

SPRING MESA METROPOLITAN DISTRICT

8390 E. Crescent Pkwy, Suite 300

Greenwood Village, CO 80111

303-779-5710

www.springmesa.org

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: Thursday, August 17, 2023

TIME: 6:00 p.m.

LOCATION: West Woods Community Station
6644 Kendrick Drive
Arvada, CO 80007

You can also attend the meeting in the following ways:

1. To attend via Microsoft Teams, use the link below:

ACCESS:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NTI5MzVjMTUtM2JmZC00MTQ4LTk2NzMtODgyNjFjYWYyYTRm%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%227e93cd08-3bae-48d3-b32e-d8f57cd88c24%22%7d

2. To attend via telephone, dial 1-720-547-5281 and enter the following additional information:

Phone Conference ID: 691 981 073#

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Jo Gentry	President	May 2025
Wayne Harris	Secretary	May 2025
Lawrence Seidl	Treasurer	May 2027
Georgia Magnera	Assistant Secretary	May 2027
Vacant	Assistant Secretary	May 2027

I. ADMINISTRATIVE MATTERS

- A. Call to order and approval of agenda.
- B. Confirm quorum, location of meeting and posting of meeting notices.

C. Public comment.

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

II. CONSENT AGENDA

The items listed below are a group of items to be acted on with a single motion and vote by the Board to expedite the handling of limited routine matters. The Board has received the information on these matters prior to the meeting. An item may be removed from the Consent Agenda to the regular agenda, if desired. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.

- A. Approve Minutes of the June 15, 2023 Special Meeting (enclosure).
- B. Ratify approval of the Interim Check List in the amount of \$52,865.71 (enclosure).
- C. Ratify approval of Agreement for Services with TLC Land Care, Inc. (enclosure).

III. FINANCIAL MATTERS

- A. Review and consider acceptance of Unaudited Financial Statements for the period ending June 30, 2023 (enclosure).
- B. Review and consider acceptance of the 2022 Audited Financial Statements and authorize execution of management representations letter (to be distributed).

IV. DIRECTOR MATTERS

- A. Update on landscape and pond maintenance services.
 - 1. Discuss landscape services for 2024.
- B. Update on underdrain cleaning services for 2023.
- C. Update on fire mitigation for native open space.
- D. Update on irrigation system replacement and funding.
- E. Update on internet cable installation and impact on irrigation system.
- F. Discuss and consider resident request to remove trees on District property due to obstruction of view from their home.
- G. Discuss and consider resident request to install trees on West 77th Drive in District property.

H. Discuss responsibility to maintain the tree lawns on W. 76th Drive and W. 77th Drive.

V. LEGAL MATTERS

A. Update regarding recent legislation (enclosure).

VI. MANAGER MATTERS

VII. OTHER BUSINESS

VIII. ADJOURNMENT

The next regular meeting is scheduled for Thursday, November 9, 2023 at 6:00 p.m.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
SPRING MESA METROPOLITAN DISTRICT (THE “DISTRICT”)
HELD
JUNE 15, 2023

A special meeting of the Board of Directors of the Spring Mesa Metropolitan District (referred to hereafter as the “Board”) was convened on Thursday, June 15, 2023, at 6:00 p.m. at West Woods Community Station, 6644 Kendrick Drive, Arvada, Colorado 80007 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Wayne Harris
Jo Gentry
Lawrence Seidl
Georgia Magnera

Also, In Attendance Were:

Lisa Johnson, Alex Clem and Yelena Primachenko; CliftonLarsonAllen LLP
Jerry Gentry, Jamie Knight and Rich Sheehan; Members of the Public

ADMINISTRATIVE MATTERS

Call to order and agenda: Ms. Johnson called the meeting to order at 6:04 p.m. Following review, upon a motion duly made by Director Gentry, seconded by Director Harris and, upon vote, unanimously carried, the Board approved the agenda, as amended to include discussion of Bill.com approvals.

Quorum, location of meeting and posting of meeting notices: A quorum was confirmed with the location of the meeting and posting of the meeting notice.

Public comment: None.

Results of the May 2, 2023 Directors’ election and Board Vacancy: Ms. Johnson discussed the results of the May 2, 2023 Directors’ election with the Board. It was noted that the Board has not received any letters of interest for the Board vacancy at this time.

Appointment of officers: Following discussion, upon motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the following slate of officers were appointed for the District:

President: Jo Gentry
Secretary: Wayne Harris

RECORD OF PROCEEDINGS

Treasurer: Lawrence Seidl
 Assistant Secretary: Georgia Magnera
 Assistant Secretary: Vacant

CONSENT AGENDA

Minutes of the April 6, 2023 regular meeting:

Interim Check List in the Amount of \$21,057.06:

Work Orders for Irrigation at 72nd and Quaker Street from Nu Style Landscape and Development LLC:

Upon a motion duly made by Director Gentry, seconded by Director Harris and, upon vote, unanimously carried, the Board approved and/or ratified approval of the Consent Agenda items.

FINANCIAL MATTERS

Unaudited Financial Statements for the period ending April 30, 2023: Ms. Primachenko reviewed the Financial Statements with the Board. Following review, upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board accepted the Unaudited Financial Statements for the period ending April 30, 2023, as presented.

2022 audit filing extension: Ms. Primachenko provided an update to the Board regarding the 2022 audit, noting it may not be ready for filing by the July 31st deadline. Following discussion, upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board authorized the 2022 audit filing extension, if needed.

Bill.com approvals: The Board discussed Bill.com approvals and determined to allow all Board members to have access and approve bills in Bill.com.

DIRECTOR MATTERS

Landscape and pond maintenance services: Director Harris provided an update to the Board regarding pond maintenance, noting that one pump was replaced in spring 2023. He noted that one of the pumps stopped working when he started the ponds and believes the line needs to be cleaned. Ms. Johnson noted she will provide contact information to Director Harris of a contractor that may be able to repair this issue.

Director Gentry provided an update to the Board regarding landscape services to date, noting that over 20 dead trees have been removed and the rock bed at 72nd and Quaker Street is currently being restored. Discussion ensued regarding possible installation of a solar light at the Spring Mesa sign. Director Siedl will research the viability of a solar light at this location. No action was taken.

Ms. Knight addressed the Board regarding the current landscape maintenance

RECORD OF PROCEEDINGS

services, noting particular issues with trash services, fertilization, edging and trimming. She cautioned the Board regarding contracting other companies to provide these services and supported the installation of the solar light at the Spring Mesa sign. Director Seidl noted his support of Ms. Knight's concerns and Director Gentry acknowledged the concerns expressed.

Underdrain cleaning services for 2023: Director Harris provided an update to the Board regarding underdrain cleaning services for 2023, noting that the cleanout of the underdrain is beginning to fail. He recommended replacing the cleanout at this time, and he has received bids from Plumb Pro to mitigate this issue. He noted he will solicit additional proposals for this work for Board consideration at a future meeting.

Fire mitigation for native open space: Directors Gentry and Magnera provided an update to the Board regarding fire mitigation for native open space, noting that they attended a few meetings with the City of Arvada, Jefferson County, Fire Protection Districts, etc. to gather information regarding ways to reduce the potential fire risk in the community. They stated they distributed an email to residents summarizing the information gathered at their meetings. Director Gentry noted she has requested that Nu Style Landscape and Development LLC mow a ten-foot band on District property that backs to open space as soon as possible and again in July to be re-evaluated in September.

Irrigation system replacement and funding: Director Gentry provided an update to the Board regarding irrigation system replacement and funding, noting she has not been successful in obtaining any additional bids at this time. She stated she will work to solicit further proposals.

Internet cable installation and impact on irrigation system: Ms. Johnson provided an update to the Board regarding her conversation with Comcast regarding the internet cable installation work being done in the community.

LEGAL MATTERS

None.

MANAGER MATTERS

None.

OTHER BUSINESS

It was noted that the August 10, 2023 regular meeting will be cancelled and a special meeting has been scheduled for August 17, 2023 at 6:00 p.m.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Gentry, seconded by Director Magnera and, upon vote, unanimously carried, the Board adjourned the meeting at 8:06 p.m.

RECORD OF PROCEEDINGS

Respectfully submitted,

Secretary for the Meeting

SPRING MESA METROPOLITAN DISTRICT

Check List

June 6, 2023 - August 4, 2023

<u>Check Number</u>	<u>Check Date</u>	<u>Payee</u>	<u>Invoice Number</u>	<u>Amount</u>
Bill.com payment	06/13/23	Xcel Energy	53-7870976-9 MAY23 #2	\$ 110.31
Bill.com payment	06/29/23	Spencer Fane LLP	1187658	1,270.60
Bill.com payment	06/30/23	CliftonLarsonAllen LLP	3723929 - Management, April	2,666.77
Bill.com payment	06/30/23	CliftonLarsonAllen LLP	3725360 - Accounting, April	1,542.71
Bill.com payment	06/30/23	Metco Landscape, Inc.	56982395	1,300.00
Bill.com payment	06/30/23	Metco Landscape, Inc.	56982396	1,650.00
Bill.com payment	06/30/23	Nu Style Landscape & Development, LLC	42191	3,093.00
Bill.com payment	06/30/23	Quantum Pump & Controls	Multiple	1,443.00
Bill.com payment	06/30/23	The Cutting Edge Landscaping Inc.	17224	2,079.00
Bill.com payment	07/05/23	City of Arvada	034933MAY23	21.52
Bill.com payment	07/05/23	City of Arvada	034932MAY23	31.58
Bill.com payment	07/05/23	City of Arvada	034930MAY23	36.80
Bill.com payment	07/05/23	City of Arvada	034931MAY23	51.70
Bill.com payment	07/05/23	City of Arvada	034936MAY23	71.82
Bill.com payment	07/05/23	City of Arvada	034934MAY23	71.82
Bill.com payment	07/05/23	City of Arvada	035437MAY23	87.10
Bill.com payment	07/05/23	City of Arvada	034935MAY23	253.09
Bill.com payment	07/05/23	City of Arvada	034928MAY23	978.57
Bill.com payment	07/05/23	City of Arvada	034929MAY23	1,335.70
Bill.com payment	07/07/23	Metco Landscape, Inc.	565823	560.00
Bill.com payment	07/10/23	Xcel Energy	53-7870976-9 JUNE23	1,099.44
Bill.com payment	07/13/23	CliftonLarsonAllen LLP	3765092 - Accounting, May	2,510.03
Bill.com payment	07/13/23	CliftonLarsonAllen LLP	3766514 - Management, May	2,929.32
Bill.com payment	07/13/23	Lawrence Seidl	Reimbursement	233.82
Bill.com payment	07/13/23	Nu Style Landscape & Development, LLC	Multiple	7,847.00
Bill.com payment	07/13/23	Spencer Fane LLP	1195662	1,426.00
Bill.com payment	07/18/23	TLC Land Care Inc.	44861	5,004.00
Bill.com payment	08/02/23	Spencer Fane LLP	1202778	185.00
Bill.com payment	08/03/23	Barnes Custom Products, Inc.	2540	130.00
Bill.com payment	08/03/23	CliftonLarsonAllen LLP	3803328 - Accounting, June	3,893.61
Bill.com payment	08/03/23	Jo Gentry	Reimbursement July23	69.67
Bill.com payment	08/03/23	Nu Style Landscape & Development, LLC	42985	3,093.00
Bill.com payment	08/03/23	Plumb Pros	231333	1,200.00
Bill.com payment	08/03/23	The Cutting Edge Landscaping Inc.	Multiple	4,498.44
Bill.com payment	08/03/23	Wayne Harris	Reimbursement July23	91.29
Bill.com payment				\$ 52,865.71

AGREEMENT FOR SERVICES

This Agreement for Services ("Agreement") is entered into and effective this 23 day of JUNE, 2023 by and between the Spring Mesa Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and TLC Land Care, Inc., a Colorado corporation ("Contractor").

1. The work or services to be provided by the Contractor to the District are generally as follows: tree and shrub removal services, as further described in **Exhibit A**, attached hereto and incorporated herein (the "Work"). The Work shall be rendered in a timely manner or as specified in the description of the Work. The term of this Agreement shall run through the completion of the Work unless otherwise terminated by the District as provided herein.
2. The total compensation due for the Work provided by Contractor shall be pursuant to **Exhibit A**. Contractor shall submit to the District by the first of each month detailed invoices of the Work performed and direct costs presented for reimbursement. Work performed in excess of the compensation amount above shall only be performed upon written authorization of authorized District personnel or the District Board of Directors.
3. The Contractor is an independent contractor and nothing herein contained shall constitute or designate the Contractor as an employee or agent of the District. The District is concerned only with the results to be obtained. **The District will not withhold any taxes or other amounts from any compensation paid to Contractor. The payment of any and all federal, state, and local taxes or other required withholdings shall be the sole responsibility of Contractor. Contractor is not entitled to Worker's Compensation benefits or unemployment insurance benefits.**
4. The Contractor shall indemnify, defend and hold harmless the District, its members, directors, officials and employees from and against any and all claims, demands, suits, actions, judgments, losses, damages, injuries, penalties, costs, expenses (including attorney's fees) and liabilities to the extent they are alleged to arise from the intentional misconduct or negligent acts or omissions of the Contractor or Contractor's sub-contractors and/or employees. The obligations of this indemnification shall survive termination of this Agreement.
5. Contractor shall carry insurance of the type and in the amounts as described in **Exhibit B** hereto. Proof of such insurance coverage shall be presented to the District prior to the performance of the Work. Nothing herein shall be deemed a waiver of immunity under § 24-10-101, *et seq.*, C.R.S.
6. The District may terminate this Agreement not-for-cause, in whole or in part, by delivering written notice of termination to Contractor specifying the extent and timing of such termination. The District shall pay Contractor for Work performed and materials actually provided to the District prior to such notice.
7. The Contractor shall be informed of and comply with all federal, state and local laws, ordinances and regulations and any applicable rules and regulations of the District.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

Spring Mesa Metropolitan District

By: *John Gentry*
President

^{Sic}
Land
TLC ~~Lawn~~ Care, Inc.

By: *Steven Rep*
owner

EXHIBIT A

Spring Mesa Metro District
Jo Gentry
7672 Yule court Arvada, 80007
303-456-6530

TLC Land Care
P.O. Box 1088 Arvada 80001
303-421-1233 (O)
720-333-6804 (Marco)

Price list for 2023.

Price is subject to change according to work required.

Removal & Disposal Fee(s).

Tree(s) & Pine(s). aka "Unit"

Under 6' height will be charged at a rate of \$75.00 per unit. Ground low level cut only.

Dig out area around base of unit and cut off below ground level, Rate charge is \$120.00 per unit.

Complete root ball removal a rate charge of \$120-200 per unit depending on amount of time.

Backfill soil included with root ball removal.

Units over 6' will have a \$2 per foot price increase.

Shrub(s)

Dig out of shrub(s) under 4' will have a rate charge of \$25 per unit.

Shrub(s) over the 4'. Will be assessed and charged at a rate of \$3 per foot over the 4' height rate charge.

Charge rate will include backfill soil. If soil is needed.

TLC will take care of any open or exposed of irrigation to said plant material.

There might be time(s) existing irrigation cannot be found or located.

TLC Land Care, T&M rate per project. Estimate of time will not be given for T&M work.

T&M (time and material) \$110.00 p/hr. T&M is for a 3-person crew. Rate will increase if extra crew are needed.

TLC Land Care will submit an estimate of work that Spring Mesa Metro District feels necessary.

All estimates provided by TLC will have Material. Tax. Delivery. Equipment. Install. Disposal. Fee(s).

TLC will provide a design sketch of work if required. Design sketch is used to help outline said work.

All design sketches will have a list of material used.

EXHIBIT B**CONTRACTOR'S INSURANCE REQUIREMENTS**

1. Worker's Compensation Insurance in accordance with applicable law.
2. Comprehensive general liability insurance in the amount of \$500,000 combined single limit bodily injury and property damage, each occurrence; \$1,000,000 general aggregate.
3. Automobile liability insurance in the amount of \$1,000,000 combined single limit bodily injury and property damage, each accident.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/10/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER SCHROCK INSURANCE AGENCY 8791 Wolff Ct. #210 Westminster, CO 80031	CONTACT NAME: PHONE (A/C, No, Ext): (303) 666-2130 FAX (A/C, No): (303) 991-2343 E-MAIL ADDRESS: colfromssia@comcast.net														
INSURED <b style="font-size: 1.2em;">TLC LANDCARE 8792 W. 75th Place Arvada, CO 80005	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center;">NAIC #</td> </tr> <tr> <td>INSURER A : Farmers Insurance Exchange</td> <td style="text-align: center;">21652</td> </tr> <tr> <td>INSURER B :</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D : Mid Century</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Farmers Insurance Exchange	21652	INSURER B :		INSURER C :		INSURER D : Mid Century		INSURER E :		INSURER F :	
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INSURER D : Mid Century															
INSURER E :															
INSURER F :															

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			606643254	1/7/2023	1/7/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPIOP AGG \$ 1,000,000 OTHER: \$
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	A04173317	1/25/2023	1/25/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER <div style="text-align: center; padding: 20px;">SAMPLE</div>	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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SPRING MESA METROPOLITAN DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2023

Spring Mesa Metro District
Balance Sheet - Governmental Funds
June 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Checking Account	\$ 29,290.60	\$ -	\$ -	\$ 29,290.60
Colotrust	301,666.55	236,956.27	103,649.39	642,272.21
UMB Bond Fund	-	527.84	-	527.84
Receivable from County Treasurer	103,136.61	122,544.90	-	225,681.51
Total Assets	<u>\$ 434,093.76</u>	<u>\$ 360,029.01</u>	<u>\$ 103,649.39</u>	<u>\$ 897,772.16</u>
Liabilities				
Accounts Payable	\$ 28,599.88	\$ -	\$ -	\$ 28,599.88
Total Liabilities	<u>28,599.88</u>	<u>-</u>	<u>-</u>	<u>28,599.88</u>
Fund Balances	<u>405,493.88</u>	<u>360,029.01</u>	<u>103,649.39</u>	<u>869,172.28</u>
Liabilities and Fund Balances	<u>\$ 434,093.76</u>	<u>\$ 360,029.01</u>	<u>\$ 103,649.39</u>	<u>\$ 897,772.16</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Spring Mesa Metro District
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 329,061.00	\$ 322,633.82	\$ 6,427.18
Specific ownership taxes	23,034.00	11,811.64	11,222.36
Interest income	2,900.00	5,384.05	(2,484.05)
Total Revenue	<u>354,995.00</u>	<u>339,829.51</u>	<u>15,165.49</u>
Expenditures			
Accounting	20,600.00	14,099.41	6,500.59
Auditing	4,700.00	-	4,700.00
County Treasurer's fee	4,936.00	4,839.98	96.02
Dues and membership	700.00	556.50	143.50
Insurance	6,719.00	6,588.00	131.00
District management	35,500.00	15,736.27	19,763.73
Legal	9,700.00	3,965.00	5,735.00
Miscellaneous	500.00	-	500.00
Irrigation repair	20,000.00	7,977.00	12,023.00
Election	5,000.00	1,723.18	3,276.82
Landscaping	67,600.00	13,521.00	54,079.00
Underdrain maintenance	5,000.00	1,200.00	3,800.00
Landscape projects	40,000.00	-	40,000.00
Pond maintenance	8,800.00	1,722.51	7,077.49
Open space maintenance	49,500.00	-	49,500.00
Snow removal	15,000.00	40.55	14,959.45
Utilities	40,000.00	5,194.69	34,805.31
Contingency	5,745.00	-	5,745.00
Total Expenditures	<u>340,000.00</u>	<u>77,164.09</u>	<u>262,835.91</u>
Other Financing Sources (Uses)			
Transfers to other fund	(50,000.00)	-	(50,000.00)
Total Other Financing Sources (Uses)	<u>(50,000.00)</u>	<u>-</u>	<u>(50,000.00)</u>
Net Change in Fund Balances	(35,005.00)	262,665.42	(297,670.42)
Fund Balance - Beginning	93,524.00	142,828.46	(49,304.46)
Fund Balance - Ending	<u>\$ 58,519.00</u>	<u>\$ 405,493.88</u>	<u>\$ (346,974.88)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

Spring Mesa Metro District
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 390,984.00	\$ 383,347.36	\$ 7,636.64
Specific ownership taxes	27,368.00	14,034.08	13,333.92
Interest income	3,100.00	4,741.78	(1,641.78)
Total Revenue	<u>421,452.00</u>	<u>402,123.22</u>	<u>19,328.78</u>
Expenditures			
County Treasurer's fee	5,865.00	5,750.78	114.22
Paying agent fees	3,500.00	3,500.00	-
Bond interest	251,700.00	125,850.00	125,850.00
Bond Principal	185,000.00	-	185,000.00
Contingency	435.00	-	435.00
Total Expenditures	<u>446,500.00</u>	<u>135,100.78</u>	<u>311,399.22</u>
Net Change in Fund Balances	(25,048.00)	267,022.44	(292,070.44)
Fund Balance - Beginning	92,901.00	93,006.57	(105.57)
Fund Balance - Ending	<u>\$ 67,853.00</u>	<u>\$ 360,029.01</u>	<u>\$ (292,176.01)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Spring Mesa Metro District
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest income	\$ 3,900.00	\$ 2,706.51	\$ 1,193.49
Total Revenue	<u>3,900.00</u>	<u>2,706.51</u>	<u>1,193.49</u>
Expenditures			
Pond Project	56,607.00	-	56,607.00
Total Expenditures	<u>56,607.00</u>	<u>-</u>	<u>56,607.00</u>
Other Financing Sources (Uses)			
Transfers from other funds	50,000.00	-	50,000.00
Total Other Financing Sources (Uses)	<u>50,000.00</u>	<u>-</u>	<u>50,000.00</u>
Net Change in Fund Balances	(2,707.00)	2,706.51	(5,413.51)
Fund Balance - Beginning	100,859.00	100,942.88	(83.88)
Fund Balance - Ending	<u>\$ 98,152.00</u>	<u>\$ 103,649.39</u>	<u>\$ (5,497.39)</u>

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SPRING MESA METROPOLITAN DISTRICT
Schedule of Cash Position
June 30, 2023
Updated as of August 4, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>First Bank - Checking Account</u>				
Balance as of 6/30/2023	\$ 29,290.60	\$ -	\$ -	\$ 29,290.60
Subsequent activities:				
7/5/2023 - City of Arvada autopay	(2,939.70)	-	-	(2,939.70)
7/7/2023 - Bill.com Payments	(560.00)	-	-	(560.00)
7/11/2023 - Xcel autopay	(1,099.44)	-	-	(1,099.44)
7/13/2023 - Bill.com Payments	(14,946.17)	-	-	(14,946.17)
7/18/2023 - Bill.com Payments	(5,004.00)	-	-	(5,004.00)
7/24/2023 - Transfer from ColoTrust	65,000.00	-	-	65,000.00
July Voucher Payables	(17,134.06)	-	-	(17,134.06)
Anticipated Balance	<u>52,607.23</u>	<u>-</u>	<u>-</u>	<u>52,607.23</u>
<u>60-day Cash Forecast</u>				
Emergency Reserve (per 2023 Budget)	(17,700.00)	-	-	(17,700.00)
<i>Est. Cash disbursement - August</i>	<i>(20,000.00)</i>	<i>-</i>	<i>-</i>	<i>(20,000.00)</i>
<i>Est. Cash disbursement - September</i>	<i>(25,000.00)</i>	<i>-</i>	<i>-</i>	<i>(25,000.00)</i>
<i>Est. Transfer from CT-Plus</i>	<i>20,000.00</i>	<i>-</i>	<i>-</i>	<i>20,000.00</i>
<i>Estimated cash available</i>	<u><i>9,907.23</i></u>	<u><i>-</i></u>	<u><i>-</i></u>	<u><i>9,907.23</i></u>
<u>CT - Plus</u>				
Balance as of 6/30/2023	\$ 301,666.54	\$ 236,956.28	\$ 103,649.39	642,272.21
Subsequent activities:				
7/10/2023 - June P/SO Tax	103,136.61	122,544.90	-	225,681.51
7/24/2023 - Transfer to 1st Bank	(65,000.00)	-	-	(65,000.00)
7/31/23 - Interest Income	1,664.93	1,307.79	572.05	3,544.77
Anticipated Balance	<u>341,468.08</u>	<u>360,808.97</u>	<u>104,221.44</u>	<u>806,498.49</u>
<u>60-day Cash Forecast</u>				
<i>Est. Cash receipts - August, Property/Specific Ownership Taxes, net of fees</i>	<i>3,327.00</i>	<i>3,953.04</i>	<i>-</i>	<i>7,280.04</i>
<i>Est. Transfer to 1st Bank checking</i>	<i>(20,000.00)</i>	<i>-</i>	<i>-</i>	<i>(20,000.00)</i>
<i>Estimated cash available</i>	<u><i>324,795.08</i></u>	<u><i>364,762.01</i></u>	<u><i>104,221.44</i></u>	<u><i>793,778.53</i></u>
<u>UMB 2015 Bond Fund</u>				
Balance as of 6/30/2023	-	527.84	-	527.84
Subsequent activities:				
7/31/23 - Interest Income	-	2.42	-	2.42
Anticipated Balance	<u>-</u>	<u>530.26</u>	<u>-</u>	<u>530.26</u>
Anticipated Balances	<u>\$ 334,702.31</u>	<u>\$ 365,292.27</u>	<u>\$ 104,221.44</u>	<u>\$ 804,216.02</u>

Yield information at 7/31/23:

CT - PLUS - 5.2860%

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**Spring Mesa Metropolitan District
Property Taxes Reconciliation
2023**

	Current Year						Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 2,607.57	\$ -	\$ 4,571.63	\$ -	\$ (39.11)	\$ 7,140.09	0.36%	0.36%	\$ 13,246.54	1.24%	1.24%
February	305,930.39	-	4,315.12	-	(4,588.96)	305,656.55	42.49%	42.85%	284,750.41	39.87%	41.11%
March	19,637.54	-	4,522.62	12.06	(294.74)	23,877.48	2.73%	45.58%	45,774.96	5.89%	47.00%
April	84,144.69	-	3,730.28	-	(1,262.17)	86,612.80	11.69%	57.26%	83,219.79	11.29%	58.29%
May	68,768.81	-	4,600.11	-	(1,031.53)	72,337.39	9.55%	66.81%	52,576.43	6.89%	65.18%
June	224,892.18	-	4,105.96	57.62	(3,374.25)	225,681.51	31.23%	98.05%	237,186.56	33.18%	98.36%
July	-	-	-	-	-	-	0.00%	98.05%	12,479.02	1.17%	99.53%
August	-	-	-	-	-	-	0.00%	98.05%	8,348.87	0.42%	99.95%
September	-	-	-	-	-	-	0.00%	98.05%	4,218.47	0.00%	99.96%
October	-	-	-	-	-	-	0.00%	98.05%	4,399.94	0.00%	99.96%
November	-	-	-	-	-	-	0.00%	98.05%	4,048.41	0.00%	99.96%
December	-	-	-	-	-	-	0.00%	98.05%	3,160.42	0.00%	99.96%
	\$ 705,981.18	\$ -	\$ 25,845.72	\$ 69.68	\$ (10,590.76)	\$ 721,305.82	98.05%	98.05%	\$ 753,409.82	99.96%	99.96%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
\$ 329,061	45.70%	\$ 322,633.83	98.05%
\$ 390,984	54.30%	383,347.35	98.05%
\$ 720,045	100.00%	\$ 705,981.18	98.05%

Mills Levied	Assessed Value
20.464	\$ 16,079,975
44.779	

Property Tax

General Fund
Debt Service Fund

Specific Ownership Tax

General Fund
Debt Service Fund

Treasurer's Fees

General Fund
Debt Service Fund

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SPRING MESA METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was originally formed as the Eldorado Hills Metropolitan District on April 16, 1991, as a quasi-municipal organization established under the State of Colorado Special District Act. The District legally changed its name to Spring Mesa Metropolitan District in September 2003.

The District is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on October 9, 1990, and as amended in March 2003. The District's service area is located in the City of Arvada, in Jefferson County, Colorado.

The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. Public improvements are to be dedicated to the City or retained by the District for the use and benefit of the District's inhabitants and taxpayers. The District consists of 272 residential units.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

SPRING MESA METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Operational expenditures in 2023 include open space, landscape, pond and underdrain maintenance, irrigation repair, utilities, snow removal and other maintenance/replacement projects. These expenditures are based on estimates of the District's Board of Directors and consultants.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

Debt and Leases

General Obligation Refunding Bonds, Series 2015

On December 11, 2015, the District issued \$7,420,000 of General Obligation Refunding Bonds, Series 2015 ("Bonds") for the purpose of refunding all of the District's outstanding Convertible Capital Appreciation Limited Tax General Obligation Bonds, Series 2006, and the Subordinate Limited Tax General Obligation Bonds, Series 2010 ("Refunded Bonds"), and paying the cost of issuing the Series 2015 Bonds. The Bonds bear interest between the rates of 2.00% - 4.25%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The Bonds are due December 1, 2044, and are subject to a mandatory sinking fund redemption commencing on December 1, 2023.

The Bonds maturing on or after December 1, 2026 are subject to an early redemption at the option of the District, in whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities on December 1, 2025, and on any date thereafter, at the redemption price equal to the principal amount to be redeemed plus accrued interest thereon to the date of redemption. The

SPRING MESA METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (continued)

Bonds constitute general obligations 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 of, interest, and premium, if any, on the Bonds without limitation as to rate and in an amount sufficient to pay the Bonds when due, subject to limitations imposed at the election authorizing the issuance of the Bonds.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

The District has provided for an emergency reserve fund equal to 5% of fiscal year spending. TABOR requires a 3% (of fiscal year spending) emergency reserve.

SPRING MESA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022

\$7,420,000

General Obligation Refunding Bonds, Series 2015

Dated December 11, 2015

Interest Rate Between 2.00% and 4.25%

Interest Payable June 1 and December 1

Principal Due December 1

	Principal		Interest		Total
2023	\$ 185,000	\$	251,700	\$	436,700
2024	190,000		244,300		434,300
2025	200,000		236,700		436,700
2026	205,000		228,700		433,700
2027	215,000		220,500		435,500
2028	220,000		211,900		431,900
2029	230,000		203,100		433,100
2030	240,000		193,900		433,900
2031	250,000		184,300		434,300
2032	260,000		173,675		433,675
2033	270,000		162,624		432,624
2034	285,000		151,149		436,149
2035	295,000		139,038		434,038
2036	310,000		126,500		436,500
2037	320,000		114,400		434,400
2038	330,000		101,925		431,925
2039	345,000		89,050		434,050
2040	360,000		75,588		435,588
2041	370,000		61,538		431,538
2042	385,000		47,088		432,088
2043	400,000		32,050		432,050
2044	420,000		16,425		436,425
	\$ 6,285,000	\$	3,266,150	\$	9,551,150



Memorandum

TO: Clients and Other Interested Parties
 FROM: Spencer Fane, LLP
 RE: 2023 Legislative Update
 DATE: May 15, 2023

This year's legislative session recently ended. Below is a summary of key bills that may affect your local government in several ways. Keep in mind this is just a summary. If you have any questions about how a law may affect your organization, please do not hesitate to reach out to us to discuss further.

The following bills may or may not have been signed by the Governor at the time of drafting, but all are expected to be signed or become law.

HB23-1017: *Concerning Improvements to the Electronic Sales and Use Tax Simplification System*

The bill directs the Department of Revenue to make changes to the Electronic Sales and Use Tax system to make it easier for retailers to submit information on sales and use revenue. While the bill does not change how procedures function, it is hoped the system will lead to increased use taxes being remitted to districts.

HB23-1023: *Concerning the Dollar Amount of a Special District Contract that Requires Notice for Bids*

The Act changes C.R.S. § 32-1-1001(d)(l) to increase the threshold for public notice of bids for contracts entered into by a district from \$60,000 to \$120,000. The Act also creates a new provision to increase this threshold based on inflation every five years beginning July 1, 2028.

HB23-1032: *Concerning Civil Action Remedy Provisions for Civil Rights Violations of Persons with Disabilities*

The Act modifies existing law to clarify that a person must first exhaust available administrative remedies before filing a discrimination or unfair practice claim lawsuit related to employment practices, housing practices, or discriminatory advertising. The Act also prohibits an individual with a disability from being excluded from participation in or denied the benefits of services, programs, or activities provided by a place of public accommodation. Lastly, the Act requires that, in some lawsuits, an individual with a disability may be entitled to a court order requiring compliance with the provision violated in addition to actual monetary damages or a statutory fine.

[Limited Applicability] HB23-1057: *Concerning a Requirement that Certain Public Buildings Have Restrooms with Amenities for All Genders*

The bill requires that after January 1, 2024, any newly built public building or public building undergoing a public restroom built or owned by certain governmental entities (**which we believe include BIDs or GIDs governed by Title 31 but not special districts under Title 32**), the renovation must:

- Provide a non-gendered single-stall restroom or a non-gendered multi-stall restroom when the restroom is accessible to the public;
- Ensure that any single-stall restroom is not gender specific;



- Allow for the use of multi-stall restrooms by the general public if certain facility features are met under the International Plumbing Code and the Colorado Fuel Gas Code; and
- Requires new signage for such restrooms.

The bill also requires that these restrooms also have at least one safe, sanitary, and convenient baby diaper changing station that is accessible to the public on each floor where there is a public restroom, in each gender-specific restroom if only gender-specific restrooms are available, and in each non-gendered single-stall or multi-stall restroom. In addition, each baby changing station must be cleaned with the same frequency as the restroom or room where the station is located. The bill further provides requirements for changing station signage.

HB23-1062: *Concerning the Authority of a Metropolitan District to Levy a Sales Tax with Voter Approval for the Purpose of Providing Parks or Recreational Facilities or Programs*

The Act updates the current statutory authority for metropolitan districts to levy a sales tax to now allow sales taxes to be levied for and spent on parks or recreational facilities or programs within the district's boundaries.

HB23-1075: *Concerning Evacuation and Clearance Time Modeling in Wildfire Risk Areas of the State*

Creates a study run by the Office of Emergency Management to study the efficacy and feasibility of technology to assist with evacuation and clearance and time modeling, and the feasibility of requiring developers to perform evacuation and clearance time modeling for proposed developments in wildlife risk areas.

HB23-1076: *Concerning Workers' Compensation and Changing Certain Benefits*

While the bill provides for a number of changes to the workers' compensation structure, as relevant to special districts, the bill makes changes that may increase workers' compensation costs. Specifically, the bill increases the time limit for medical impairment benefits based on mental impairment from 12 weeks to 36 weeks. The bill also eliminated the option for an employee to petition the Division of Worker's Compensation for a replacement prosthetic device after the initial device was furnished. Lastly, the bill increases the threshold which, if above the threshold, a contingent attorneys' fee award related to workers' compensation claims is presumptively unreasonable.

HB23-1105: *Concerning the Creation of Task Forces Related to HOAs and Metropolitan Districts*

The bill creates task forces related to HOAs and Metropolitan Districts. The metropolitan district task force will study metropolitan district boards' tax levying authority and practices, foreclosure practices, and communications with homeowners. The metropolitan district task force will also consider the HOA task force's findings and conclusions as they relate metropolitan districts. The HOA task force will study issues related to homeowners' rights in a HOA, including the HOAs' fining authority and practices, foreclosure practices, and communications with homeowners. The bill also requires **HOAs and metropolitan districts to notify each owner of the existence of the task force before the relevant task force holds its first meeting.**

HB23-1255: *Concerning Preemption of Local Regulations Limited the Number of Building Permits Issued for Development*

The bill states that several governmental entities have laws restricting the growth of residential housing. The bill then declares that the state has an interest in encouraging housing growth statewide, and because of this, preempts any existing governmental entity housing growth restriction, and forbids the enactment or enforcement of any future local housing growth restriction, unless the governmental



entity has experienced a disaster emergency, has developed or amended land use plans or land use laws covering residential development or the residential component of a mixed-use development, or is extending or acquiring public infrastructure, public services, or water resources. A governmental entity that has experienced a disaster emergency, has developed or amended land use plans or land use laws covering residential development or the residential component of a mixed-use development, or is extending or acquiring public infrastructure, public services, or water resources may implement a growth-cap for up to 24 months in a 5-year period.

HB23-1259: *Concerning Provisions of the Open Meetings Law for an Executive Session*

The bill amends the open meetings law related to executive sessions by stating that pro se parties successfully bringing challenges to how executive sessions were held cannot recover costs or attorneys' fees related to their challenge.

HB23-1284: *Concerning Modifications to the Property Tax Deferral Program*

The bill expands the current property tax deferral program to include income-creating properties or properties where all liens and mortgages are greater than 90 percent of the actual value of the property if the owner seeking the deferral is at least 65 years old, called into military service, or is the surviving spouse of an owner that was at least 65 years old or called into military service.

SB23-002: *Concerning Seeking Federal Authorization for Medicaid Reimbursement for Services Provided by a Community Health Worker*

The bill authorizes the State to seek federal authorization from the Centers for Medicare and Medicaid services to provide Medicaid reimbursement for Community Health Worker services.

SB23-013: *Concerning Resources for Fire Investigations*

The Act creates a Fire Investigation Fund to investigate the causes and origins of fires in the state and funds costs related to fire investigations, including those costs associated with providing support to local fire departments and reimbursing fire investigators not employed by the division.

SB23-017: *Concerning Additional Uses of Paid Sick Leave*

The Act expands what an employee may use paid sick leave for to include:

- Care for a family member whose school or place of care has been closed due to inclement weather, loss of power, loss of heating, loss of water, or other unexpected occurrence or event that results in the closure of the family member's school or place of care; or
- Grieve, attend funeral services or a memorial, or deal with financial and legal matters that arise after the death of a family member; or
- Evacuate the employee's place of residence due to inclement weather, loss of power, loss of heating, loss of water, or other unexpected occurrence or event that results in the need to evacuate the employee's residence.

SB23-036: *Concerning Veterans with a Disability Property Tax Exemption Requirements*

The Act changes the requirement for where a Veteran with a disability may apply for a property tax exemption from the Colorado Department of Veterans and Military Affairs to the Veteran's county tax assessor.



[Limited Applicability] SB23-053: Concerning Restrictions on Nondisclosure Agreements that Affect Government Employees

The bill prohibits counties, cities and counties, municipalities, school districts, and any of their departments, institutions, or agencies (but does not seem to cover employees or consultants of metropolitan districts) from making it a condition of employment that an applicant for employment or current or past employee execute a non-disclosure agreement unless the non-disclosure agreement is to prevent disclosure of:

- The employee's identity, facts that might lead to the discovery of the employee's identity, or factual circumstances relating to the employment that reasonably implicate legitimate privacy interests held by the employee who is a party to the agreement if the employee elects to restrict such disclosure; or
- Data, information, including personal identifying information, or matters that are required to be kept confidential by federal law or regulations, the state constitution, or state law or rules; or
- Trade secrets or other confidential or sensitive information provided to or made accessible to the employee by a contractor or prospective contractor of the employee's employer during the procurement process or while the contractor is providing goods or services to the employee's employer if the protection of such information is needed to ensure successful procurement or provision of the goods or services; or
- Information bearing on the specialized details of security arrangements or investigations; or
- Trade secrets or other confidential or sensitive information provided to or made accessible to the employee by an employer's current or prospective customer, contractor, lessee, lessor, business partner, or affiliate; or
- Trade secrets or other confidential or sensitive information provided to or made accessible to the employee by a purchaser or seller of property that is engaged in negotiations or under contract with the employer.

SB23-058: Concerning the Job Application Fairness Act

Starting July 1, 2024, the Act prohibits employers from inquiring about a prospective employee's age, date of birth, and dates of attendance at or date of graduation from an educational institution on an initial employment application. However, an employer may request an individual to verify compliance with age requirements imposed pursuant to or required by:

- A bona fide occupational qualification pertaining to public or occupational safety; or
- A federal law or regulation; or
- A state or local law or regulation based on a bona fide occupational qualification.

SB23-105: Concerning Ensuring Equal Pay for Equal Work

The Act requires the Director of the Division of Labor Standards and Statistics to investigate complaints regarding wage inequity and order compliance and relief. The Act also requires an employer to:

- For each job opportunity or promotional opportunity where the employer is considering more than one candidate, follow specific guidelines for posting the opportunity;
- For all job opportunities and promotional opportunities, provide specific information to employees regarding the candidate selected for the opportunity; and



- For all objectively defined career progressions, disclose the requirements for career progression and the terms of compensation, benefits, status, duties, and access to further advancement.

SB23-108: *Concerning Temporary Reductions in Property Taxes Due*

The Act allows a local government to provide temporary property tax relief through temporary property tax credits or mill levy reductions and later eliminate the credits or restore the mill levy without violating TABOR. To qualify, the temporary reduction in property taxes must be annually renewed by the local government.

SB23-110: *Concerning Transparency for Metropolitan Districts*

- For a proposed metropolitan district that submits a service plan on or after January 1, 2024, the Act requires the service plan to include a cap on the maximum mill levy and a cap on the maximum debt that may be issued by the metropolitan district.
- Beginning in the 2023 calendar year, the Act requires the board of a metropolitan district to hold an annual “town hall” meeting if the metropolitan district was organized after January 1, 2000, has residential units within its boundaries, and is not in inactive status. This meeting is an opportunity for members of the public to ask questions about the metropolitan district. No formal action may be taken at the meeting. Further, metropolitan districts will be required to include a public comment period at their budget hearing meeting to provide further opportunity for the public to provide formal, public comment.
- The Act specifies that prior to issuing debt to a director of a metropolitan district or to an entity with respect to which a director of a metropolitan district must make a disclosure pursuant to current law, the board is required to receive a statement of a registered municipal advisor certifying specified criteria regarding the interest rate of the debt.
- The Act requires the seller of residential real property that is located within a metropolitan district to provide the purchaser of the property with the official website established by the metropolitan district. The seller is required to provide the information on the Colorado real estate commission-approved seller's property disclosure.

SB23-111: *Concerning Public Employees’ Workplace Protection*

The Act extends certain workplace protections to employees of special districts, including the right to:

- Discuss or express views regarding public employee representation or workplace issues;
- Engage in protected, concerted activity for the purpose of mutual aid or protection;
- Fully participate in the political process while off duty and not in uniform, including speaking with members of the public employer's governing body on terms and conditions of employment and any matter of public concern and engaging in other political activities in the same manner as other citizens of Colorado without discrimination, intimidation, or retaliation; and
- Organize, form, join, or assist an employee organization or refrain from organizing, forming, joining, or assisting an employee organization.

The Act also prohibits certain public employers from discriminating against, coercing, intimidating, interfering with, or imposing reprisals against a public employee for engaging in any of the rights granted under the Act.



SB23-172: *Concerning Protections for Colorado Workers Against Discriminatory Employment Practices*

The Act modifies existing law to include new protections related to harassment, including:

- Adding protections from discriminatory or unfair employment practices for individuals based on their "marital status";
- Specifying that in harassment claims, the alleged conduct need not be severe or pervasive to constitute a discriminatory or unfair employment practice;
- For the purposes of the exception to otherwise discriminatory practices for an employer that is unable to accommodate an individual with a disability who is otherwise qualified for the job, eliminating the ability for the employer to assert that the individual's disability has a significant impact on the job as a rationale for the employment practice;
- Specifying the requirements for an employer to assert an affirmative defense to an employee's proven claim of unlawful harassment by a supervisor;
- Specifying the requirements that must be satisfied for a nondisclosure provision in an agreement between an employer and an employee or a prospective employee to be enforceable; and
- Requiring an employer to maintain personnel and employment records for at least 5 years and, with regard to complaints of discriminatory or unfair employment practices, to maintain those records in a designated repository.

SB23-175: *Concerning the use of TIFs by Downtown Development Authorities*

The Act modifies current law for TIF arrangements with a term of 30 years with the option for one 20-year extension. For property tax revenue only, the bill creates the option for additional 20-year extension periods during which an authority may use a TIF arrangement if the governing body of the municipality extends the period by ordinance. The first additional extension period may begin upon the expiration of the original 50-year period. For the 20-year extension periods, the default split of the incremental revenue is continued unless the municipality and all of the other governmental entities reach an alternative agreement. Additionally, the Act states that during the 20-year extension period, the base year revenue is recalculated every year. The Act also allows a municipality and an authority to enter into an intergovernmental agreement through which the municipality may delegate to the board of the authority the power to incur debt and to pledge money in a special fund of the municipality for the payment of the debt.

SB23-183: *Concerning the Elimination of the Requirement that a Local Government Obtain Voter Approval to Provide Certain Communications Services*

The Act:

- Eliminates the requirement that a local government hold an election before providing or before operating a facility to provide cable television, telecommunications, or broadband internet services to subscribers;
- Eliminates the requirement that a local government hold an election to enter into a private partnership to allow a private provider to use local government facilities in connection with the private provider offering cable television service, telecommunications service, broadband internet service, or middle mile infrastructure; and



- Specifies that a local government may provide middle-mile infrastructure, which is broadband infrastructure that does not connect directly to an end-user location.

SB23-286: *Concerning Improving Public Access to Government Records*

The bill makes changes to the "Colorado Open Records Act" (CORA) and to record retention requirements for state agencies by:

- Modifying the definition of "public records" and "electronic communication",
- Specifying the method of transmitting records by the custodian to the requester,
- Allowing a custodian to deny a requester's right to inspect certain records on the grounds that it would be contrary to public interest,
- Specifying that the final report of the investigation of an elected official's sexual harassment is a public record with limited exceptions,
- Specifying limitations on per-page fees charged by custodians for records provided in a digital or electronic format, and
- Requiring a custodian to allow different forms of payment for fees or deposits associated with the requests, and
- Requiring additional retention requirements for electronic communications sent to or received by an officer or employee of state agencies.

SB23-303: *Concerning a Reduction in Property Taxes¹*

The Act requires the secretary of state to refer a ballot issue to voters for the November 2023 election that asks voters whether property taxes should be reduced and that seeks voter approval to retain and spend excess state revenues that will be used to backfill some of the reduced property tax revenue. Most of the Act only becomes effective if the voters approve the ballot issue.

Beginning with the 2023 property tax year, the Act includes a limit on specified property tax revenue for local governments—excluding those that are home rule and school districts—that is equal to inflation above the property tax revenue from the prior property tax year (limit). A local government may establish a temporary property tax credit, which does not change the gross mill levy, that is up to the number of mills necessary to prevent the local government's property tax revenue from exceeding the limit. Alternatively, the governing board may approve a mill levy that would cause the local government to exceed the limit, if the governing board approves the mill levy at a public meeting that meets certain criteria.

Modifies the assessed value of lodging property and all nonresidential property, excluding agricultural property and renewable energy production property and property that is not under a vacant land subclass for upcoming years as follows:

- 27.85% for the 2024 through 2026 property tax years;
- 27.65% for the 2027 and 2028 property tax years;

¹ This bill was passed late in the Legislative Session and was rushed through the General Assembly. As a result, there is confusion regarding the overall effect of the bill. This summary is what was provided by the General Assembly and may be changed after the date of this memo. Further, a vast majority of the bill is slated to be part of a ballot issue in the November 2023 election.



- 26.9% for the 2029 and 2030 property tax years; and
- 25.9% or 26.9% for the 2031 and 2032 property tax years, depending on the increase in the valuation in the 32 counties with the smallest increases from the 2030 to 2031 property tax years (revenue increases).

Further, the Act reduces the assessment rate for agricultural property, excluding renewable energy agricultural land, and renewable energy property is from 29% to:

- 26.4% for the 2025 through 2030 property tax years; and
- 25.9% or 26.4% for the 2031 and 2032 property tax years, depending on the increase in the valuation in the 32 counties with the smallest revenue increases.

The assessment rate for renewable energy agricultural land, is reduced from 29% to 21.9% for the 2024 through 2032 property tax years.

Under the Act, beginning with the 2033 property tax year, all of the temporary valuation reductions expire and the valuation of all nonresidential real property is 29% of the actual value of the property.

The Act changes the assessed valuation residential property in upcoming years as follows:

- For multi-family residential real property, the valuation is reduced from 6.8% of the actual value to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount; and
- For all other residential real property, the valuation is reduced from an estimate of 6.98% of the actual value to 6.7% of the amount equal to the actual value minus the lesser of \$40,000 or the alternate amount.

For the 2025 through 2032 property tax years:

- For multi-family residential real property and primary residence real property, including multi-family primary residence real property, the valuation is reduced from 7.15% of the actual value to 6.7% of the actual value minus the lesser of \$40,000 or the alternate amount;
- For qualified-senior primary residence real property, including multi-family qualified-senior primary residence real property, the valuation is reduced from 7.15% of the actual value to 6.7% of the amount equal to the actual value minus \$140,000 or the alternate amount; and
- For all other residential real property, the assessment rate is reduced from 7.15% 6.7 %.

Beginning with the 2033 property tax year, all of the temporary valuation reductions expire and the valuation of all residential real property is 7.15% of the actual value of the property.

The Act also establishes that all of the temporary reductions in valuation for residential and nonresidential property created in the Act are contingent on the state's ability to retain and spend state surplus up to a cap without violating TABOR. If, for any reason, excluding a legislative enactment by the General Assembly, the State is not permitted to retain and spend this money, then the temporary reductions in the Act do not apply.

The cap is set out as follows:

For the 2023-24 fiscal year, the cap is equal to the excess state revenues cap for the prior fiscal year, adjusted for inflation plus 1% and population changes. Thereafter, the cap is equal to the cap for the prior fiscal year, adjusted for inflation plus 1% and population changes. The



cap is also annually adjusted for the qualification or disqualification of enterprises and debt service changes.

If the general assembly does not enact assessment rates for the 2033 property tax year that are the same or lower than the assessment rates for the 2032 property tax year described above, then the cap is reduced to be equal to the excess state revenues cap, and the state will retain \$0 under this authority beginning with the 2031-32 fiscal year. Thereafter, the general assembly may partially or wholly restore the cap without additional voter approval if the general assembly enacts valuation reductions equal to or greater than those for the 2032 property tax year.

The Act also creates the residential subclass of primary residence real property for owner-occupiers and establishes administrative procedures related to the classification that are based on the procedures for the homestead exemption, with those procedures expanded to treat civil union partners like spouses.

The Act also creates the residential subclass of qualified-senior primary residence real property, which is a property with an owner-occupier who previously qualified for the senior homestead exemption for a different property and who does not qualify for the exemption for the current property tax year.

The Act modifies the mechanism in which the State reimburses local governmental entities for property tax revenue lost as a result of the reductions in valuation enacted in Senate Bill 22-238 by:

- Specifying that the amount of revenue lost for a property tax year is based on a local governmental entity's mill levy for the 2022 property tax year, excluding specified mills;
- Including the additional property tax revenue reductions that result from the Act in the backfill for the 2023 property tax year;
- Eliminating the maximum amount of the backfill for the 2023 property tax year that is a refund of excess state revenues;
- Extending the backfill for the 2024 through 2032 property tax years for the valuation reductions in the Act, but making a local governmental entity that has an increase in real property total valuation of 20% or more from the 2022 property tax year ineligible for the backfill;
- Creating the local government backfill cash fund, which includes a \$128 million general fund transfer, and requiring the money from the fund to be used to backfill revenue to local governments beginning with the 2024 property tax year;
- Beginning with the 2024 property tax year, proportionally reducing the amount that each eligible local government receives, if necessary to avoid exceeding the total amount that is identified as being available for the backfills statewide;
- Clarifying how local governmental entities, which are now defined, are treated if their boundaries are in more than one county for purposes of the backfill; and
- Requiring the state treasurer to reduce a backfill as necessary to avoid a local governmental entity exceeding its constitutional fiscal year spending limit.

SB23-304: *Concerning Changes to Property Tax Valuation Practices*

The Act changes what a property tax assessor must consider in assessing the value of properties to include:

- The current use;



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- Existing zoning and other governmental land use or environmental regulations and restrictions;
- Multi-year leases or other arrangements affecting the use of or income from real property;
- Easements and reservations of record; and
- Covenants, conditions, and restrictions of record.

Beginning January 1, 2024, the Act requires certain counties to use an alternative procedure to determine objections and protests of property tax valuations in any year of general reassessment of real property that is valued biennially.

The Act clarifies that the assessor is required to provide a taxpayer the primary method and rates the assessor used to value the property when requested by the taxpayer.

**THE FOLLOWING ARE POST PACKET ITEMS:
ITEMS THAT WERE DISTRIBUTED AT THE MEETING
AND NOT IN THE ORIGINAL PACKET**

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**SPRING MESA METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR’S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	20
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	21
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	23
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	24
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED	
TEN LARGEST OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT	26
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT	27
SELECTED DEBT RATIOS OF THE DISTRICT	28

INSERT INDEPENDENT AUDITOR'S REPORT

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

BASIC FINANCIAL STATEMENTS

**SPRING MESA METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 143,727
Cash and Investments - Restricted	202,734
Receivable from County Treasurer	3,160
Prepaid Expense	6,719
Property Taxes Receivable	720,045
Bond Insurance, Net of Amortization	22,922
Capital Assets, Net of Accumulated Depreciation	21,275
Total Assets	1,120,582
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding, Net of Amortization	115,615
Total Deferred Outflows of Resources	115,615
LIABILITIES	
Accounts Payable	19,562
Accrued Interest Payable	20,975
Noncurrent Liabilities:	
Due Within one Year	203,083
Due in More Than One Year	6,316,569
Total Liabilities	6,560,189
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	720,045
Total Deferred Inflows of Resources	720,045
NET POSITION	
Investment in Capital Assets	21,275
Restricted for:	
Emergency Reserves	10,500
Debt Service	72,032
Unrestricted	(6,147,844)
Total Net Position	\$ (6,044,037)

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 273,630	\$ -	\$ -	\$ -	\$ (273,630)
Interest and Related Costs on Long-Term Debt	252,356	-	-	-	(252,356)
Total Governmental Activities	\$ 525,986	\$ -	\$ -	\$ -	(525,986)
GENERAL REVENUES					
Property Taxes					714,515
Specific Ownership Taxes					49,071
Interest Income					9,110
Other Revenue					100
Total General Revenues					772,796
CHANGE IN NET POSITION					246,810
Net Position - Beginning of Year					(6,290,847)
NET POSITION - END OF YEAR					\$ (6,044,037)

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 143,727	\$ -	\$ -	\$ 143,727
Cash and Investments - Restricted	10,500	91,291	100,943	202,734
Receivable from County Treasurer	1,444	1,716	-	3,160
Prepaid Expense	6,719	-	-	6,719
Property Taxes Receivable	329,061	390,984	-	720,045
 Total Assets	\$ 491,451	\$ 483,991	\$ 100,943	\$ 1,076,385
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 19,562	\$ -	\$ -	\$ 19,562
Total Liabilities	19,562	-	-	19,562
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	329,061	390,984	-	720,045
Total Deferred Inflows of Resources	329,061	390,984	-	720,045
FUND BALANCES:				
Nonspendable:				
Prepaid Expense	6,719	-	-	6,719
Restricted:				
Emergency Reserves (TABOR)	10,500	-	-	10,500
Debt Service	-	93,007	-	93,007
Assigned:				
General Fund Reserve	7,000	-	-	7,000
Capital Projects	-	-	100,943	100,943
Designated for Subsequent Year's Expenditures	35,005	-	-	35,005
Unassigned:				
General Government	83,604	-	-	83,604
Total Fund Balances	142,828	93,007	100,943	336,778
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 491,451	\$ 483,991	\$ 100,943	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital Assets, Net of Accumulated Depreciation	21,275
Other assets and deferred outflows of resources are not financial resources and, therefore, are not reported in the funds. Cost of Refunding, Net of Amortization Bond Insurance, Net of Amortization	115,615 22,922
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Bonds Payable Original Issue Premium Accrued Interest Payable - Bonds	(6,285,000) (234,652) <u>(20,975)</u>
Net Position of Governmental Activities	\$ (6,044,037)

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Interest Income	\$ 2,448	\$ 5,578	\$ 1,084	\$ 9,110
Other Revenues	100	-	-	100
Property Taxes	326,539	387,976	-	714,515
Specific Ownership Taxes	22,426	26,645	-	49,071
Total Revenues	<u>351,513</u>	<u>420,199</u>	<u>1,084</u>	<u>772,796</u>
EXPENDITURES				
General, Administrative and Operating:				
Accounting	18,700	-	-	18,700
Audit	4,250	-	-	4,250
Bad Debt Expense	409	-	-	409
County Treasurer's Fee	4,904	5,822	-	10,726
Dues	571	-	-	571
District Management	28,623	-	-	28,623
Election	1,880	-	-	1,880
Insurance	6,601	-	-	6,601
Irrigation Repair	18,245	-	-	18,245
Landscape Maintenance	62,834	-	-	62,834
Landscape Projects	30,850	-	-	30,850
Legal	11,485	-	-	11,485
Miscellaneous	567	-	-	567
Open Space Maintenance	33,375	-	-	33,375
Pond Maintenance	2,560	-	-	2,560
Snow Removal	7,742	-	-	7,742
Utilities	32,888	-	-	32,888
Debt Service:				
Bond Interest	-	256,950	-	256,950
Bond Principal	-	175,000	-	175,000
Paying Agent Fees	-	3,500	-	3,500
Total Expenditures	<u>266,484</u>	<u>441,272</u>	<u>-</u>	<u>707,756</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	85,029	(21,073)	1,084	65,040
OTHER FINANCING SOURCES (USES)				
Transfers to (from) Other Funds	(40,000)	-	40,000	-
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	45,029	(21,073)	41,084	65,040
Fund Balances - Beginning of Year	<u>97,799</u>	<u>114,080</u>	<u>59,859</u>	<u>271,738</u>
FUND BALANCES - END OF YEAR	<u>\$ 142,828</u>	<u>\$ 93,007</u>	<u>\$ 100,943</u>	<u>\$ 336,778</u>

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 65,040

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

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

Depreciation (1,324)

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

Current Year Bond Principal Payment 175,000

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

Accrued Interest Payable - Bonds - Change in Liability 438

Amortization:

Bond Premium 18,460

Bond Insurance (1,756)

Cost of Refunding (9,048)

Change in Net Position of Governmental Activities \$ 246,810

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 55	\$ 2,448	\$ 2,393
Other Revenues	-	100	100
Property Taxes	326,681	326,539	(142)
Specific Ownership Taxes	22,868	22,426	(442)
Total Revenues	<u>349,604</u>	<u>351,513</u>	<u>1,909</u>
EXPENDITURES			
Accounting	18,700	18,700	-
Audit	4,250	4,250	-
Contingency/Emergency Reserve	5,440	-	5,440
County Treasurer's Fee	4,900	4,904	(4)
Bad Debt Expense	-	409	(409)
Dues	570	571	(1)
District Management	27,720	28,623	(903)
Election	10,000	1,880	8,120
Insurance	6,470	6,601	(131)
Irrigation Repair	20,000	18,245	1,755
Landscape Maintenance	58,850	62,834	(3,984)
Landscape Projects	40,000	30,850	9,150
Legal	8,800	11,485	(2,685)
Miscellaneous	1,000	567	433
Open Space Maintenance	49,500	33,375	16,125
Pond Maintenance	8,800	2,560	6,240
Snow Removal	15,000	7,742	7,258
Underdrain Maintenance	5,000	-	5,000
Utilities	40,000	32,888	7,112
Total Expenditures	<u>325,000</u>	<u>266,484</u>	<u>58,516</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,604	85,029	60,425
OTHER FINANCING SOURCES (USES)			
Transfers (to) from Other Funds	<u>(40,000)</u>	<u>(40,000)</u>	-
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	-
NET CHANGE IN FUND BALANCE	(15,396)	45,029	60,425
Fund Balance - Beginning of Year	<u>63,111</u>	<u>97,799</u>	<u>34,688</u>
FUND BALANCE - END OF YEAR	<u>\$ 47,715</u>	<u>\$ 142,828</u>	<u>\$ 95,113</u>

See accompanying Notes to Basic Financial Statements.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

The District reports the following major governmental funds:

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

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

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

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Pooled Cash and Investments

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable, using the straight-line method.

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

Original Issue Discount/Premium

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

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

Deferred Inflows/Outflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	\$ 143,727
Cash and Investments - Restricted	202,734
Total Cash and Investments	<u>\$ 346,461</u>

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

Deposits with Financial Institutions	\$ 39,358
Investments	307,103
Total Cash and Investments	<u>\$ 346,461</u>

Deposits with Financial Institutions

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

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$39,358.

Investments

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

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

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

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2022, 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	\$ 307,103

COLOTRUST

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

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

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

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST – (Continued)

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

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2021	Additions	Transfers and Retirements	Balance - December 31, 2022
Governmental Activities:				
Capital Assets, Being				
Depreciated:				
Toe and Interceptor Drains	\$ 14,100	\$ -	\$ -	\$ 14,100
Sidewalk and Gutters	12,371	-	-	12,371
Total Capital Assets, Being				
Depreciated	26,471	-	-	26,471
Less Accumulated Depreciation For:				
Toe and Interceptor Drains	(2,944)	(705)	-	(3,649)
Sidewalk and Gutters	(928)	(619)	-	(1,547)
Total Accumulated				
Depreciation	(3,872)	(1,324)	-	(5,196)
Capital Assets, Net	\$ 22,599	\$ (1,324)	\$ -	\$ 21,275

At December 31, 2022, depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	\$ 1,324

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022	Due Within One Year
General Obligation Refunding Bonds Series 2015	\$ 6,460,000	\$ -	\$ 175,000	\$ 6,285,000	\$ 185,000
General Obligation Refunding Bonds Series 2015 - Premium	253,112	-	18,460	234,652	18,083
Total	<u>\$ 6,713,112</u>	<u>\$ -</u>	<u>\$ 193,460</u>	<u>\$ 6,519,652</u>	<u>\$ 203,083</u>

General Obligation Refunding Bonds, Series 2015

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

The Series 2015 Bonds maturing on or after December 1, 2026 are subject to an early redemption at the option of the District, in whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities on December 1, 2025, and on any date thereafter, at the redemption price equal to the principal amount to be redeemed plus accrued interest thereon to the date of redemption. The Series 2015 Bonds are payable from property taxes imposed upon all taxable property within the District.

Unused lines of credit

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

Collateral

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

Events of default

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

Termination Events

The Series 2015 Bonds do not have a termination provision.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Acceleration

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

The Series 2015 Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 185,000	\$ 251,700	\$ 436,700
2024	190,000	244,300	434,300
2025	200,000	236,700	436,700
2026	205,000	228,700	433,700
2027	215,000	220,500	435,500
2028-2032	1,200,000	966,875	2,166,875
2033-2037	1,480,000	693,711	2,173,711
2038-2042	1,790,000	375,189	2,165,189
2043-2044	820,000	48,475	868,475
Total	<u>\$ 6,285,000</u>	<u>\$ 3,266,150</u>	<u>\$ 9,551,150</u>

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

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings, if applicable, that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had investment in capital assets (i.e., no applicable debt) in the amount of \$21,275.

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2022, the District had restricted net position of \$10,500 for emergency reserves and \$72,032 for debt service.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The District has a deficit in unrestricted net position as of December 31, 2022. This deficit amount is the result of the District being responsible for the payment of debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

**SPRING MESA METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**SPRING MESA METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 388,144	\$ 387,976	\$ (168)
Specific Ownership Taxes	27,170	26,645	(525)
Interest Income	98	5,578	5,480
Total Revenues	<u>415,412</u>	<u>420,199</u>	<u>4,787</u>
EXPENDITURES			
Bond Interest	256,950	256,950	-
Bond Principal	175,000	175,000	-
Paying Agent Fees	3,500	3,500	-
County Treasurer's Fees	5,822	5,822	-
Total Expenditures	<u>441,272</u>	<u>441,272</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(25,860)	(21,073)	4,787
Fund Balance - Beginning of Year	<u>111,344</u>	<u>114,080</u>	<u>2,736</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 85,484</u></u>	<u><u>\$ 93,007</u></u>	<u><u>\$ 7,523</u></u>

**SPRING MESA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 52	\$ 1,084	\$ 1,032
Total Revenues	<u>52</u>	<u>1,084</u>	<u>1,032</u>
EXPENDITURES			
Pond Projects	56,607	-	56,607
Total Expenditures	<u>56,607</u>	<u>-</u>	<u>56,607</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,555)	1,084	57,639
OTHER FINANCING SOURCES (USES)			
Transfer from (to) Other Funds	40,000	40,000	-
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(16,555)	41,084	57,639
Fund Balance - Beginning of Year	<u>59,860</u>	<u>59,859</u>	<u>(1)</u>
FUND BALANCE - END OF YEAR	<u>\$ 43,305</u>	<u>\$ 100,943</u>	<u>\$ 57,638</u>

OTHER INFORMATION

**SPRING MESA METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 13,834,265	0.000	29.000	\$ 401,194	\$ 401,197	100.00 %
2019	13,839,524	0.000	29.000	401,346	401,346	100.00
2020	15,742,785	0.000	24.500	385,698	385,698	100.00
2021	15,759,403	19.055	24.500	686,400	686,402	100.00
2022	16,412,004	19.905	23.650	714,825	714,515	99.96
Estimated for the Year Ending December 31, 2023	\$ 16,079,975	20.464	24.315	\$ 720,045		

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

**SPRING MESA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

\$7,420,000

General Obligation Refunding Bonds, Series 2015

Dated December 11, 2015

Interest Rate Between 2.00% and 4.25%

Interest Payable June 1 and December 1

Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 185,000	\$ 251,700	\$ 436,700
2024	190,000	244,300	434,300
2025	200,000	236,700	436,700
2026	205,000	228,700	433,700
2027	215,000	220,500	435,500
2028	220,000	211,900	431,900
2029	230,000	203,100	433,100
2030	240,000	193,900	433,900
2031	250,000	184,300	434,300
2032	260,000	173,675	433,675
2033	270,000	162,624	432,624
2034	285,000	151,149	436,149
2035	295,000	139,038	434,038
2036	310,000	126,500	436,500
2037	320,000	114,400	434,400
2038	330,000	101,925	431,925
2039	345,000	89,050	434,050
2040	360,000	75,588	435,588
2041	370,000	61,538	431,538
2042	385,000	47,088	432,088
2043	400,000	32,050	432,050
2044	420,000	16,425	436,425
Total	<u>\$ 6,285,000</u>	<u>\$ 3,266,150</u>	<u>\$ 9,551,150</u>

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED

**SPRING MESA METROPOLITAN DISTRICT
 TEN LARGEST OWNERS OF TAXABLE PROPERTY WITHIN THE DISTRICT
 DECEMBER 31, 2022
 UNAUDITED**

<u>Taxpayer Name</u>	<u>2022 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Public Service Co. of Colorado (Xcel Energy)	\$ 243,223	1.52 %
Private Homeowner # 1	75,289	0.47
Private Homeowner # 2	72,979	0.45
Private Homeowner # 3	71,776	0.45
Private Homeowner # 4	71,088	0.44
Private Homeowner # 5	70,562	0.44
Private Homeowner # 6	70,509	0.44
Private Homeowner # 7	69,888	0.43
Private Homeowner # 8	69,503	0.43
Private Homeowner # 9	69,410	0.43
Total	<u>\$ 884,227</u>	<u>5.50 %</u>

NOTE: Percentages are based on a 2022 certified assessed valuation of \$16,079,975.

**SPRING MESA METROPOLITAN DISTRICT
 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
 DECEMBER 31, 2022
 UNAUDITED**

<u>Taxpayer Name</u>	<u>2022 Assessed Valuation</u>	<u>Percentage of Assessed Valuation</u>
Residential	\$ 15,716,406	97.74 %
State Assessed	3,729	0.02
Personal Property	359,744	2.24
Natural Resources	96	0.00
Total	<u>\$ 16,079,975</u>	<u>100.00 %</u>

**SPRING MESA METROPOLITAN DISTRICT
SELECTED DEBT RATIOS OF THE DISTRICT
DECEMBER 31, 2022
UNAUDITED**

	<u>Amount</u>
Direct Debt (Consisting of the Bonds)	\$ 6,285,000
2022 Assessed Valuation	\$ 16,079,975
Direct Debt to 2022 Assessed Valuation	39.09 %
2022 Total Actual Value of all Taxable Property (Actual Value)	\$ 226,148,432
Direct Debt to 2022 Actual Value	2.78 %