



**THORNTON, COLORADO**



**FINANCIAL STATEMENTS**  
**As of and for the 12-month period ended**  
**December 31, 2023**

**Table of Contents**

STATEMENT OF NET POSITION ..... 1

STATEMENT OF ACTIVITIES ..... 2

BALANCE SHEET – GOVERNMENTAL FUNDS ..... 3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ..... 4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES ..... 5

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ..... 6

GENERAL FUND EXPENDITURE DETAILS– BUDGET AND ACTUAL ..... 7

NOTES TO FINANCIAL STATEMENTS ..... 8

SUPPLEMENTARY INFORMATION ..... 24

    DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ..... 25

    DEBT SERVICE FUND EXPENDITURE DETAILS – BUDGET AND ACTUAL ..... 26

    CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL ..... 27

    SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY ..... 28

    SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED ..... 29

OTHER SUPPLEMENTARY INFORMATION ..... 30

    CHANGE IN TOTAL OVERLAPPING MILL LEVY ..... 31

    HISTORICAL DEBT RATIOS ..... 32



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Mayfield Metropolitan District  
Adams County, CO

### Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Mayfield 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### 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 the financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Supplementary Information

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

### Other Information

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

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

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is written in a cursive style and is underlined with a single horizontal line.

Castle Pines, Colorado  
September 23, 2024

**MAYFIELD METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 150,405
Cash and investments – restricted	1,751,384
Accounts receivable	2,337
Accounts receivable – specific ownership taxes	3,622
Property taxes receivable	1,025,800
Prepaid expenses	-
<b>Total Assets</b>	<b>2,933,548</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	10
Accrued interest payable	625,574
Prepaid maintenance fees	-
Current portion of general obligation refunding bonds	60,000
General obligation refunding bonds	9,847,000
<b>Total Liabilities</b>	<b>10,532,584</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax revenue	1,025,800
<b>NET POSITION (DEFICIT)</b>	
Restricted:	
Emergency reserves	4,900
Debt service	1,029,116
Capital projects	720,037
Non-spendable	-
Unassigned:	(10,378,889)
<b>Net Position (Deficit)</b>	<b>\$ (8,624,836)</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the 12-Month Period Ended**  
**December 31, 2023**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Government Activities:</b>					
General government activities	\$ (68,967)	\$ 1,512	\$ -	\$ -	\$ (67,455)
Interest and related costs on long-term debt	(616,857)	-	-	-	(616,857)
Capital project activities	-	-	-	-	-
	<u>\$ (685,824)</u>	<u>\$ 1,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(684,312)</u>
<b>General Revenues</b>					
Property taxes					644,836
Specific ownership taxes					43,815
Net investment income					87,151
<b>Total general revenue</b>					<b>775,802</b>
Change in net position					91,490
					<u>(8,716,326)</u>
<b>Net Position (Deficit) – Beginning of Year (As Adjusted Per Note 6)</b>					<b>\$ (8,624,836)</b>
<b>Net Position (Deficit) – End of Year</b>					<b>\$ (8,624,836)</b>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
December 31, 2023**

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
<b>ASSETS</b>				
Cash and investments	\$ 150,405	\$ -	\$ -	\$ 150,405
Cash and investments - Restricted	4,900	1,026,447	720,037	1,751,384
Accounts receivable	2,337	-	-	2,337
Accounts receivable - specific ownership tax	953	2,669	-	3,622
Property taxes receivable	206,200	819,600	-	1,025,800
Prepaid expenses	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 364,795</b>	<b>\$ 1,848,716</b>	<b>\$ 720,037</b>	<b>\$ 2,933,548</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 10	\$ -	\$ -	\$ 10
Prepaid maintenance fees	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	206,200	819,600	-	1,025,800
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>206,210</b>	<b>819,600</b>	<b>-</b>	<b>1,025,810</b>
<b>FUND BALANCES</b>				
Restricted:				
Emergencies (TABOR)	4,900	-	-	4,900
Debt service	-	1,029,116	-	1,029,116
Capital projects	-	-	720,037	720,037
Non-spendable	-	-	-	-
Unrestricted	153,685	-	-	153,685
<b>TOTAL FUND BALANCES</b>	<b>158,585</b>	<b>1,029,116</b>	<b>720,037</b>	<b>1,907,738</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 364,795</b>	<b>\$ 1,848,716</b>	<b>\$ 720,037</b>	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

General obligation refunding bonds	(9,907,000)
Accrued interest payable	(625,574)
<b>Net position of governmental activities</b>	<b>\$ (8,624,836)</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**12-Month Period Ended**  
**December 31, 2023**

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
<b>REVENUES</b>				
Property taxes	\$ 169,699	\$ 475,137	\$ -	\$ 644,836
Specific ownership taxes	11,531	32,284	-	43,815
Covenant violation fine income	1,512	-	-	1,512
Other income	-	-	-	-
Net investment income	9,802	57,712	19,637	87,151
<b>Total Revenues</b>	<b>192,544</b>	<b>565,133</b>	<b>19,637</b>	<b>777,314</b>
<b>EXPENDITURES</b>				
General and administration	39,516	-	-	39,516
Landscaping maintenance	22,760	-	-	22,760
Other district expenses	6,691	-	-	6,691
Debt service				
Direct and indirect collection costs	-	40,480	-	40,480
Interest Expense - Series 2020A Bonds	-	410,340	-	410,340
Interest Expense - Series 2020B Bonds	-	-	-	-
Interest Expense - Series 2020C Bonds	-	-	-	-
Bond Principal – Series 2020A Bonds	-	5,000	-	5,000
Bond Principal – Series 2020B Bonds	-	-	-	-
Bond Principal – Series 2020C Bonds	-	-	-	-
<b>Total Expenditures</b>	<b>68,967</b>	<b>455,820</b>	<b>-</b>	<b>524,787</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>123,577</b>	<b>109,313</b>	<b>19,637</b>	<b>252,527</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Fund Transfers In / (Out)	(690,400)	-	690,400	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(566,823)</b>	<b>109,313</b>	<b>710,037</b>	<b>252,527</b>
<b>FIND BALANCES – BEGINNING</b>	<b>725,408</b>	<b>919,803</b>	<b>10,000</b>	<b>1,655,211</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 158,585</b>	<b>\$ 1,029,116</b>	<b>\$ 720,037</b>	<b>\$ 1,907,738</b>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
12-Month Period Ended  
December 31, 2023**

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

Net change in fund balances – Total government funds	\$	252,527
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal repayment on bonds		5,000
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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.

Decrease in accrued interest payable		(166,037)
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<b>Changes in net position of governmental activities</b>	<b>\$</b>	<b>91,490</b>
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These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
12-Month Period Ended  
December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 169,700	\$ 169,699	\$ (1)
Specific ownership taxes	12,800	11,531	(1,269)
Covenant violation fine income	1,500	1,512	12
Other income	-	-	-
Net investment income	3,000	9,802	6,802
<b>Total Revenues</b>	<u>187,000</u>	<u>192,544</u>	<u>5,544</u>
<b>EXPENDITURES</b>			
General and administration	50,000	39,516	10,484
Landscaping maintenance	82,800	22,760	60,040
Other district expenses	30,200	6,691	23,509
<b>Total Expenditures</b>	<u>163,000</u>	<u>68,967</u>	<u>94,033</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>24,000</u>	<u>123,577</u>	<u>99,577</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	(690,400)	(690,400)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(690,400)</u>	<u>(690,400)</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER</b>	<u>(666,400)</u>	<u>(566,823)</u>	<u>99,577</u>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	716,400	725,408	9,008
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 50,000</u>	<u>\$ 158,585</u>	<u>\$ 108,585</u>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT  
GENERAL FUND  
EXPENDITURE DETAILS - BUDGET AND ACTUAL  
12-Month Period Ended  
December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>GENERAL AND ADMINISTRATION</b>			
District management and accounting fees	\$ 41,800	\$ 48,320	\$ (6,520)
Administrative costs	3,500	1,320	2,180
Audit fees	7,200	7,150	50
Collection fees – County Treasurer	2,600	2,547	53
Board of Directors’ fees	3,500	3,600	(100)
Board training and conferences	3,000	-	3,000
Board election expenses	10,000	61	9,939
Insurance	3,800	2,868	932
Legal fees	5,000	-	5,000
Indirect Cost Allocation	(33,400)	(26,350)	(7,050)
Contingency	3,000	-	3,000
<b>Total General and Administration</b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 39,516</u></b>	<b><u>\$ 10,484</u></b>
<b>LANDSCAPING MAINTENANCE</b>			
Ground maintenance fees	\$ 18,700	\$ 12,668	\$ 6,032
Tree maintenance & replacement	3,000	-	3,000
Backflow maintenance	-	50	(50)
Sprinkler repairs	7,000	4,523	2,477
Sprinklers – water	30,000	-	30,000
Sprinklers – electricity	2,900	-	2,900
Perimeter fence maintenance	3,000	-	3,000
Grounds improvements	10,000	-	10,000
Monument sign maintenance	2,000	-	2,000
Property insurance	3,700	3,826	(126)
Miscellaneous landscape costs	2,500	1,693	807
<b>Total Landscaping Maintenance</b>	<b><u>\$ 82,800</u></b>	<b><u>\$ 22,760</u></b>	<b><u>\$ 60,040</u></b>
<b>OTHER DISTRICT EXPENSES</b>			
Snow removal	\$ 8,000	\$ 1,538	\$ 6,462
Newsletter publication costs	-	315	(315)
Seasonal decorations	-	600	(600)
Park and recreation events	8,000	365	7,635
Covenant enforcement services	13,200	3,873	9,327
Vandalism Costs	1,000	-	1,000
<b>Total Other District Expenses</b>	<b><u>\$ 30,200</u></b>	<b><u>\$ 6,691</u></b>	<b><u>\$ 23,509</u></b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

MAYFIELD METROPOLITAN DISTRICT  
**NOTES TO FINANCIAL STATEMENTS**  
12-Month Period Ended December 31, 2023

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Mayfield Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 18, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by City of Thornton (City) in February 2006 and amended with City approval on May 09, 2017. The District's service area is located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, sanitary sewer, storm drainage and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was also established to (1) maintain various open spaces within the District (not otherwise owned and maintained by the City), (2) maintain perimeter fencing, and (3) provide covenant enforcement and architectural review services.

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 organizations 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 organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the District are 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.

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

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

These notes are an integral part of the accompanying financial statements.

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 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 and specific ownership 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 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 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.

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

### **Budgets**

In accordance with Colorado State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate 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

These notes are an integral part of the accompanying financial statements.

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.

Investments are carried at fair value.

## **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.

On May 08, 2018, District voters authorized the District to assess property taxes up to \$1 million annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

The Service Plan establishes a Maximum Debt Mill Levy of 50 mills that can be assessed on property owners within the District to fund the District's debt repayment costs. The Maximum Debt Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2004. As of January 01, 2004, the ratio was 7.96%. The ratio for 2023 was 6.95%, which caused the Maximum Mill Levy for 2023 to be 57.266.

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

## **Specific Ownership Taxes**

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the County. In 2023, the District's share of Specific ownership taxes was equal to approximately 6.6% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

## **Collection Costs**

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include (a) operating and reporting compliance costs that protect the District's right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the

These notes are an integral part of the accompanying financial statements.

City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) costs related to managing the District's annual property tax assessment process and (d) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

Because the District provided few services to District residents in 2023, the District allocated indirect collection costs between its general fund (60% cost allocation) and its debt fund (40% cost allocation). Direct collection costs such as county treasurer collection fees are proportionally allocated to each fund on the basis of each property tax revenue allocable to each fund proportion to total property tax revenue assessed by the District.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2023 are comprised of property taxes due from Adams County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

### **Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District has 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.

Capital assets that are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets.

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

### **Equity**

#### **Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental

These notes are an integral part of the accompanying financial statements.

fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a 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 a 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 a 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 a 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 policy to use the most restrictive classification first.

### 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 – unrestricted	\$ 150,405
Cash and investments – restricted	1,751,384
<b>Total cash and investments</b>	<b><u>\$ 1,901,789</u></b>

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

Deposits with financial institutions	\$ 57,741
Investments	1,844,048
<b>Total cash and investments</b>	<b><u>\$ 1,901,789</u></b>

### 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

These notes are an integral part of the accompanying financial statements.

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 \$57,741.

## 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 listed 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 disclosure requirements or subject to 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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 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 purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2023, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 829,728
ColoTrust Plus+ (Colotruster)	Weighted Average Under 60 Days	1,014,320
<b>Total</b>		<b>\$ 1,844,048</b>

These notes are an integral part of the accompanying financial statements.

## CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

## COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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 repurchase agreements collateralized by certain obligations of U.S. government agencies. 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. No limitations exist on the District's ability to withdraw funds invested in Colotrust. Colotrust is rated AAAM by Standard & Poor's.

## NOTE 4 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2023:

	<b>Balance at Dec. 31, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at Dec. 31, 2023</b>	<b>Due within one year</b>
Series 2020A G.O. Bonds	\$ 7,135,000	\$ -	(\$ 5,000)	\$ 7,130,000	\$ 60,000
Accrued Interest – Series 2020A G.O. Bonds	34,240	410,264	( 410,340)	34,164	-
Series 2020B G.O. Bonds	1,244,000	-	-	1,244,000	-
Accrued Interest – Series 2020B G.O. Bonds	299,722	116,356	-	416,078	-
Series 2020C Second Sub Bonds	1,533,000	-	-	1,533,000	-
Accrued Interest – Series 2020C Junior Lien Bonds	125,575	49,757	-	175,332	-
<b>Total</b>	<b>\$ 10,371,537</b>	<b>\$ 576,377</b>	<b>(\$ 415,340)</b>	<b>\$ 10,532,574</b>	<b>\$ 60,000</b>

These notes are an integral part of the accompanying financial statements.

Details regarding the District's long-term obligations are as follows:

### Series 2020A General Obligation Refunding and Improvement Bonds (Senior Bonds)

On April 14, 2020, the District issued \$7,135,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A (the Senior Bonds). The stated interest rate on the Senior Bonds is 5.750%, and the Bonds are payable semi-annually on June 1 and December 1, beginning on June 01, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The Senior Bonds mature on December 1, 2050. In the event any amounts due and owing on the Senior Bonds remain outstanding on December 16, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Senior Bonds were used as follows:

Bond proceeds	\$	7,135,000
Less:		
Capitalized interest costs	(	820,525)
Funds restricted for the Senior Reserve Fund	(	596,613)
Underwriter's discount	(	142,700)
Legal, accounting and other costs of issuance	(	205,280)
<b>Net bond proceeds available for funding costs of public improvements within and without the District</b>	<b>\$</b>	<b>5,369,882</b>

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Amounts on deposit in the Senior Reserve Fund and, prior to the Conversion Date, amounts on deposit in the Senior Surplus Fund also secure payment of the Senior Bonds. Available Senior Pledged Revenue, if any, is to be first accumulated in the Senior Reserve Fund up to \$596,613 ("Required Reserve") and second accumulated in the Senior Surplus Fund up to \$713,500 ("Maximum Surplus Amount").

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on June 01, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
June 01, 2025, to May 31, 2026	3.0%	\$ 213,900
June 01, 2026, to May 31, 2027	2.0%	\$ 142,600
June 01, 2027, to May 31, 2028	1.0%	\$ 71,300
June 01, 2028, and thereafter	0.0%	\$ -

Outstanding bond principal and interest on the Senior Bonds mature as follows:

These notes are an integral part of the accompanying financial statements.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 60,000	\$ 409,975	\$ 469,975
2025	65,000	406,525	471,525
2026	75,000	402,788	477,788
2027	80,000	398,475	478,475
2028	95,000	393,875	488,875
2029-2033	630,000	1,876,802	2,506,802
2034-2038	975,000	1,658,301	2,633,301
2039-2043	1,440,000	1,327,101	2,767,101
2044-2048	2,070,000	845,251	2,915,251
2049-2050	1,640,000	159,850	1,799,850
<b>Total</b>	<b>\$ 7,130,000</b>	<b>\$ 7,878,943</b>	<b>\$ 15,008,943</b>

The District's detail debt service schedule for its Senior Bonds is provided on page 25.

### **Series 2020B Subordinate Limited Tax G.O. Bonds (Subordinate Bonds)**

On April 14, 2020, the District issued \$1,244,000 Subordinate General Obligation Limited Tax Bonds, Series 2020B (the Subordinate Bonds). The stated interest rate on the Subordinate Bonds is 8.25% per annum, and the Bonds are payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amounts due and owing on the Subordinate Bonds remain outstanding on December 15, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Subordinate Bonds were used as follows:

Bond proceeds	\$ 1,244,000
Less:	
Underwriter's discount	( 37,320)
<b>Net bond proceeds available for funding costs of public improvements within and without the District</b>	<b>\$ 1,206,680</b>

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all Subordinate Property Taxes (generated by the imposition of the Subordinate Required Mill Levy);
- b) all Subordinate Specific Ownership Taxes (attributable to the Subordinate Required Mill Levy);
- c) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the terms of the Senior Indenture; and
- d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

These notes are an integral part of the accompanying financial statements.

Under the Subordinate Indenture, any amounts in the Senior Surplus Fund (which is funded up to the Maximum Surplus Amount) upon termination of such fund are pledged to the payment of the Subordinate Bonds.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on June 01, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
June 01, 2025, to May 31, 2026	3.0%	\$ 37,320
June 01, 2026, to May 31, 2027	2.0%	\$ 24,880
June 01, 2027, to May 31, 2028	1.0%	\$ 12,440
June 01, 2028, and thereafter	0.0%	\$ -

Per the 2020 Financial Forecast included with the Subordinate Bond Offering document, the Subordinate Bonds are projected to only be partially repaid by December 16, 2060. Interest payments per the 2020 Financial Forecast totaled \$11,695,834, **which equates to an annual net effective interest rate of 23.1%**. Per TABOR elections held on May 08, 2018, November 04, 2014 and May 02, 2006, the eligible voters within the District approved the issuance of debt with a net effective interest rate that cannot exceed 18%.

#### Events of Default – Series 2020A and 2020B G.O. Bonds

The following events are considered events of default under the Series 2020A and 2020B G.O. Bonds indenture of trust: (1) the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee, Bond Insurer or Bond Owners or (3) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

#### Series 2020C Second Subordinate Bonds (Second Subordinate Bonds)

On May 04, 2020, the District issued \$1,533,000 Taxable Second Subordinate General Obligation Limited Tax Bonds, Series 2020C (“Second Subordinate Bonds”). The Second Subordinate Bonds accrue interest at the rate of 3.00% from the date of issuance to May 31, 2025 and an interest rate of 8.25% from June 01, 2025 to the maturity date of December 15, 2050. Interest is payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Second Subordinate Pledged Revenue is available, if any.

The Second Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Second Subordinate Bonds compounds annually on each December 15. In no event is any principal or interest to be paid on the Second Subordinate Bonds until the Subordinate Bonds, and to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations, have been paid in full or defeased.

These notes are an integral part of the accompanying financial statements.

The Second Subordinate Bonds are secured by and payable from Junior Lien Pledged Revenue, net of any costs of collection, which includes:

- a) all Junior Lien Property Taxes (generated by the imposition of the Junior Lien Required Mill Levy);
- b) all Junior Lien Specific Ownership Taxes (attributable to the Junior Lien Required Mill Levy);
- c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

The Second Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on June 01, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
June 01, 2025, to May 31, 2026	3.0%	\$ 45,990
June 01, 2026, to May 31, 2027	2.0%	\$ 30,660
June 01, 2027, to May 31, 2028	1.0%	\$ 15,330
June 01, 2028, and thereafter	0.0%	\$ -

Per the 2020 Financial Forecast included with the Series 2020 Senior and Subordinate Bonds Offering documents, future projected Subordinate Pledged Revenue will not be sufficient to repay in full accrued interest on the Subordinate Bonds by December 2060 and will not be sufficient to make any principal payments towards the Second Subordinate Bonds.

On June 08, 2023, the District notified the holder of the District’s \$1,533,000 Second Subordinate Bonds – Century Communities, Inc, Century at Mayfield, LLC and Century Communities Investments, LLC (collectively, “Century”) – that the District repudiates the Second Subordinate Bonds because, in summary, (1) per the bond’s public offering documents, the District is projected to generate no revenue over the next 40 years to repay the Second Subordinate Bonds and (2) Article XI Section 6 of the Colorado Constitution states, “No political subdivision of the state shall contract any general obligation debt by loan in any form, whether individually or by contract pursuant to article XIV, section 18 (2)(a) of this constitution except by ... providing for the levy of a tax which together with such other revenue, assets, or funds as may be pledged shall be sufficient to pay the interest and principal of such debt.”

**Events of Default – Series 2020C Secon Subordinate Bonds**

The following events are considered events of default under the Second Subordinate Bonds indenture of trust: (1) the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee, Bond Insurer or Bond Owners or (3) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

These notes are an integral part of the accompanying financial statements.

## Debt Authorization

### Debt Authorization – Service Plan

The District's Amended and Restated Service Plan, which was approved by the City of Thornton on May 09, 2017, authorizes the District to issue up to \$12 million in debt over a term not to exceed 40 years. The repayment of the District's debt can exceed 40 years if the majority of the District's Board are residents of the District and the District's Board has voted in favor of refunding a part or all of the District's debt (which must result in a net present value savings).

The District's Amended and Restated Service Plan also establishes a Maximum Mill levy the District is permitted to impose on taxable property within the District for the payment of debt. As long as the District's total outstanding debt exceeds 50% of the assessed valuation of all taxable property within the District, the Maximum Debt Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 1, 2004. As of January 1, 2004, the ratio was 7.96%. The ratio for 2023 was 6.95%, which caused the District's Maximum Mill Levy for debt service for 2023 to be 57.266.

As of December 31, 2023, total remaining debt issuance authorization under the District's Amended and Restated Service Plan is as follows:

Authorized maximum debt issuance per Service Plan	\$ 12,000,000
Less:	
2020A Senior Bonds	( 7,135,000)
2020B Subordinate Bonds	( 1,244,000)
2020C Junior Lien Bonds	( 1,533,000)
<b>Unused, authorized debt issuance as of Dec. 31, 2023</b>	<b>\$ 2,088,000</b>

### Debt Authorization – TABOR

On November 1, 2005, the District's authorized the issuance of indebtedness in an amount not to exceed \$5,100,000 for infrastructure improvements and operations at an interest rate not to exceed 18% and \$5,000,000 for refunding the District's debt.

On November 4, 2014, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$30,000,000 for infrastructure improvements and operations at an interest rate not to exceed 18% and \$6,000,000 for refunding the District's debt.

The District's authorized but unissued indebtedness in the following amounts allocated for the following purposes is as follows:

	Authorized May 2006 Election	Authorized Nov. 2014 Election	Authorized May 2018 Election	Total Voter Authorization
Street improvements	\$ 2,970,000	\$ 5,500,000	\$ 18,000,000	\$ 26,470,000
Park and recreational facilities	2,475,000	5,500,000	18,000,000	25,975,000
Sanitation facilities	55,000	5,500,000	18,000,000	23,555,000
Water supply facilities	-	5,500,000	18,000,000	23,500,000
Intergovernmental agreements	-	5,500,000	18,000,000	23,500,000
Operations and maintenance	100,000	5,500,000	18,000,000	23,600,000

These notes are an integral part of the accompanying financial statements.

<b>Subtotal</b>	<b>5,600,000</b>	<b>33,000,000</b>	<b>108,000,000</b>	<b>146,600,000</b>
Refunding of debt	5,500,000	5,500,000	18,000,000	29,000,000
<b>Total</b>	<b>\$ 11,100,000</b>	<b>\$ 38,500,000</b>	<b>\$126,000,000</b>	<b>\$175,600,000</b>

	<b>Total Voter Authorization</b>	<b>2020 A &amp; B Bonds</b>	<b>2020 Second Subordinate Bonds</b>	<b>Remaining Authorization</b>
Street improvements	\$ 26,470,000	(\$5,254,274)	(\$ 961,308)	\$ 20,254,418
Park and recreational facilities	25,975,000	( 790,990)	( 144,718)	25,039,292
Sanitation facilities	23,555,000	( 906,530)	( 165,856)	22,482,614
Water supply facilities	23,500,000	( 1,427,206)	( 261,118)	21,811,676
Intergovernmental agreements	23,500,000	-	-	23,500,000
Operations and maintenance	23,600,000	-	-	23,600,000
<b>Subtotal</b>	<b>146,600,000</b>	<b>( 8,379,000)</b>	<b>( 1,533,000)</b>	<b>136,688,000</b>
Refunding of debt	29,000,000	-	-	29,000,000
<b>Total</b>	<b>\$175,600,000</b>	<b>(\$8,379,000)</b>	<b>(\$ 1,533,000)</b>	<b>\$165,688,000</b>

Per C.R.S 32-1-1101(2), the remaining, unused debt issuance authorization obtained from the District’s electors will expire as follows:

- \$1,639,292 will expire in May 2026 - 20 years after the original debt authorization election.
- \$27,048,708 will expire in November 2034 - 20 years after the original debt authorization election.
- \$108,000,000 will expire in May 2038 - 20 years after the original debt authorization election.
- Debt refunding authorization will expire when the District’s current general obligation debt is paid down to a balance of \$400,000 or less

## NOTE 5 – CONTINGENT OBLIGATIONS

The District has entered into one contingent obligation agreement with the Developer (as defined in Note 7). The District has neither registered nor filed a notice of claim of exemption regarding this contingent obligation agreement with the Colorado Securities Commissioner (“Commissioner”). Interpretative Order No. 06-IN-001 issued by the Commissioner provides that neither a registration application nor notice of claim of exemption is required to be filed with the Commissioner for a contractual obligation to repay a developer for advanced funds if such obligation provides that it is not transferable. This contingent obligation agreement is not transferrable to third parties. The contingent obligations of the District contemplated in the agreement identified below is subject to annual appropriation and is not a multiple-fiscal year obligation for the purposes of Article X, Section 20 of the Colorado Constitution. The following contingent obligations exist, but are not necessarily owing, as of December 31, 2023:

**Infrastructure Acquisition and Funding Agreement.** Pursuant to the Infrastructure Acquisition and Funding Agreement entered into on March 09, 2020 (the IAF Agreement) between the District and Century at Mayfield, LLC (the Developer), the Developer agreed to design, construct and complete certain public improvements to serve the development within the District’s service area. In exchange, the District agreed to acquire such improvements from the Developer and, subject to written certification by an independent public accountant, professional engineer, appraiser or valuation consultant substantiating the amount of such costs, to pay the Developer for the costs of such improvements.

These notes are an integral part of the accompanying financial statements.

The District has neither registered nor filed a notice of claim of exemption regarding this contingent obligation agreement with the Colorado Securities Commissioner. This contingent obligation agreement is not transferrable to third parties. The contingent obligations of the District arising from the IAF Agreement are subject to annual appropriation and are not multiple-fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution. Per the terms of the IAF Agreement, any decision by the District to appropriate payment of any funds to the Developer is purely discretionary and non-obligatory.

In the event that the District has not paid the Developer for any portion of the contingent obligations created under this IAF Agreement by March 09, 2060 (40 years from the date the IAF Agreement was executed), any contingent obligations outstanding on such date shall be deemed to be forever discharged and satisfied in full.

In 2020, the Developer submitted to the District requests for funding under IAF Agreement totaling \$10,365,829 for public infrastructure the Developer installed in (1) phases 1 and 2 of the 4-phase development plan for the Mayfield Subdivision, (2) improvements to Quebec Street and (3) a portion of the overall erosion control plan for the development. The District paid the Developer \$8,109,563 (comprised of cash totaling \$6,576,563 and the 2020 Second Subordinate Bonds with a face value of \$1,533,000) from the net 2020 Bond proceeds.

Per the amended Developer Agreement with the City of Thornton recorded with the Adams County Clerk & Recorder’s Office on November 01, 2016 at Reception #2016000093433, the Developer’s budget for installing all public infrastructure within the District is as follows:

Construction Phase	Developer’s Budgeted Cost
Phase 1	\$ 3,451,019
Phase 2	1,187,430
Phase 3	930,612
Phase 4	1,049,615
Erosion Control	529,561
Quebec Street	551,409
<b>Total</b>	<b>\$ 7,699,645</b>

The Developer’s budgeted cost per the amended Developer Agreement with the City of Thornton for (1) phases 1 and 2 of the 4-phase development plan for the Mayfield Subdivision, (2) improvements to Quebec Street and (3) a portion of the overall erosion control plan for the development totaled \$5,719,418. Payments to the Developer under the IAF Agreement exceeded budgeted costs by \$2,390,145 (or 41.8%).

On June 08, 2023, the District notified Century that the District will remit no additional funds to Century under the IAF Agreement because payments from the District (while the District’s board was controlled by Century) to Century under the IAF Agreement exceeded budgeted costs by \$2,390,145 (or 41.8%). The District reserved its right to initiate legal action against Century if appropriate.

**NOTE 6 – NET POSITION (DEFICIT)**

**Correction of Beginning Balances**

As of December 31, 2022, accrued interest on the 2020A G.O. Bonds was overstated by \$625,299. Amounts in Note 4 have been adjusted through beginning Net Position.

These notes are an integral part of the accompanying financial statements.

The effect of this adjustment is as follows:

Net deficit - December 31, 2022, as originally stated	(\$ 9,341,925)
Reconciliation of accrued interest	( 625,599)
<b>Net deficit - December 31, 2022, as restated</b>	<b><u>(\$ 8,716,326)</u></b>

### **Non-Spendable Net Position**

The District's non-spendable net position as of December 31, 2023 in the general fund, debt service fund and capital project fund totaled \$0, \$0 and \$0, respectively.

### **Restricted Net Position**

The District's restricted net position as of December 31, 2023 in the general fund, debt service fund and capital project fund totaled \$4,900, \$1,029,116 and \$720,037, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 9 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2020 Bonds. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction of public infrastructure.

### **Unassigned Net Position**

The District's unassigned net position as of December 31, 2023 totaled (\$10,378,889). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Thornton and the District.

## **NOTE 7 – RELATED PARTIES**

For the 12-month period ended December 31, 2023, all directors serving on the District's 5-member Board reported no conflicts of interest related to their service on the Board.

All undeveloped land located within the District's boundaries is owned and developed by Century at Mayfield, LLC (the Developer), a wholly owned subsidiary of Century Communities, Inc. Prior to May 05, 2020, the District's board was comprised of three directors – all of whom were employees of the Developer. To qualify themselves to serve as directors on the District's board, all three directors relied on land purchase contracts they entered into with the Developer on or around October 2017. In 2020, these three directors approved purchasing public infrastructure constructed by the Developer for \$8,109,563.

Issuance of the Second Subordinate Bonds was approved by the District's board in 2020 when all such directors were employees of the District's largest contractor, Century at Mayfield, LLC. The Second Subordinate Bonds were purchased by Century Communities Investments, LLC, a company controlled by the same ownership group that owns and controls Century at Mayfield, LLC (CenturyLLC).

These notes are an integral part of the accompanying financial statements.

## **NOTE 8 – 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 (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 9 – 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 May 8, 2018, District voters authorized the District to assess property taxes at no more than \$1,000,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

These notes are an integral part of the accompanying financial statements.

## SUPPLEMENTARY INFORMATION

**MAYFIELD METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
12-Month Period Ended  
December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 475,100	\$ 475,137	\$ 37
Specific ownership taxes	35,600	32,284	(3,316)
Net investment income	7,500	57,712	50,212
<b>Total Revenues</b>	<u>518,200</u>	<u>565,133</u>	<u>46,933</u>
<b>EXPENDITURES</b>			
Direct and indirect collection costs	70,000	40,480	29,520
Debt service			
Interest Expense - Series 2020A Bonds	410,300	410,340	(40)
Interest Expense - Series 2020B Bonds	-	-	-
Interest Expense - Series 2020C Bonds	-	-	-
Bond Principal – Series 2020A Bonds	5,000	5,000	-
Bond Principal – Series 2020B Bonds	-	-	-
Bond Principal – Series 2020C Bonds	-	-	-
<b>Total Expenditures</b>	<u>485,300</u>	<u>455,820</u>	<u>29,480</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>32,900</u>	<u>109,313</u>	<u>76,413</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>32,900</u>	<u>109,313</u>	<u>76,413</u>
<b>FUND BALANCE – BEGINNING</b>	<u>687,900</u>	<u>919,803</u>	<u>231,903</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 720,800</u>	<u>\$ 1,029,116</u>	<u>\$ 308,316</u>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
COLLECTION COST DETAILS - BUDGET AND ACTUAL  
12-Month Period Ended  
December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>DIRECT AND INDIRECT COLLECTION COSTS</b>			
Collection fees – County Treasurer	\$ 7,200	\$ 7,130	\$ 70
Indirect Collection Cost Allocation	33,400	26,350	7,050
Legal fees	20,000	-	20,000
Bond paying agent fees	7,000	7,000	-
Miscellaneous	2,400	-	2,400
<b>Total Direct and Indirect Collection Costs</b>	<b>\$ 70,000</b>	<b>\$ 40,480</b>	<b>\$ 29,520</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**MAYFIELD METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
12-Month Period Ended  
December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Net investment income	\$ -	\$ 19,637	\$ 19,637
Facility fees	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>19,637</u>	<u>19,637</u>
<b>EXPENDITURES</b>			
General and administrative fees	-	-	-
Capital projects			
Major capital projects	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>19,637</u>	<u>19,637</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	690,400	690,400	-
<b>Total Other Financing Sources (Uses)</b>	<u>690,400</u>	<u>690,400</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER</b>	690,400	710,037	(19,637)
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>FUND BALANCE – END OF YEAR</b>	<u><u>\$ 700,400</u></u>	<u><u>\$ 720,037</u></u>	<u><u>\$ (19,637)</u></u>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

MAYFIELD METROPOLITAN DISTRICT  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
 December 31, 2023

The District's repayment schedule for its Series 2020A general obligation bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2024	60,000	409,975	5.75%	469,975
2025	65,000	406,525	5.75%	471,525
2026	75,000	402,788	5.75%	477,788
2027	80,000	398,475	5.75%	478,475
2028	95,000	393,875	5.75%	488,875
2029	100,000	388,413	5.75%	488,413
2030	115,000	382,663	5.75%	497,663
2031	125,000	376,050	5.75%	501,050
2032	140,000	368,863	5.75%	508,863
2033	150,000	360,813	5.75%	510,813
2034	165,000	352,188	5.75%	517,188
2035	175,000	342,700	5.75%	517,700
2036	195,000	332,638	5.75%	527,638
2037	210,000	321,425	5.75%	531,425
2038	230,000	309,350	5.75%	539,350
2039	245,000	296,125	5.75%	541,125
2040	270,000	282,038	5.75%	552,038
2041	285,000	266,513	5.75%	551,513
2042	310,000	250,125	5.75%	560,125
2043	330,000	232,300	5.75%	562,300
2044	360,000	213,325	5.75%	573,325
2045	380,000	192,625	5.75%	572,625
2046	415,000	170,775	5.75%	585,775
2047	440,000	146,913	5.75%	586,913
2048	475,000	121,613	5.75%	596,613
2049	500,000	94,300	5.75%	594,300
2050	1,140,000	65,550	5.75%	1,205,550
	<b>\$ 7,130,000</b>	<b>\$ 7,878,943</b>		<b>\$ 15,008,943</b>

The original face value of these bonds totaled \$7,130,000. Interest is payable each year on June 1<sup>st</sup> and December 1<sup>st</sup>, and principal payments are due each year on December 1<sup>st</sup>.

No debt-to-maturity schedule is provided for the Series 2020B Subordinate Bonds and the Series 2020C Secondary Subordinate Bonds because such obligations are payable from subordinate pledged revenue, if and when such revenue is available to repay these bonds.

MAYFIELD METROPOLITAN DISTRICT  
**SUMMARY OF ASSESSED VALUATION,  
MILL LEVY AND PROPERTY TAXES COLLECTED**  
December 31, 2023

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2020	\$ 3,711,870	90.277	-	\$ 335,096	\$ 335,097	100.0%
2021	4,582,620	37.031	55.664	424,800	424,585	99.95%
2022	7,048,440	24.076	55.664	562,000	562,052	100.0%
2023	8,296,970	20.453	57.266	644,800	664,473	103.05%
2024	13,797,630	14.945	59.403	1,025,800	[TBD]	[TBD]

**NOTE A:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

## OTHER SUPPLEMENTARY INFORMATION

MAYFIELD METROPOLITAN DISTRICT  
**CHANGE IN TOTAL OVERLAPPING MILL LEVY**  
 December 31, 2023

	2022 Mill Levy *	2023 Mill Levy **	Change
Mayfield Metropolitan District	79.740	74.348	(5.392)
Adams 12 Five Star School District	68.677	61.760	(6.917)
Adams County	27.069	26.835	(0.234)
City of Thornton	10.210	10.210	0.000
Rangeview Library District	3.689	3.653	(0.036)
North Metro Fire District – Bond	1.400	0.000	(1.400)
Urban Drainage and Flood Control	0.900	0.900	0.000
Urban Drainage and Flood Control – South Platte	0.100	0.100	0.000
<b>Total Mill Levy</b>	<b>191.785</b>	<b>177.806</b>	<b>(13.979)</b>

\* -- For property tax collections in 2023

\*\* -- For property tax collections in 2024

MAYFIELD METROPOLITAN DISTRICT  
**HISTORICAL DEBT RATIOS**  
 December 31, 2023

	2019	2020	2021	2022	2023
General Obligation Bonds	\$ -	\$ 9,912,000	\$ 9,912,000	\$ 9,912,000	\$ 9,907,000
Accrued, unpaid interest - Bonds	\$ -	\$ 353,329	\$ 919,177	\$ 1,085,136	\$ 625,574
Other TABOR debt	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	\$ -	(\$1,097,881)	(\$ 922,653)	(\$ 917,414)	(\$1,026,597)
Combined assessed property values within the District	\$ 3,711,870	\$ 4,582,620	\$ 7,048,440	\$ 8,296,970	\$ 13,797,630
Ratio of debt to assessed property values	N/A	200.0%	140.6%	121.5%	68.9%