

**GOLDSMITH METROPOLITAN DISTRICT
Arapahoe and Denver Counties, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**GOLDSMITH METROPOLITAN DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goldsmith Metropolitan District
Arapahoe and Denver Counties, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Goldsmith Metropolitan District (the District) as of and for the year ended December 31, 2023, 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 accompanying 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, 2023, and the respective changes in financial position thereof, and the respective budgetary comparisons for the general fund and the special revenue fund – Block K 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 (GAAS). 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.

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.

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Fiscal Focus Partners, LLC

Auditor's Responsibility 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 GAAS 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 GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary and Other 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 and other information (together, the information) as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Continuing Disclosure Information

The continuing disclosure obligation as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Fiscal Focus Partners LLC

Arvada, Colorado
July 14, 2024

BASIC FINANCIAL STATEMENTS

**GOLDSMITH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 17,378,892
Cash and Investments - Restricted	6,358,249
Due from Other Districts	16,423
Accounts Receivable	22,859
Receivable from County Treasurer	21,902
Prepaid Insurance	40,352
Property Tax Receivable	5,499,904
Investment in Block K	153,747
Noncurrent Assets	
Investment in Block K	3,883,838
Capital Assets Not Being Depreciated	20,788,375
Capital Assets Net of Depreciation	17,474,041
Total Assets	71,638,582
LIABILITIES	
Accounts Payable	506,860
Due to County Treasurer	8,863
Security Deposits	220,000
Accrued Bond Interest	28,283
Accrued Intergovernmental Obligation Interest	23,317
Noncurrent Liabilities:	
Due Within One Year	352,829
Due in More Than One Year	13,599,097
Total Liabilities	14,739,249
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	5,499,904
Total Deferred Inflows of Resources	5,499,904
NET POSITION	
Net Investment in Capital Assets	32,471,632
Restricted for:	
Emergency Reserve	158,200
Debt Service	7,301
Unrestricted	18,762,296
Total Net Position	\$ 51,399,429

See accompanying Notes to Basic Financial Statements

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

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
Primary Government:					
Governmental Activities:					
General Government	\$ 1,319,968	\$ 19,450	\$ 238,293	\$ -	\$ (1,062,225)
Parks and Open Space Maintenance	5,177,229	46,998	-	-	(5,130,231)
Interest on Long-Term Debt and Related Costs	499,746	-	-	-	(499,746)
Total Governmental Activities	<u>\$ 6,996,943</u>	<u>\$ 66,448</u>	<u>\$ 238,293</u>	<u>\$ -</u>	<u>(6,692,202)</u>
GENERAL REVENUES					
Property Taxes					5,316,007
Specific Ownership Taxes					330,816
Net Investment Income					1,483,272
Other Revenue					5,000
Total General Revenues					<u>7,135,095</u>
CHANGES IN NET POSITION					442,893
Net Position - Beginning of Year					<u>50,956,536</u>
NET POSITION - END OF YEAR					<u>\$ 51,399,429</u>

See accompanying Notes to Basic Financial Statements

**GOLDSMITH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General Fund	Debt Service Fund	Capital Project Fund	Block K - Special Revenue Fund	Block K - Debt Service Fund	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 4,475,024	\$ -	\$ 12,903,868	\$ -	\$ -	\$ 17,378,892
Cash and Investments - Restricted	157,500	34,948	6,081,279	82,386	2,136	6,358,249
Due from Other Districts	16,423	-	-	-	-	16,423
Accounts Receivable	22,859	-	-	-	-	22,859
Receivable from County Treasurer	18,437	1,841	-	38	1,586	21,902
Prepaid Insurance	40,352	-	-	-	-	40,352
Property Tax Receivable	4,570,870	488,339	-	11,597	429,098	5,499,904
Investment in Block K	-	-	4,037,585	-	-	4,037,585
Total Assets	<u>\$ 9,301,465</u>	<u>\$ 525,128</u>	<u>\$ 23,022,732</u>	<u>\$ 94,021</u>	<u>\$ 432,820</u>	<u>\$ 33,376,166</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 380,019	\$ 400	\$ 126,441	\$ -	\$ -	\$ 506,860
Due to County Treasurer	8,058	805	-	-	-	8,863
Security Deposits	220,000	-	-	-	-	220,000
Total Liabilities	<u>608,077</u>	<u>1,205</u>	<u>126,441</u>	<u>-</u>	<u>-</u>	<u>735,723</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	4,570,870	488,339	-	11,597	429,098	5,499,904
Total Deferred Inflows of Resources	<u>4,570,870</u>	<u>488,339</u>	<u>-</u>	<u>11,597</u>	<u>429,098</u>	<u>5,499,904</u>
FUND BALANCES						
Nonspendable:						
Prepaid Expense	40,352	-	-	-	-	40,352
Restricted for:						
Emergency Reserves	157,500	-	-	700	-	158,200
Debt Service	-	35,584	-	-	3,722	39,306
Capital Projects	-	-	6,081,279	-	-	6,081,279
Committed:						
ACC Reserve	29,989	-	-	-	-	29,989
Special Revenue	-	-	-	81,724	-	81,724
Assigned to:						
Capital Projects	-	-	16,815,012	-	-	16,815,012
Unassigned	3,894,677	-	-	-	-	3,894,677
Total Fund Balances	<u>4,122,518</u>	<u>35,584</u>	<u>22,896,291</u>	<u>82,424</u>	<u>3,722</u>	<u>27,140,539</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,301,465</u>	<u>\$ 525,128</u>	<u>\$ 23,022,732</u>	<u>\$ 94,021</u>	<u>\$ 432,820</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.						38,262,416
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						
Accrued Bond Interest						(28,283)
Accrued Intergovernmental Obligation Interest						(23,317)
Bond Payable						(8,485,000)
Bond Premium, Net of Amortization						(1,429,341)
Intergovernmental Obligation Payable						<u>(4,037,585)</u>
Net Position of Governmental Activities						<u>\$ 51,399,429</u>

See accompanying Notes to Basic Financial Statements

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

	General Fund	Debt Service Fund	Capital Project Fund	Block K - Special Revenue Fund	Block K - Debt Service Fund	Total Governmental Funds
REVENUES						
Property Taxes	\$ 4,485,469	\$ 447,955	\$ -	\$ 8,897	\$ 373,686	\$ 5,316,007
Specific Ownership Taxes	277,986	27,762	-	583	24,486	330,817
In-Lieu Income	118,159	-	-	-	-	118,159
Interest Income	176,652	981	1,075,689	13,546	675	1,267,543
Other Revenue	5,000	-	-	-	-	5,000
Water Sales	46,998	-	-	-	-	46,998
Reimbursed Expenditures	120,133	-	-	-	-	120,133
ACC Fees	19,450	-	-	-	-	19,450
Investment Income - Block K	-	-	215,729	-	-	215,729
Total Revenues	<u>5,249,847</u>	<u>476,698</u>	<u>1,291,418</u>	<u>23,026</u>	<u>398,847</u>	<u>7,439,836</u>
EXPENDITURES						
Current:						
Accounting	52,914	-	21,820	-	-	74,734
Architectural Expenses	258	-	-	-	-	258
Auditing	9,000	-	-	-	-	9,000
Board Support	11,553	-	-	-	-	11,553
Consulting	43,954	-	41,750	-	-	85,704
County Treasurer's Fee	54,102	5,403	-	134	5,615	65,254
Dues and Membership	11,398	-	-	-	-	11,398
Election	393	-	-	-	-	393
Engineering	-	-	31,470	-	-	31,470
Insurance	42,281	-	-	-	-	42,281
Legal	71,075	-	-	-	-	71,075
Maintenance	2,929,932	-	-	-	-	2,929,932
Miscellaneous	12,172	-	-	-	-	12,172
Payroll Taxes	405	-	-	-	-	405
Promo and Special Events	86,832	-	-	-	-	86,832
Reimbursable Landscape and Maintenance	120,423	-	-	-	-	120,423
Support Management	335,778	-	125,550	-	-	461,328
Utilities	354,322	-	-	-	-	354,322
Debt Service:						
Bond Interest	-	343,600	-	-	-	343,600
Bond Principal	-	105,000	-	-	-	105,000
Interest Expense	-	-	-	-	215,729	215,729
Loan Principal	-	-	-	-	177,379	177,379
Paying Agent Fees	-	400	-	-	-	400
Capital Projects:						
Capital Outlay/Expense	-	-	2,940,041	-	-	2,940,041
Total Expenditures	<u>4,136,792</u>	<u>454,403</u>	<u>3,160,631</u>	<u>134</u>	<u>398,723</u>	<u>8,150,683</u>
NET CHANGE IN FUND BALANCES	1,113,055	22,295	(1,869,213)	22,892	124	(710,847)
Fund Balances - Beginning of Year	3,009,463	13,289	24,765,504	59,532	3,598	27,851,386
FUND BALANCES - END OF YEAR	<u>\$ 4,122,518</u>	<u>\$ 35,584</u>	<u>\$ 22,896,291</u>	<u>\$ 82,424</u>	<u>\$ 3,722</u>	<u>\$ 27,140,539</u>

See accompanying Notes to Basic Financial Statements

**GOLDSMITH 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 \$ (710,847)

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. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	1,991,205
Depreciation Expense	(1,171,296)
Asset Disposal	(19,550)

The issuance of long-term debt (e.g. bonds, leases, and other obligations) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Principal Payment - Intergovernmental Obligation	177,379
Bond Principal	105,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.

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 - Change in Liability	(9,058)
Amortization of Bond Premium	80,060
	80,060

Changes in Net Position of Governmental Activities \$ 442,893

**GOLDSMITH 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			
Property Taxes	\$ 4,561,720	\$ 4,485,469	\$ (76,251)
Specific Ownership Taxes	246,389	277,986	31,597
In-Lieu Income	118,584	118,159	(425)
Interest Income	57,000	176,652	119,652
Other Revenue	-	5,000	5,000
Water Sales	100,000	46,998	(53,002)
Reimbursed Expenditures	120,000	120,133	133
ACC Fees	15,000	19,450	4,450
Total Revenues	<u>5,218,693</u>	<u>5,249,847</u>	<u>31,154</u>
EXPENDITURES			
Accounting	72,290	52,914	19,376
Architectural Expenses	30,000	258	29,742
Auditing	9,000	9,000	-
Board Support	15,000	11,553	3,447
Consulting	130,000	43,954	86,046
Contingency	50,000	-	50,000
County Treasurer's Fee	54,769	54,102	667
Custodial	5,000	-	5,000
Dues and Membership	5,000	11,398	(6,398)
Election	-	393	(393)
Insurance	50,000	42,281	7,719
Legal	60,000	71,075	(11,075)
Miscellaneous	-	12,172	(12,172)
Payroll Taxes	460	405	55
Promo and Special Events	75,000	86,832	(11,832)
Reimbursable Landscape and Maintenance	105,000	120,423	(15,423)
Support Management	335,781	335,778	3
Maintenance			
Contract Services	750,000	496,286	253,714
Materials	315,000	171,208	143,792
Operational Labor	3,050,000	2,262,438	787,562
Utilities			
Denver Water	100,000	142,925	(42,925)
Water Rights	75,000	34,601	40,399
Xcel Energy	236,500	176,796	59,704
Total Expenditures	<u>5,523,800</u>	<u>4,136,792</u>	<u>1,387,008</u>
NET CHANGE IN FUND BALANCE	(305,107)	1,113,055	1,418,162
Fund Balance - Beginning of Year	<u>2,841,562</u>	<u>3,009,463</u>	<u>167,901</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,536,455</u>	<u>\$ 4,122,518</u>	<u>\$ 1,586,063</u>

See accompanying Notes to Basic Financial Statements

**GOLDSMITH METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – BLOCK K SUBDISTRICT
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			
Property Taxes	\$ 8,897	\$ 8,897	\$ -
Specific Ownership Taxes	534	583	49
Interest Income	1,150	13,546	12,396
Total Revenues	<u>10,581</u>	<u>23,026</u>	<u>12,445</u>
EXPENDITURES			
Accounting	6,600	-	6,600
Contingency	1,267	-	1,267
County Treasurer's fee	133	134	(1)
Total Expenditures	<u>8,000</u>	<u>134</u>	<u>7,866</u>
NET CHANGE IN FUND BALANCE	2,581	22,892	20,311
Fund Balance - Beginning of Year	<u>56,289</u>	<u>59,532</u>	<u>3,243</u>
FUND BALANCE - END OF YEAR	<u>\$ 58,870</u>	<u>\$ 82,424</u>	<u>\$ 23,554</u>

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Goldsmith Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized in 1975, 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 in the city and County of Denver, Colorado, and the city of Greenwood Village, Arapahoe County, Colorado. The District was organized to provide storm sewer improvements, street improvements, parks and recreational facilities and safety protection services.

On November 4, 2003, the Block K Subarea was formed (Subdistrict). The Subdistrict finances the capital and operating costs of development within an area known as Block K of the Denver Technological Center. The formation of the Subdistrict allows the District to fix different rates of levy for property tax purposes against property contained solely in the subarea.

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 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.

**GOLDSMITH 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 instead 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.

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. 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 when 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 General Fund also accounts for the financial resources of the ACC Fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term 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.

The Special Revenue Fund - Block K is used to account for all financial resources of the Block K subarea which is subject to different rates of levy for property tax purposes against property contained solely in the subarea.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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.

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.

Interfund Balances

The District reports interfund balances (receivables and payables) that are representative of agreements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

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 sales 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 inflows 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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, Allowance for Doubtful Accounts

User fees constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the state of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported by the District. 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.

Parks and Open Space	15 to 50 Years
Infrastructure	30 to 50 Years
Other Improvements	15 to 30 Years

Tap Fees and Contributed Assets

Tap fees are paid for the right to connect to the District's water facilities and are recorded as capital contributions when received. Public improvements contributed to the District by other entities are recorded as capital contributions and additions to capital assets at estimated fair value when received.

Original Issue Premium

In the government-wide financial statements, bond premiums 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 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.

Deferred Inflow 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 position 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.

**GOLDSMITH 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 debt holders), 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.

**GOLDSMITH 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	\$ 17,378,892
Cash and Investments - Restricted	<u>6,358,249</u>
Total Cash and Investments	<u><u>\$ 23,737,141</u></u>

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

Deposits with Financial Institutions	\$ 128,769
Investments	<u>23,608,372</u>
Total Cash and Investments	<u><u>\$ 23,737,141</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 102.00% 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 and carrying balance of \$128,769.

Investments

The District has adopted a formal investment policy which 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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 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	<u>\$ 23,608,372</u>

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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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.

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 PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AA Af/S1 by Fitch Ratings. 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.

The District holds all its investments in the COLOTRUST PLUS+ portfolio.

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

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 80,226	\$ 1,991,205	\$ -	\$ 2,071,431
Land and Right-of-Ways	6,249,005	-	-	6,249,005
Landscaping	11,475,850	-	-	11,475,850
Water Taps	992,089	-	-	992,089
Total Capital Assets, Not Being Depreciated	18,797,170	1,991,205	-	20,788,375
Capital Assets, Being Depreciated:				
Parks and Open Space:				
Fence	294,370	-	-	294,370
Fountains	2,137,088	-	-	2,137,088
Park and Open Space Improvement	19,733,706	-	81,541	19,652,165
Infrastructure:				
Street Improvements	3,522,074	-	-	3,522,074
Transportation	1,727,615	-	-	1,727,615
Other Improvements:				
Office Building	2,080,315	-	-	2,080,315
Signage	1,954,435	-	-	1,954,435
Wells/Irrigation	6,213,256	-	-	6,213,256
Total Capital Assets, Being Depreciated	37,662,859	-	81,541	37,581,318
Less Accumulated Depreciation for:				
Parks and Open Space:				
Fence	190,804	6,479	-	197,283
Fountains	798,822	71,236	-	870,058
Park and Open Space Improvement	9,730,143	568,067	61,991	10,236,219
Infrastructure:				
Street Improvements	1,747,288	117,402	-	1,864,690
Transportation	1,033,254	33,781	-	1,067,035
Other Improvements:				
Office Building	390,406	69,344	-	459,750
Signage	1,107,503	56,779	-	1,164,282
Wells/Irrigation	3,999,752	248,208	-	4,247,960
Total Accumulated Depreciation	18,997,972	1,171,296	61,991	20,107,277
Total Capital Assets, Being Depreciated, Net	18,664,887	(1,171,296)	19,550	17,474,041
Governmental Activities				
Capital Assets, Net	\$ 37,462,057	\$ 819,909	\$ 19,550	\$ 38,262,416

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

Water taps at December 31, 2023, in the amount of \$992,089 represents 593 taps at the original purchase amount of \$1,673 per tap. Of the 593 taps remaining, 339 are reserved per the Infrastructure Cooperation Agreement (see Intergovernmental Agreements footnote).

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

General Government	\$	525,514
Parks and Open Space		<u>645,782</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,171,296</u>

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds Payable:					
Series 2021	\$ 8,590,000	\$ -	\$ 105,000	\$ 8,485,000	\$ 120,000
Total Bonds Payable	<u>8,590,000</u>	<u>-</u>	<u>105,000</u>	<u>8,485,000</u>	<u>120,000</u>
Bond Premium - Series 2021	<u>1,509,401</u>	<u>-</u>	<u>80,060</u>	<u>1,429,341</u>	<u>79,082</u>
Other Debts:					
Block K - Intergovernmental Obligation	4,214,964	-	177,379	4,037,585	153,747
Total Long-Term Obligations	<u>\$ 14,314,365</u>	<u>\$ -</u>	<u>\$ 362,439</u>	<u>\$ 13,951,926</u>	<u>\$ 352,829</u>

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the District's long-term obligation is as follows:

Intergovernmental Obligation – Block K

In 2004 the District issued its \$5,300,000 General Obligation Variable Rate Bonds, Series 2004, with a maximum interest rate of 9.00%. The bonds were issued for the construction of improvements that benefitted the Subdistrict. As consideration for the issuance of the bonds and in accordance with a Funding Agreement dated July 1, 2004, between the District, the Subdistrict and Shea Colorado, LLC and its affiliates (Shea, or Developer), the Subdistrict agreed to impose within the Subdistrict a debt service mill levy of 30.000 mills (subject to adjustment but not more than 50.000 mills) in each year while the bonds were outstanding, and to transfer revenues from the mill levy to the District for the purpose of paying debt service on the 2004 Bonds. In addition, the Developer agreed to pay the difference, if any, between the annual principal and interest payments and the proceeds from the Subdistrict's mill levy and other available revenues.

In order to avoid repetitive and increasingly burdensome costs associated with a letter of credit securing the 2004 Bonds, the District redeemed the principal balance of \$4,960,000 with cash reserves on November 1, 2014. As a result of the redemption, the Funding Agreement between the District, the Subdistrict, and the Developer was amended and restated on November 1, 2014. The Agreement continues the obligation of the Subdistrict to make scheduled principal payments consistent with the previous schedule of payments under the Bonds in order to reimburse the District in the amount of the 2004 Series Bond redemption. The obligation carries interest on the outstanding principal amount at a rate calculated as the Average 30-Day Yield published for COLOTRUST PLUS+ as of each June 1 and December 1 plus 1.50%.

In order to fund repairs and replacements of the public infrastructure within the area of the Subdistrict and accumulate the capital reserves to anticipate future repairs and replacements, the Funding Agreement was amended and restated a second time on April 1, 2019. The amended Agreement is among the District, the Subdistrict and One Cherry Lane Homeowners Association, Inc. (Association), and removed the Developer as a party to the transaction. The District has agreed to advance to the Subdistrict for the benefit of the Association an additional sum not to exceed \$1,000,000 in two tranches and extended the maturity date to December 1, 2039. The Association agrees to impose an assessment upon the property owner to assist with the funds needed to operate and administer the community. The District made the first advance of \$650,000 in 2019, and the District funded the second advance of \$350,000 in 2020. The amended Agreement continues to carry interest on the outstanding principal amount at a rate calculated as the Average 30-Day Yield published for COLOTRUST PLUS+ as of each June 1 and December 1 plus 1.50%. The Intergovernmental Obligation does not have any unused line of credit, and is not collateralized.

If the Subdistrict shall pay the entire principal amount prior to the December 1, 2039, then at such time the Intergovernmental Obligation under this Agreement shall terminate.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Intergovernmental Obligation – Block K (Continued)

If the Subdistrict fails to fully pay the interest on or the principal on or prior to December 31, 2039, an Event of Nonpayment At Maturity shall be deemed to have occurred. Upon such Event of Nonpayment At Maturity, in accordance with and as required by C.R.S. Section 32-1-1201(2) the Subdistrict shall make such additional levies of taxes as may be necessary to pay the principal of and interest in full, and such taxes shall be made and continue to be levied until the indebtedness of the Subdistrict to the District is fully paid.

Using the variable interest rate at December 1, 2023, of 6.93% for the Intergovernmental Obligation, the District's long-term obligations would mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 153,747	\$ 279,805	\$ 433,552
2025	162,203	269,150	431,353
2026	178,686	257,909	436,595
2027	188,513	245,526	434,039
2028	206,595	232,462	439,057
2029-2033	1,267,092	927,196	2,194,288
2034-2038	1,774,728	421,675	2,196,403
2039	106,021	7,347	113,368
Total	<u>\$ 4,037,585</u>	<u>\$ 2,641,070</u>	<u>\$ 6,678,655</u>

Using estimated interest rates of 5.50% to 7.00% for years 2024 through 2028 and 5.00% thereafter for the Intergovernmental Obligation, the District's long-term obligations would mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 153,747	\$ 282,631	\$ 436,378
2025	162,203	271,869	434,072
2026	178,686	223,298	401,984
2027	188,513	212,577	401,090
2028	206,595	184,494	391,089
2029-2033	1,267,092	157,392	1,424,484
2034-2038	1,774,728	94,037	1,868,765
2039	106,021	5,301	111,322
Total	<u>\$ 4,037,585</u>	<u>\$ 1,431,599</u>	<u>\$ 5,469,184</u>

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds, Series 2021 (the Bonds)

Bond Proceeds

The District issued the Bonds on December 7, 2021, in the par amount of \$8,690,000. Proceeds from the sale of the Bonds were used to (a) finance the acquisition, construction, installation, and equipping of various public improvements; and (b) pay the costs of issuing the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 4.00% per annum payable semiannually on June 1 and December 1, beginning on June 1, 2022. The Bonds were issued as serial bonds and two term bonds that have annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2022. The Bonds have a final maturity of December 1, 2051.

The Bonds do not have unused line of credit, no assets have been pledged as collateral. The Bonds are not subject to acceleration and early termination. Pursuant to the Bond Resolution, no events of default are described.

Optional Redemption

The Bonds maturing on and before December 1, 2031, are not subject to redemption prior to maturity at the option of the District. The Bonds maturing on and after December 1, 2032 are subject to redemption prior to their respective maturities, at the option of the District, on December 1, 2031, or on any date thereafter, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

Pledged Revenue

The Bonds constitute general obligations of the District secured by a pledge of the full faith and credit of the District. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal, interest, and premium, if any, of the Bonds without limitation as to rate and in an amount sufficient to pay the Bonds when due, subject to the limitations imposed at the election authorizing the issuance of the Bonds. The District has covenanted to levy such taxes in an amount which, together with other legally available funds of the District, if any, is sufficient to pay debt service on the Bonds.

The scheduled payment of principal of and interest on the Bonds when due is guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Debt Service

The outstanding principal and interest of the Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 120,000	\$ 339,400	\$ 459,400
2025	125,000	334,600	459,600
2026	135,000	329,600	464,600
2027	140,000	324,200	464,200
2028	155,000	318,600	473,600
2029-2033	945,000	1,491,000	2,436,000
2034-2038	1,290,000	1,275,800	2,565,800
2039-2043	1,710,000	985,400	2,695,400
2044-2048	2,235,000	603,200	2,838,200
2049-2051	1,630,000	132,600	1,762,600
Total	<u>\$ 8,485,000</u>	<u>\$ 6,134,400</u>	<u>\$ 14,619,400</u>

Authorized Debt

On November 4, 2003, a majority of the qualified electors of the Subdistrict authorized the issuance of indebtedness in an amount not to exceed \$53,000,000 at an interest rate of 12.00% per annum. The authorization consists of \$15,000,000 for the financing of new improvements, \$8,000,000 for funding operations and maintenance costs, and \$30,000,000 for the purposes of debt refunding. As of December 31, 2023, the authorized but unissued indebtedness is expired.

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$140,000,000 at an interest rate not to exceed 12.00% per annum. The authorization consists of \$40,000,000 for the financing of new improvements and \$100,000,000 for the purpose of debt refunding.

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized May 4, 2004 Election</u>	<u>Authorization Used 2004 Bonds</u>	<u>Authorization Used 2021 Bonds</u>	<u>Remaining at December 31, 2023</u>
Streets	\$ 10,000,000	\$ 1,749,000	\$ 6,083,000	\$ 2,168,000
Parks and Recreation	10,000,000	3,148,200	869,000	5,982,800
Transportation	10,000,000	402,800	869,000	8,728,200
Storm Drainage	10,000,000	-	869,000	9,131,000
Debt Refunding	100,000,000	-	-	100,000,000
Total	<u>\$ 140,000,000</u>	<u>\$ 5,300,000</u>	<u>\$ 8,690,000</u>	<u>\$ 126,010,000</u>

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

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, 2023, the District had net investments in capital assets as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 38,262,416
Long-Term Obligations	(10,248,174)
Noncurrent Portion of Long-Term Obligations	(194,548)
Unamortized Original Issue Premium	(1,429,341)
Investments	6,081,279
Net Investment in Capital Assets	\$ 32,471,632

Restricted assets include net position that is 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, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 158,200
Debt Service	7,301
Total Restricted Net Position	\$ 165,501

The District's unrestricted net position as of December 31, 2023 is \$18,762,296.

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

NOTE 7 COVENANT OBLIGATIONS

Effective January 1, 2023, the District entered into an agreement regarding covenant obligations and support services with Shea Colorado, LLC (Shea) as successor in interest to TCD North, Inc., DTC West Land Venture (DTC), the Architectural Control Committee of the Denver Technological Center (ACC) and the Design Control Committee of Regency West Denver Tech Center (DCC). ACC and DCC are committees created to administer the protective covenants of properties which lie in the District's service area. With this agreement, North, DTC, ACC and DCC have delegated to the District the responsibility for the performance of certain functions and duties pursuant to the protective covenants. Services needed to administer the covenants has been assigned to Shea. The ACC and DCC will continue to bear responsibility for and exercise all the powers granted and/or assigned to them in the protective covenants. To the extent that the service charges are not sufficient to cover the full cost of operations, the District will fund ACC and DCC. The agreement terminates on December 31, 2032.

At December 31, 2023, the District had \$267,525 in cash and investments and liabilities of \$237,536 related to the ACC and DCC covenant obligations composed of payables and security deposits being held by the District.

For each calendar year following 2023, the management fee shall be increased by the increase, if any, in the Denver-Boulder CPI for the prior year. The fee for 2023 was \$210,229.

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

City and County of Denver

Water service is provided to occupants in the area formerly known as Denver Suburban Water District (Denver Suburban) by the city and County of Denver through its Board of Water Commissioners (the Board). Under an agreement with the Board dated April 14, 1976, all water lines constructed by Denver Suburban will be conveyed to the Board when completed. The Board bills the individual users for water furnished and is responsible for maintenance and replacement of the lines conveyed. Denver Suburban was legally dissolved on March 28, 2013. All of Denver Suburban's assets, liabilities and contractual obligations were absorbed by the District.

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

NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

South Denver Metropolitan District - 1991 Water Tap Connection Agreement

In an agreement dated June 18, 1991, Denver Suburban paid the South Denver Metropolitan District \$2,500,000 for all remaining rights to obtain water tap connections from the Denver Water Board within a geographic area defined in an agreement dated September 13, 1983, between The city and County of Denver, Denver Tech Center Associates, and Quincy Investments Company, which had been subsequently assigned to the South Denver Metropolitan District. These water tap connections are utilized for newly developing parcels within the aforementioned geographic area as the underlying mechanism for a supplementary tap fee to recoup costs as well as fund the construction of additional infrastructure. As of December 31, , a total of 909 of the original 1,502 (¾" equivalent) tap rights had been sold in this manner. The current District's (fka: Denver Suburban) sale price for a single ¾" equivalent tap is \$7,850. Of the 593 remaining taps, 339 are reserved per the Infrastructure Cooperation Agreement. Denver Suburban was legally dissolved on March 28, 2013. The agreement was assigned to the District by the dissolution of Denver Suburban.

Infrastructure Cooperation Agreement (ICA)

In an agreement dated May 9, 2006, the District (fka: Denver Suburban), Belquince LTD. Liability Co., and Madre Investment Co., LLC entered into an agreement for tap rights. Belquince and Madre (Owners) agreed to purchase 500 tap rights from the District (fka: Denver Suburban). The Owners, or their successors, agree to purchase the 500 taps from the District (fka: Denver Suburban) at the current sale price and shall not acquire tap rights from any other source until the 500 tap rights are exhausted. Within 60 days of receipt of these tap rights the District (fka: Denver Suburban) will reimburse to the Owners 50% of the tap fee paid for any tap rights by the Owners or any other builder on the Owners' parcel. This reimbursement is intended to cover the costs for construction of water facilities the Owners may have to construct within the District (fka: Denver Suburban). The parties agree that the District (fka: Denver Suburban) shall not be required to construct or extend, or pay to participate in the construction or extension of water mains or other water facilities required for the development of the Owners' parcel. Denver Suburban was legally dissolved on March 28, 2013. The agreement was assigned to the District by the dissolution of Denver Suburban.

During , the District did not receive any fees for taps related to the ICA. The remaining balance of taps available under the ICA is 339 as of December 31, .

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

NOTE 9 RELATED PARTIES

The Developer of the property within the District is Shea Colorado, LLC and its affiliates (Shea). One of the five Board members of the District are employed by or provide services to a business or businesses that are involved with, may become involved with, or are directly and substantially affected by the activities of the District, and all Board members own real property that is located in the District. These relationships and ownerships, in certain circumstances, may give the appearance that conflicting interests could affect their official activities as Board members but as a general matter they do not disqualify them to serve as Board members. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

During 2023, the District paid Shea \$535,956 for support management services. The District also paid Tech Center Maintenance (affiliate of Shea) \$3,090,304 for landscape services and maintenance. The District additionally paid a related party of the Developer \$46,800 for consulting services. At December 31, 2023, \$368,167 in related party amounts are included in accounts payable.

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, 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.

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

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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, 1997, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District for 1997 and any year thereafter, without regard to any limitations under TABOR.

On November 4, 2003, a majority of the Block K Subdistrict's electors authorized the Subdistrict to increase taxes \$200,000 annually, plus the rate of inflation, for the Subdistrict's operations, maintenance and other expenses, without limitation of rate, in amounts sufficient to produce the annual increase for the purpose of paying the Subdistrict's costs of maintaining the improvements within and/or benefiting the Subdistrict, without regard to any spending.

The electors also authorized the Subdistrict to collect and spend or retain in a reserve all currently levied taxes and other revenue of the Subdistrict for 2003 and any year thereafter, 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

**GOLDSMITH 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 Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 455,570	\$ 447,955	\$ (7,615)
Specific Ownership Taxes	24,606	27,762	3,156
Interest Income	1,000	981	(19)
Total Revenues	<u>481,176</u>	<u>476,698</u>	<u>(4,478)</u>
EXPENDITURES			
Bond Interest	343,600	343,600	-
Bond Principal	105,000	105,000	-
Contingency	14,930	-	14,930
County Treasurer's Fee	5,470	5,403	67
Paying Agent Fees	1,000	400	600
Total Expenditures	<u>470,000</u>	<u>454,403</u>	<u>15,597</u>
NET CHANGE IN FUND BALANCE	11,176	22,295	11,119
Fund Balance - Beginning of Year	<u>11,590</u>	<u>13,289</u>	<u>1,699</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 22,766</u></u>	<u><u>\$ 35,584</u></u>	<u><u>\$ 12,818</u></u>

**GOLDSMITH 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	\$ 350,000	\$ 1,075,689	\$ 725,689
Investment Income - Block K	75,382	215,729	140,347
Total Revenues	<u>425,382</u>	<u>1,291,418</u>	<u>866,036</u>
EXPENDITURES			
Accounting	30,981	21,820	9,161
Consulting	75,000	41,750	33,250
Engineering		31,470	(31,470)
Support Management	125,552	125,550	2
Streets/Sidewalks/Transportation			
Bus Shelter Renovation	100,000	-	100,000
DTC Signals	180,000	-	180,000
Crescent Parkway Resurfacing	400,000	388,464	11,536
Multimodal	250,000	1,313	248,687
Sidewalks	100,000	-	100,000
Landscape Identity			
Lighting Upgrades	50,000	-	50,000
Park			
Bullock Park	10,000	-	10,000
Park Bench/Table Replacement	10,000	-	10,000
Park Improvements	25,000	-	25,000
Storm and WQ Structures	100,000	-	100,000
Wells/Irrigation			
Irrigation Main Line Repair	200,000	-	200,000
North Well Relocation	2,750,000	1,799,859	950,141
South Well Rehab And Pump	250,000	-	250,000
Miscellaneous Projects			
DTC Forward	6,000,000	750,405	5,249,595
Total Expenditures	<u>10,656,533</u>	<u>3,160,631</u>	<u>7,495,902</u>
NET CHANGE IN FUND BALANCE	(10,231,151)	(1,869,213)	8,361,938
Fund Balance - Beginning of Year	<u>22,853,778</u>	<u>24,765,504</u>	<u>1,911,726</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,622,627</u>	<u>\$ 22,896,291</u>	<u>\$ 10,273,664</u>

**GOLDSMITH METROPOLITAN DISTRICT
DEBT SERVICE FUND – BLOCK K SUBDISTRICT
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	\$ 373,686	\$ 373,686	\$ -
Specific Ownership Taxes	22,421	24,486	2,065
Interest Income	250	675	425
Other Revenue	5,000	-	(5,000)
Total Revenues	<u>401,357</u>	<u>398,847</u>	<u>(2,510)</u>
EXPENDITURES			
Contingency	94,308	-	94,308
County Treasurer's Fee	5,071	5,615	(544)
Interest Expense	166,913	215,729	(48,816)
Loan Principal	138,704	177,379	(38,675)
Total Expenditures	<u>404,996</u>	<u>398,723</u>	<u>6,273</u>
NET CHANGE IN FUND BALANCE	(3,639)	124	3,763
Fund Balance - Beginning of Year	<u>3,639</u>	<u>3,598</u>	<u>(41)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 3,722</u></u>	<u><u>\$ 3,722</u></u>

OTHER INFORMATION

**GOLDSMITH METROPOLITAN DISTRICT
SCHEDULE OF INTERGOVERNMENTAL OBLIGATION REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

Block K Subarea
\$4,960,000 Intergovernmental Obligation
Variable Rate Loan, Series 2014
Dated November 1, 2014
\$1,000,000 Loan Increase
Amended April 1, 2019 (1)
Variable Interest Rate (2)
Interest Due 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	\$ 153,747	\$ 279,805	\$ 433,552
2025	162,203	269,150	431,353
2026	178,686	257,909	436,595
2027	188,513	245,526	434,039
2028	206,595	232,462	439,057
2029	217,957	218,145	436,102
2030	237,812	203,041	440,853
2031	250,892	186,561	437,453
2032	272,716	169,174	441,890
2033	287,715	150,275	437,990
2034	311,725	130,336	442,061
2035	328,869	108,733	437,602
2036	355,306	85,943	441,249
2037	374,848	61,320	436,168
2038	403,980	35,343	439,323
2039	106,021	7,347	113,368
Total	<u>\$ 4,037,585</u>	<u>\$ 2,641,070</u>	<u>\$ 6,678,655</u>

- (1) The Second Amended and Restated Funding Agreement dated April 1, 2019 allows the Subdistrict to borrow an additional \$1,000,000 and extended the maturity to December 1, 2039. The District made the first advance of \$650,000 in 2019, and the second advance of \$350,000 in 2020.
- (2) Interest calculated at COLOTRUST Plus average 30-day yield rate on June 1 and December 1 plus 1.50%. COLOTRUST Plus average monthly yield was 5.43% on December 1, 2023.

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

\$8,690,000
General Obligation Bonds
Dated December 7, 2021
Series 2021

Interest Rate 4.00%
Interest Due 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	\$ 120,000	\$ 339,400	\$ 459,400
2025	125,000	334,600	459,600
2026	135,000	329,600	464,600
2027	140,000	324,200	464,200
2028	155,000	318,600	473,600
2029	165,000	312,400	477,400
2030	180,000	305,800	485,800
2031	185,000	298,600	483,600
2032	205,000	291,200	496,200
2033	210,000	283,000	493,000
2034	230,000	274,600	504,600
2035	240,000	265,400	505,400
2036	260,000	255,800	515,800
2037	270,000	245,400	515,400
2038	290,000	234,600	524,600
2039	305,000	223,000	528,000
2040	325,000	210,800	535,800
2041	340,000	197,800	537,800
2042	365,000	184,200	549,200
2043	375,000	169,600	544,600
2044	405,000	154,600	559,600
2045	420,000	138,400	558,400
2046	450,000	121,600	571,600
2047	465,000	103,600	568,600
2048	495,000	85,000	580,000
2049	515,000	65,200	580,200
2050	545,000	44,600	589,600
2051	570,000	22,800	592,800
Total	<u>\$ 8,485,000</u>	<u>\$ 6,134,400</u>	<u>\$ 14,619,400</u>

**GOLDSMITH METROPOLITAN DISTRICT
FIVE YEAR SUMMARY 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 Fund	Debt Service Fund	Levied	Collected	
2019	\$ 583,309,072	8.500	-	\$ 4,958,127	\$ 4,925,194	99.34%
2020	694,176,305	7.500	-	5,206,322	5,163,148	99.17
2021	692,213,847	7.500	-	5,191,603	5,194,309	100.05
2022	665,546,976	6.819	0.681	4,991,603	4,788,240 **	95.93
2023	668,971,863	6.819	0.681	5,017,290	4,933,424 ***	98.33
Estimate for Year Ending December 31, 2024	\$ 708,188,329	6.415	0.685	\$ 5,059,209		

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.

* Assessed Valuation excludes Debt Only assessed valuations.

** Balance collected includes tax abatements and refunds totaling \$104,589.

*** Balance collected includes tax abatements and refunds totaling \$3,205.

**GOLDSMITH METROPOLITAN DISTRICT
 FIVE YEAR SUMMARY OF ASSESSED VALUATION,
 MILL LEVY AND PROPERTY TAXES COLLECTED
 BLOCK K SUBDISTRICT
 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 Fund	Debt Service Fund	Levied	Collected	
2019	\$ 8,635,482	65.947	32.974	\$ 854,230	\$ 854,230	100.00%
2020	8,721,753	1.000	38.000	340,149	340,149	100.00
2021	9,232,665	1.000	38.000	360,074	360,074	100.00
2022	9,122,667	1.000	38.000	355,784	355,784	100.00
2023	8,897,285	1.000	42.000	382,583	382,583	100.00
Estimate for Year Ending December 31, 2024	\$ 11,597,232	1.000	37.000	\$ 440,695		

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.

CONTINUING DISCLOSURE OBLIGATION

**GOLDSMITH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
DECEMBER 31, 2023**

**HISTORY OF ASSESSED VALUATIONS FOR THE DISTRICT
(UNAUDITED)**

Levy/ Collection Year	Assessed Valuations			Percent Change	Mill Levy
	Arapahoe County	City and County of Denver	Total		
2018/2019	\$ 247,774,782	\$ 335,534,290	\$ 583,309,072	-0.19%	8.500
2019/2020	262,829,475	431,346,830	694,176,305	19.01%	7.500
2020/2021	260,904,747	431,309,100	692,213,847	-0.28%	7.500
2021/2022	268,507,306	397,039,670	665,546,976	-3.85%	7.500
2022/2023	268,409,093	400,562,770	668,971,863	0.51%	7.500
2023/2024	276,011,449	432,176,880	708,188,329	5.86%	7.175

**PROPERTY TAX COLLECTIONS FOR THE DISTRICT
(UNAUDITED)**

Levy/ Collection Year	Taxes Levied	Current Tax Collections	Collection Rate
2017/2018	\$ 5,844,085	\$ 5,697,461	97.49%
2018/2019	4,958,127	4,925,194	99.34
2019/2020	5,206,322	5,163,148	99.17
2020/2021	5,191,603	5,194,309	100.05
2021/2022	4,991,603	4,788,240	95.93
2022/2023	5,017,290	4,933,424	98.33