |

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|-------------------|-------------------|---------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 262,689 | \$ - | \$ - | \$ 262,689 |
| Cash and Investments - Restricted | 18,400 | 77,695 | 141,448 | 237,543 |
| Receivable from County Treasurer | 1,460 | 1,734 | - | 3,194 |
| Prepaid Expense | 7,480 | - | - | 7,480 |
| Property Taxes Receivable | 459,473 | 392,006 | - | 851,479 |
| Total Assets | <u>\$ 749,502</u> | <u>\$ 471,435</u> | <u>\$ 141,448</u> | <u>\$ 1,362,385</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 35,062 | \$ - | \$ - | \$ 35,062 |
| Total Liabilities | 35,062 | - | - | 35,062 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Tax Revenue | 459,473 | 392,006 | - | 851,479 |
| Total Deferred Inflows of Resources | 459,473 | 392,006 | - | 851,479 |
| FUND BALANCES: | | | | |
| Nonspendable: | | | | |
| Prepaid Expense | 7,480 | - | - | 7,480 |
| Restricted: | | | | |
| Emergency Reserves (TABOR) | 11,000 | - | - | 11,000 |
| Debt Service | - | 79,429 | - | 79,429 |
| Assigned: | | | | |
| General Fund Reserve | 7,400 | - | - | 7,400 |
| Capital Projects | - | - | 141,448 | 141,448 |
| Unassigned: | | | | |
| General Government | 229,087 | - | - | 229,087 |
| Total Fund Balances | 254,967 | 79,429 | 141,448 | 475,844 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 749,502</u> | <u>\$ 471,435</u> | <u>\$ 141,448</u> | |
| 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 of Accumulated Depreciation | | | | 34,901 |
| Other assets and deferred outflows of resources are not financial resources and, therefore, are not reported in the funds. | | | | |
| Cost of Refunding, Net of Amortization | | | | 106,752 |
| Bond Insurance, Net of Amortization | | | | 21,202 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Bonds Payable | | | | (6,100,000) |
| Original Issue Premium | | | | (216,569) |
| Accrued Interest Payable - Bonds | | | | (20,358) |
| Net Position of Governmental Activities | | | | <u>\$ (5,698,228)</u> |

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|-------------------|------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Interest Income | \$ 15,149 | \$ 13,524 | \$ 5,622 | \$ 34,295 |
| Property Taxes | 329,062 | 390,985 | - | 720,047 |
| Specific Ownership Taxes | 23,549 | 27,980 | - | 51,529 |
| Total Revenues | <u>367,760</u> | <u>432,489</u> | <u>5,622</u> | <u>805,871</u> |
| EXPENDITURES | | | | |
| General, Administrative and Operating: | | | | |
| Accounting | 20,600 | - | - | 20,600 |
| Audit | 4,700 | - | - | 4,700 |
| County Treasurer's Fee | 4,939 | 5,867 | - | 10,806 |
| Dues | 557 | - | - | 557 |
| District Management | 36,247 | - | - | 36,247 |
| Election | 1,723 | - | - | 1,723 |
| Insurance | 6,588 | - | - | 6,588 |
| Irrigation Repair | 18,942 | - | - | 18,942 |
| Landscape Maintenance | 33,484 | - | - | 33,484 |
| Landscape Projects | 20,841 | - | - | 20,841 |
| Legal | 14,580 | - | - | 14,580 |
| Miscellaneous | 424 | - | - | 424 |
| Open Space Maintenance | 150 | - | - | 150 |
| Pond Maintenance | 4,888 | - | - | 4,888 |
| Snow Removal | 41 | - | - | 41 |
| Underdrain Maintenance | 1,200 | - | - | 1,200 |
| Utilities | 35,717 | - | - | 35,717 |
| Capital Expenditures: | | | | |
| Toe and Interceptor Drains | - | - | 15,117 | 15,117 |
| Debt Service: | | | | |
| Bond Interest | - | 251,700 | - | 251,700 |
| Bond Principal | - | 185,000 | - | 185,000 |
| Paying Agent Fees | - | 3,500 | - | 3,500 |
| Total Expenditures | <u>205,621</u> | <u>446,067</u> | <u>15,117</u> | <u>666,805</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 162,139 | (13,578) | (9,495) | 139,066 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers to (from) Other Funds | (50,000) | - | 50,000 | - |
| Total Other Financing Sources (Uses) | <u>(50,000)</u> | <u>-</u> | <u>50,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 112,139 | (13,578) | 40,505 | 139,066 |
| Fund Balances - Beginning of Year | <u>142,828</u> | <u>93,007</u> | <u>100,943</u> | <u>336,778</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 254,967</u> | <u>\$ 79,429</u> | <u>\$ 141,448</u> | <u>\$ 475,844</u> |

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 139,066

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.

| | |
|----------------|---------|
| Capital Outlay | 15,117 |
| Depreciation | (1,491) |

The issuance of long-term debt provides current financial resources to government funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

| | |
|-------------------------------------|---------|
| Current Year Bond Principal Payment | 185,000 |
|-------------------------------------|---------|

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.

| | |
|--|---------|
| Accrued Interest Payable - Bonds - Change in Liability | 617 |
| Amortization: | |
| Bond Premium | 18,083 |
| Bond Insurance | (1,720) |
| Cost of Refunding | (8,863) |
| | (8,863) |

| | |
|---|------------|
| Change in Net Position of Governmental Activities | \$ 345,809 |
|---|------------|

**SPRING MESA METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| REVENUES | | | |
| Interest Income | \$ 2,900 | \$ 15,149 | \$ 12,249 |
| Property Taxes | 329,061 | 329,062 | 1 |
| Specific Ownership Taxes | 23,034 | 23,549 | 515 |
| Total Revenues | <u>354,995</u> | <u>367,760</u> | <u>12,765</u> |
| EXPENDITURES | | | |
| Accounting | 20,600 | 20,600 | - |
| Audit | 4,700 | 4,700 | - |
| Contingency/Emergency Reserve | 5,745 | - | 5,745 |
| County Treasurer's Fee | 4,936 | 4,939 | (3) |
| Dues | 700 | 557 | 143 |
| District Management | 35,500 | 36,247 | (747) |
| Election | 5,000 | 1,723 | 3,277 |
| Insurance | 6,719 | 6,588 | 131 |
| Irrigation Repair | 20,000 | 18,942 | 1,058 |
| Landscape Maintenance | 67,600 | 33,484 | 34,116 |
| Landscape Projects | 40,000 | 20,841 | 19,159 |
| Legal | 9,700 | 14,580 | (4,880) |
| Miscellaneous | 500 | 424 | 76 |
| Open Space Maintenance | 49,500 | 150 | 49,350 |
| Pond Maintenance | 8,800 | 4,888 | 3,912 |
| Snow Removal | 15,000 | 41 | 14,959 |
| Underdrain Maintenance | 5,000 | 1,200 | 3,800 |
| Utilities | 40,000 | 35,717 | 4,283 |
| Total Expenditures | <u>340,000</u> | <u>205,621</u> | <u>134,379</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 14,995 | 162,139 | 147,144 |
| OTHER FINANCING USES | | | |
| Transfers to Other Funds | (50,000) | (50,000) | - |
| Total Other Financing Uses | <u>(50,000)</u> | <u>(50,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (35,005) | 112,139 | 147,144 |
| Fund Balance - Beginning of Year | <u>93,524</u> | <u>142,828</u> | <u>49,304</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 58,519</u> | <u>\$ 254,967</u> | <u>\$ 196,448</u> |

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Spring Mesa Metropolitan District (the District) was originally formed as the Eldorado Hills Metropolitan District on April 16, 1991, as a quasi-municipal organization established under the State of Colorado Special District Act. The District legally changed its name to Spring Mesa Metropolitan District in September 2003. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors. The District's service area is located in the City of Arvada, in Jefferson County, Colorado.

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

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

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 property 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.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 the 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.

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the Local Government 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 and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

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 property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of two years. 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.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets conveyed to other governmental entities are removed from the financial records, are not depreciated, and are not included in the calculation of net investment in capital assets component of the District's net position.

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 capital assets, as applicable, using the straight-line method.

Prior to the year ended December 31, 2010, the District conveyed all of the capital assets constructed and acquired using bond proceeds to the City of Arvada.

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows/Outflows 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, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS

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

| | |
|-----------------------------------|--------------------------|
| Statement of Net Position: | |
| Cash and Investments | \$ 262,689 |
| Cash and Investments - Restricted | <u>237,543</u> |
| Total Cash and Investments | <u><u>\$ 500,232</u></u> |

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

| | |
|--------------------------------------|--------------------------|
| Deposits with Financial Institutions | \$ 4,799 |
| Investments | <u>495,433</u> |
| Total Cash and Investments | <u><u>\$ 500,232</u></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.

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, 2023, the District's cash deposits had a bank balance and a carrying balance of \$4,799.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, 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.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2023, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|--|-----------------------------------|---------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST) | Weighted-Average Under 60 Days | \$ 495,433 |

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST – (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

| | Balance - December 31, 2022 | Additions | Transfers and Retirements | Balance - December 31, 2023 |
|--|-----------------------------------|-----------|------------------------------|-----------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Toe and Interceptor Drains | \$ 14,100 | \$ - | \$ - | \$ 14,100 |
| Sidewalk and Gutters | 12,371 | - | - | 12,371 |
| Pond Pump | - | 15,117 | - | 15,117 |
| Total Capital Assets, Being Depreciated | 26,471 | 15,117 | - | 41,588 |
| Less Accumulated Depreciation For: | | | | |
| Toe and Interceptor Drains | (3,649) | (704) | - | (4,353) |
| Sidewalk and Gutters | (1,547) | (619) | - | (2,166) |
| Pond Pump | - | (168) | - | (168) |
| Total Accumulated Depreciation | (5,196) | (1,491) | - | (6,687) |
| Capital Assets, Net | \$ 21,275 | \$ 13,626 | \$ - | \$ 34,901 |

At December 31, 2023, depreciation expense was charged to functions/programs of the District as follows:

| | |
|--------------------------|----------|
| Governmental Activities: | |
| General Government | \$ 1,491 |

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS

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

| | Balance - December 31, 2022 | Additions | Retirements | Balance - December 31, 2023 | Due Within One Year |
|--|-----------------------------------|-------------|-------------------|-----------------------------------|------------------------|
| General Obligation Refunding Bonds: Series 2015 | \$ 6,285,000 | \$ - | \$ 185,000 | \$ 6,100,000 | \$ 190,000 |
| General Obligation Refunding Bonds: Series 2015 - Premium | 234,652 | - | 18,083 | 216,569 | 17,551 |
| Total | <u>\$ 6,519,652</u> | <u>\$ -</u> | <u>\$ 203,083</u> | <u>\$ 6,316,569</u> | <u>\$ 207,551</u> |

General Obligation Refunding Bonds, Series 2015

On December 11, 2015, the District issued \$7,420,000 of General Obligation Refunding Bonds, Series 2015 (Series 2015 Bonds) for the purpose of refunding all of the District’s outstanding Convertible Capital Appreciation Limited Tax General Obligation Bonds, Series 2006, and the Subordinate Limited Tax General Obligation Bonds, Series 2010 (Refunded Bonds), and paying the cost of issuing the Series 2015 Bonds. The Series 2015 Bonds bear interest between the rates of 2.00% - 4.25%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The Series 2015 Bonds are due December 1, 2044.

The Series 2015 Bonds maturing on or after December 1, 2026 are subject to an early redemption at the option of the District, in whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities on December 1, 2026, and on any date thereafter, at the redemption price equal to the principal amount to be redeemed plus accrued interest thereon to the date of redemption. The Series 2015 Bonds are payable from property taxes imposed upon all taxable property within the District.

Unused lines of credit

The Series 2015 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2015 Bonds.

Events of default

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures.

Termination Events

The Series 2015 Bonds do not have a termination provision.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Acceleration

The Series 2015 Revenue Refunding Bonds are not subject to acceleration.

The Series 2015 Bonds will mature as follows:

| <u>Year Ending December 31,</u> | <u>General Obligation Bonds</u> | | <u>Total</u> |
|---------------------------------|---------------------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2024 | \$ 190,000 | \$ 244,300 | \$ 434,300 |
| 2025 | 200,000 | 236,700 | 436,700 |
| 2026 | 205,000 | 228,700 | 433,700 |
| 2027 | 215,000 | 220,500 | 435,500 |
| 2028 | 220,000 | 211,900 | 431,900 |
| 2029-2033 | 1,250,000 | 917,599 | 2,167,599 |
| 2034-2038 | 1,540,000 | 633,012 | 2,173,012 |
| 2039-2043 | 1,860,000 | 305,314 | 2,165,314 |
| 2044 | 420,000 | 16,425 | 436,425 |
| Total | <u>\$ 6,100,000</u> | <u>\$ 3,014,450</u> | <u>\$ 9,114,450</u> |

The District has not budgeted to issue any additional debt in 2023. Per the District's Service Plan, the District cannot issue debt in excess of \$10,500,000 for capital costs.

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, if applicable, that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had investment in capital assets (i.e., no applicable debt) in the amount of \$34,901.

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2023, the District had restricted net position of \$11,000 for emergency reserves and \$59,071 for debt service.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The District has a deficit in unrestricted net position as of December 31, 2023. This deficit amount is the result of the District being responsible for the payment of debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be 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, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

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

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.

On November 4, 2003, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under 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

**SPRING MESA METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------------------|-------------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 390,984 | \$ 390,985 | \$ 1 |
| Specific Ownership Taxes | 27,368 | 27,980 | 612 |
| Interest Income | 3,100 | 13,524 | 10,424 |
| Total Revenues | <u>421,452</u> | <u>432,489</u> | <u>11,037</u> |
| EXPENDITURES | | | |
| Bond Interest | 251,700 | 251,700 | - |
| Bond Principal | 185,000 | 185,000 | - |
| Paying Agent Fees | 3,500 | 3,500 | - |
| Contingency | 435 | - | 435 |
| County Treasurer's Fees | 5,865 | 5,867 | (2) |
| Total Expenditures | <u>446,500</u> | <u>446,067</u> | <u>433</u> |
| NET CHANGE IN FUND BALANCE | (25,048) | (13,578) | 11,470 |
| Fund Balance - Beginning of Year | <u>92,901</u> | <u>93,007</u> | <u>106</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 67,853</u></u> | <u><u>\$ 79,429</u></u> | <u><u>\$ 11,576</u></u> |

**SPRING MESA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| REVENUES | | | |
| Interest Income | \$ 3,900 | \$ 5,622 | \$ 1,722 |
| Total Revenues | <u>3,900</u> | <u>5,622</u> | <u>1,722</u> |
| EXPENDITURES | | | |
| Pond Projects | 56,607 | 15,117 | 41,490 |
| Total Expenditures | <u>56,607</u> | <u>15,117</u> | <u>41,490</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (52,707) | (9,495) | 43,212 |
| OTHER FINANCING SOURCES | | | |
| Transfer from Other Funds | 50,000 | 50,000 | - |
| Total Other Financing Sources | <u>50,000</u> | <u>50,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (2,707) | 40,505 | 43,212 |
| Fund Balance - Beginning of Year | <u>100,859</u> | <u>100,943</u> | <u>84</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 98,152</u> | <u>\$ 141,448</u> | <u>\$ 43,296</u> |

OTHER INFORMATION

**SPRING MESA METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year Property Tax Levy | Mills Levied | | Total Property Taxes | | Percent Collected to Levied |
|---|--|--------------|-----------------|----------------------|------------|-----------------------------------|
| | | General | Debt Service | Levied | Collected | |
| 2019 | \$ 13,839,524 | 0.000 | 29.000 | \$ 401,346 | \$ 401,346 | 100.00 % |
| 2020 | 15,742,785 | 0.000 | 24.500 | 385,698 | 385,698 | 100.00 |
| 2021 | 15,759,403 | 19.055 | 24.500 | 686,400 | 686,402 | 100.00 |
| 2022 | 16,412,004 | 19.905 | 23.650 | 714,825 | 714,515 | 99.96 |
| 2023 | 16,079,975 | 20.464 | 24.315 | 720,045 | 720,047 | 100.00 |
| Estimated for the Year Ending December 31, 2024 | \$ 20,631,909 | 22.270 | 19.000 | \$ 851,479 | | |

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**SPRING MESA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

\$7,420,000

General Obligation Refunding Bonds, Series 2015

Dated December 11, 2015

Interest Rate Between 2.00% and 4.25%

Interest Payable June 1 and December 1

Principal Due December 1

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 190,000 | \$ 244,300 | \$ 434,300 |
| 2025 | 200,000 | 236,700 | 436,700 |
| 2026 | 205,000 | 228,700 | 433,700 |
| 2027 | 215,000 | 220,500 | 435,500 |
| 2028 | 220,000 | 211,900 | 431,900 |
| 2029 | 230,000 | 203,100 | 433,100 |
| 2030 | 240,000 | 193,900 | 433,900 |
| 2031 | 250,000 | 184,300 | 434,300 |
| 2032 | 260,000 | 173,675 | 433,675 |
| 2033 | 270,000 | 162,624 | 432,624 |
| 2034 | 285,000 | 151,149 | 436,149 |
| 2035 | 295,000 | 139,038 | 434,038 |
| 2036 | 310,000 | 126,500 | 436,500 |
| 2037 | 320,000 | 114,400 | 434,400 |
| 2038 | 330,000 | 101,925 | 431,925 |
| 2039 | 345,000 | 89,050 | 434,050 |
| 2040 | 360,000 | 75,588 | 435,588 |
| 2041 | 370,000 | 61,538 | 431,538 |
| 2042 | 385,000 | 47,088 | 432,088 |
| 2043 | 400,000 | 32,050 | 432,050 |
| 2044 | 420,000 | 16,425 | 436,425 |
| Total | <u>\$ 6,100,000</u> | <u>\$ 3,014,450</u> | <u>\$ 9,114,450</u> |

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED

**SPRING MESA METROPOLITAN DISTRICT
 TEN LARGEST OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT
 DECEMBER 31, 2023
 UNAUDITED**

| <u>Taxpayer Name</u> | <u>2023 Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|--|------------------------------------|---|
| Public Service Co. of Colorado (Xcel Energy) | \$ 377,359 | 1.84 % |
| Private Homeowner # 1 | 103,531 | 0.50 |
| Private Homeowner # 2 | 100,229 | 0.49 |
| Private Homeowner # 3 | 95,221 | 0.46 |
| Private Homeowner # 4 | 94,068 | 0.46 |
| Private Homeowner # 5 | 93,926 | 0.46 |
| Private Homeowner # 6 | 92,600 | 0.45 |
| Private Homeowner # 7 | 92,304 | 0.45 |
| Private Homeowner # 8 | 91,625 | 0.44 |
| Private Homeowner # 9 | 90,992 | 0.44 |
| Total | <u>\$ 1,231,855</u> | <u>5.97 %</u> |

NOTE: Percentages are based on a 2023 certified assessed valuation of \$20,631,909.

**SPRING MESA METROPOLITAN DISTRICT
 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
 DECEMBER 31, 2023
 UNAUDITED**

| <u>Taxpayer Name</u> | <u>2023 Valuation</u> | <u>Percentage of Assessed Valuation</u> |
|----------------------|---------------------------|---|
| Residential | \$ 20,254,373 | 98.17 % |
| State Assessed | 3,747 | 0.02 |
| Personal Property | 373,697 | 1.81 |
| Natural Resources | 92 | 0.00 |
| Total | <u>\$ 20,631,909</u> | <u>100.00 %</u> |

**SPRING MESA METROPOLITAN DISTRICT
SELECTED DEBT RATIOS OF THE DISTRICT
DECEMBER 31, 2023
UNAUDITED**

| | <u>Amount</u> |
|--|----------------|
| Direct Debt (Consisting of the Bonds) | \$ 6,100,000 |
| 2023 Assessed Valuation | \$ 20,631,909 |
| Direct Debt to 2022 Assessed Valuation | 29.57 % |
| 2023 Total Actual Value of all Taxable Property (Actual Value) | \$ 302,317,791 |
| Direct Debt to 2023 Actual Value | 2.02 % |