

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
GEOS Neighborhood Metropolitan District  
Jefferson County, Colorado

### **Opinions**

We have audited the financial statements of the governmental activities and each major fund of GEOS Neighborhood Metropolitan District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position thereof, and the respective budgetary comparisons for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibility for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

## **Required Supplementary Information**

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

## **Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Information**

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

*Fiscal Focus Partners, LLC*

Arvada, Colorado  
July 17, 2024

**GEOS NEIGHBORHOOD METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue Fund</u>	<u>Total</u>	<u>Adjustments</u>	Statement of <u>Net Position</u>
<b>ASSETS</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ 34,253	\$ 34,253	\$ -	\$ 34,253
Cash and investments - restricted	-	270,770	942,828	-	1,213,598	-	1,213,598
Receivable - Homeowner's Fees	-	-	-	2,222	2,222	-	2,222
Receivable - County Treasurer	1,264	5,283	-	-	6,547	-	6,547
Property taxes receivable	36,059	181,530	-	-	217,589	-	217,589
Prepaid expenses	3,125	-	-	-	3,125	-	3,125
Developer advance receivable	71,233	-	-	-	71,233	(71,233)	-
Due from other funds	-	-	-	4,636	4,636	(4,636)	-
Capital assets not being depreciated	-	-	-	-	-	3,036,231	3,036,231
<b>Total Assets</b>	<u>\$ 111,681</u>	<u>\$ 457,583</u>	<u>\$ 942,828</u>	<u>\$ 41,111</u>	<u>\$ 1,553,203</u>	<u>2,960,362</u>	<u>4,513,565</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 70,986	\$ -	\$ 56,268	\$ 1,130	\$ 128,384	-	128,384
Retainage payable	-	-	126,641	-	126,641	-	126,641
Prepaid Assessments - Homeowner's Fees	-	-	-	10,440	10,440	-	10,440
Due to other funds	4,636	-	-	-	4,636	(4,636)	-
Long-term liabilities:							
Due in more than one year	-	-	-	-	-	6,097,964	6,097,964
<b>Total Liabilities</b>	<u>75,622</u>	<u>-</u>	<u>182,909</u>	<u>11,570</u>	<u>270,101</u>	<u>6,093,328</u>	<u>6,363,429</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred property taxes	<u>36,059</u>	<u>181,530</u>	<u>-</u>	<u>-</u>	<u>217,589</u>	<u>-</u>	<u>217,589</u>
<b>Total Deferred Inflows of Resources</b>	<u>36,059</u>	<u>181,530</u>	<u>-</u>	<u>-</u>	<u>217,589</u>	<u>-</u>	<u>217,589</u>
<b>FUND BALANCES/NET POSITION</b>							
Fund Balances:							
Nonspendable:							
Prepays	3,125	-	-	-	3,125	(3,125)	-
Restricted:							
Emergencies	2,034	-	-	-	2,034	(2,034)	-
Debt service	-	276,053	-	-	276,053	(276,053)	-
Capital projects	-	-	759,919	-	759,919	(759,919)	-
Special revenue	-	-	-	29,541	29,541	(29,541)	-
Unassigned	<u>(5,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,159)</u>	<u>5,159</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>-</u>	<u>276,053</u>	<u>759,919</u>	<u>29,541</u>	<u>1,065,513</u>	<u>(1,065,513)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 111,681</u>	<u>\$ 457,583</u>	<u>\$ 942,828</u>	<u>\$ 41,111</u>	<u>\$ 1,553,203</u>		
Net Position:							
Restricted for:							
Emergencies						2,034	2,034
Debt service						276,053	276,053
Capital projects						759,919	759,919
Unrestricted						<u>(3,105,459)</u>	<u>(3,105,459)</u>
<b>Total Net Position</b>						<u>\$ (2,067,453)</u>	<u>\$ (2,067,453)</u>

The notes to the financial statements are an integral part of these statements.

**GEOS NEIGHBORHOOD METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>							
Accounting	\$ 23,955	\$ -	\$ 2,029	\$ 8,589	\$ 34,573	\$ -	\$ 34,573
Audit	6,200	-	-	-	6,200	-	6,200
Billing services	-	-	-	1,223	1,223	-	1,223
Dues and licenses	323	-	-	-	323	-	323
Election expense	4,349	-	-	-	4,349	-	4,349
Engineering	-	-	54,760	-	54,760	(54,760)	-
Insurance	3,279	-	-	-	3,279	-	3,279
Internet	-	-	-	25,228	25,228	-	25,228
Landscaping	-	-	-	4,220	4,220	-	4,220
Legal	27,353	-	14,864	9,860	52,077	-	52,077
Miscellaneous expenses	850	-	-	706	1,556	-	1,556
Snow removal	-	-	-	480	480	-	480
Trash	-	-	-	4,956	4,956	-	4,956
Treasurer's fees	520	2,173	-	-	2,693	-	2,693
Utilities	-	-	-	1,390	1,390	-	1,390
Bond interest expense	-	-	-	-	-	338,988	338,988
Paying agent fees	-	4,000	-	-	4,000	-	4,000
Capital outlay	-	-	610,391	-	610,391	(610,391)	-
Developer advances - interest	-	-	-	-	-	9,658	9,658
<b>Total Expenditures</b>	<b>66,829</b>	<b>6,173</b>	<b>682,044</b>	<b>56,652</b>	<b>811,698</b>	<b>(316,505)</b>	<b>495,193</b>
<b>PROGRAM REVENUES</b>							
Homeowner's fees	-	-	-	78,611	78,611	-	78,611
<b>Total Program Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,611</b>	<b>78,611</b>	<b>-</b>	<b>78,611</b>
<b>Net Program Income (Expenses)</b>	<b>(66,829)</b>	<b>(6,173)</b>	<b>(682,044)</b>	<b>21,959</b>	<b>(733,087)</b>	<b>316,505</b>	<b>(416,582)</b>
<b>GENERAL REVENUES</b>							
Property taxes	34,599	144,668	-	-	179,267	-	179,267
Specific ownership taxes	2,555	10,683	-	-	13,238	-	13,238
Interest income	49	6,623	65,557	-	72,229	-	72,229
<b>Total General Revenues</b>	<b>37,203</b>	<b>161,974</b>	<b>65,557</b>	<b>-</b>	<b>264,734</b>	<b>-</b>	<b>264,734</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(29,626)</b>	<b>155,801</b>	<b>(616,487)</b>	<b>21,959</b>	<b>(468,353)</b>	<b>316,505</b>	<b>(151,848)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Developer advances	29,626	-	-	-	29,626	(29,626)	-
<b>Total Other Financing Sources (Uses)</b>	<b>29,626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,626</b>	<b>(29,626)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>155,801</b>	<b>(616,487)</b>	<b>21,959</b>	<b>(438,727)</b>	<b>438,727</b>	
<b>CHANGE IN NET POSITION</b>						<b>(151,848)</b>	<b>(151,848)</b>
<b>FUND BALANCES/NET POSITION:</b>							
BEGINNING OF YEAR - RESTATED	-	120,252	1,376,406	7,582	1,504,240	(3,419,845)	(1,915,605)
END OF YEAR	\$ -	\$ 276,053	\$ 759,919	\$ 29,541	\$ 1,065,513	\$ (3,132,966)	\$ (2,067,453)

The notes to the financial statements are an integral part of these statements.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2023

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 35,702	\$ 34,599	\$ (1,103)
Specific ownership taxes	2,499	2,555	56
Interest income	-	49	49
	38,201	37,203	(998)
<b>EXPENDITURES</b>			
Accounting	34,500	23,955	10,545
Audit	5,400	6,200	(800)
Dues and licenses	550	323	227
Election expense	5,000	4,349	651
Insurance	3,500	3,279	221
Legal	21,000	27,353	(6,353)
Miscellaneous expenses	4,514	850	3,664
Treasurer's fees	536	520	16
	75,000	66,829	8,171
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(36,799)	(29,626)	7,173
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer advances	37,000	29,626	(7,374)
	37,000	29,626	(7,374)
<b>NET CHANGE IN FUND BALANCE</b>			
	201	-	(201)
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	820,598	-	(820,598)
END OF YEAR	\$ 820,799	\$ -	\$ (820,799)

The notes to the financial statements are an integral part of these statements.



# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND

For the Year Ended December 31, 2023

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Homeowner's fees	\$ 77,000	\$ 78,611	\$ 1,611
Total Revenues	77,000	78,611	1,611
<b>EXPENDITURES</b>			
Accounting	11,500	8,589	2,911
Billing services	4,600	1,223	3,377
Internet	24,480	25,228	(748)
Landscaping	8,000	4,220	3,780
Legal	9,750	9,860	(110)
Miscellaneous expenses	5,170	706	4,464
Repairs and maintenance	2,500	-	2,500
Snow removal	7,500	480	7,020
Trash	5,000	4,956	44
Utilities	1,500	1,390	110
Total Expenditures	80,000	56,652	23,348
<b>NET CHANGE IN FUND BALANCE</b>	(3,000)	21,959	24,959
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	21,445	7,582	(13,863)
END OF YEAR	\$ 18,445	\$ 29,541	\$ 11,096

The notes to the financial statements are an integral part of these statements.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Note 1: Summary of Significant Accounting Policies

The accounting policies of the GEOS Neighborhood Metropolitan District (the “District”), located in the City of Arvada (the “City”), Jefferson County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of these financial statements.

#### Definition of Reporting Entity

The District was organized in February 2008, as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed pursuant to provisions of the State of Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized to provide financing for design, acquisition, construction and installation of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, sewer and drainage facilities, public transportation, mosquito control and television relay and translation equipment, and the operation and maintenance of the District. The District's primary revenues are property taxes and homeowner’s fees. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

#### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. The effect of interfund activity has been removed from these statements.

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

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes, homeowner's fees and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Special Revenue Fund – The Special Revenue Fund is used to account for all financial resources accumulated for payment of certain operation and maintenance expenses.

### Budgetary Accounting

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

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

#### Deposits

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition.

The District follows the practice of pooling cash of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

#### Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the Statement of Net Position.

#### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

### Bond Premium

The Bond Premium from the Series 2021<sup>(3)</sup> Bonds is being amortized over the term of the bonds using the interest/straight-line method. Accumulated amortization of the bond premium amounted to \$0 at December 31, 2023.

### Capital Assets

Capital assets, which include property, plant, 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 an estimated useful life in excess of three years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### 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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

### Homeowner's Fees

The District adopted a Resolution of the Board of Directors of GEOS Neighborhood Metropolitan District Operations and Maintenance Fees on December 13, 2021, as amended by the 2023 Amendment to Operations and Maintenance Fees, dated November 16, 2022, and the 2024 Amendment to Operations and Maintenance Fees, dated November 9, 2023 (collectively, the Fee Resolution). The Fee Resolution establishes a monthly fee to provide sufficient revenue to cover the cost of providing, operating, and maintaining the services performed by the District. As of January 1, 2024, the Fee Resolution establishes a fee of \$71 per month for Standard Units, as defined therein; \$51 per month for Small Units, as defined therein; \$44 for Future Standard Units, as defined therein; \$26.25 per month for Future Small Units, as defined therein; and \$46 per month for internet service for Standard and Small Units in Block 10.

### Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$3,125 represents prepaid expenditures.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$2,034 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$276,053 is restricted for the payment of the debt service costs associated with the Series 2021<sup>(3)</sup> Bonds (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$759,919 is restricted for the payment of the costs for capital improvements within the District.

The restricted fund balance in the Special Revenue Fund in the amount of \$29,541 is restricted for the payment of certain operation and maintenance costs within the District.

### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund. All funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

### Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

The District has a deficit in unrestricted net position as of December 31, 2023. This deficit amount is the result of the District being responsible for the payment of debt issued for public improvements that were conveyed to other governmental entities and which costs were removed from the District’s financial records.

Note 2: Cash and investments

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

Statement of Net Position:	
Cash and investments	\$ 34,253
Cash and investment – Restricted	<u>1,213,598</u>
Total	\$ <u>1,247,851</u>

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

Deposits with financial institutions	\$ 45,844
Investments – Colotrust	<u>1,202,007</u>
	\$ <u>1,247,851</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

The District does not have a formal policy for deposits. None of the District’s deposits were exposed to custodial credit risk.



# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Investments

#### Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost. The District's investments are not required to be categorized within the fair value hierarchy. Colotrust's values are calculated using the net asset value method (NAV) per share.

#### Credit Risk

The District has adopted a formal investment policy that follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

#### Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

#### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2023, the District had the following investments:

#### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2023, the District had \$1,202,007 invested in COLOTRUST Plus+, which was held in trust accounts with UMB Bank.

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Note 3: Capital Assets

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

<u>Governmental Type Activities:</u>	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 2,371,080	\$ 665,151	\$ -	\$ 3,036,231
Total capital assets not being depreciated	2,371,080	665,151	-	3,036,231
Government type assets, net	\$ 2,371,080	\$ 665,151	\$ -	\$ 3,036,231

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2023, is as follows:

Limited Tax General Obligation Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2021<sup>(3)</sup>

On March 8, 2021, the District issued the Limited Tax General Obligation Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2021<sup>(3)</sup> (the “Series 2021<sup>(3)</sup> Bonds”) in the par amount of \$4,911,329 (Value at Issuance) and \$6,150,000 (Value at Current Interest Conversion Date). The Series 2021<sup>(3)</sup> Bonds were issued for the purposes of financing or reimbursing the costs of public improvements related to the development, prepaying in full the District’s Limited Tax General Obligation Note, Series 2019A and Limited Tax General Obligation Note, Series 2019B (collectively, the “Series 2019 Notes”) and paying other costs in connection with the issuance of the Series 2021<sup>(3)</sup> Bonds.

The Bonds were issued as capital appreciation bonds that automatically convert to current interest bonds on the Current Interest Conversion Date of December 1, 2024. Prior to the Current Interest Conversion Date, the Bonds pay no current interest; rather, they accrete in value at an accretion rate of 6.125% (yield 5.799%) compounding semiannually on each June 1 and December 1, commencing on June 1, 2021, from their date of issuance.

The accreted principal balance on the Current Interest Conversion Date will be \$6,150,000. On the Current Interest Conversion Date, the Bonds will cease to be capital appreciation bonds and automatically convert to current interest bonds, at which time the Bonds will bear interest at the rate of 6.125%, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2025. Annual principal payments are due on December 1 of each year beginning December 1, 2028. The Bonds mature on December 1, 2050.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid or the Discharge Date of December 1, 2059 and will continue to bear interest at the rate then borne by the Bonds. To the extent interest accrued on the Accreted Value of any Bond after the Current Interest Conversion Date is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the Bonds. The total repayment obligation of the District for the Bonds cannot exceed the limitations of the Election and the amount permitted by law. The Series 2021<sup>(3)</sup> Bonds are also subject to redemption prior to maturity, at the option of the District, on March 1, 2026 and on any date thereafter, upon payment of par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

3% of the amount redeemed from March 1, 2026 to February 28, 2027  
2% of the amount redeemed from March 1, 2027 to February 29, 2028  
1% of the amount redeemed from March 1, 2028 to February 28, 2029  
Redemptions on and after March 1, 2029 are at par

### Pledged Revenue

The Bonds are payable solely from and to the extent of the Pledged Revenue which means the moneys derived by the District from the following sources: (a) all Property Tax Revenues; (b) the portion of Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

### Property Tax Revenues

Property Tax Revenues means all moneys derived from imposition by the District of the Required Mill Levy. Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

### Required Mill Levy

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Property Tax Revenues sufficient to pay the Bonds as they come due, but not in excess of 40 mills (subject to adjustment for changes in the ratio of actual valuation to assessed valuation after January 1, 2007) less the Permitted O&M Mill Levy Deduction. For so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Required Mill Levy shall be equal to 40 mills (subject to adjustment) less the Permitted O&M Mill Levy Deduction, or such lesser amount that will generate Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Bond Fund and the Surplus Fund, will pay the Bonds in full.

The Permitted O&M Mill Levy Deduction is the ad valorem property tax levy imposed by the District for general, administrative, operation and maintenance costs, but not in excess of the number of mills which would generate property taxes, after deduction of collection costs, in an amount equal to: (a) \$35,000 for collection year 2021, and (b) for each collection year thereafter, such maximum dollar amount for the prior collection year, plus 1.00%.

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Surplus Fund

The Bonds are additionally secured by the Surplus Fund, which will be funded with annual excess Pledged Revenue, if any, up to the Maximum Surplus Amount of \$1,006,066. The Surplus Fund is to be maintained for so long as any Bonds are Outstanding. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Bonds shall be applied to the payment of the Bonds. The availability of such amount shall be taken into account in calculating the Required Mill Levy required to be imposed in the levy year prior to the year of final maturity of the Bonds. The District also may, in its sole discretion, take into account any amounts on deposit in the Surplus Fund when determining the Required Mill Levy to be imposed in 2048 (for collection in 2049) as described in the Indenture.

Events of Default

The occurrence of any one of more of the following events or the existence of any or more of the following conditions shall constitute an Event of Default under the Indenture:

- (i) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;
- (ii) The District in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof;
- (iii) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2021<sup>(3)</sup> Bonds:

	Principal	Interest	Total
2024	\$ -	\$ -	\$ -
2025	-	376,688	376,688
2026	-	376,688	376,688
2027	-	376,688	376,688
2028	10,000	376,688	386,688
2029-2033	230,000	1,862,306	2,092,306
2034-2038	720,000	1,736,131	2,456,131
2039-2043	1,405,000	1,438,150	2,843,150
2044-2048	2,435,000	890,575	3,325,575
2049-2050	1,350,000	126,481	1,476,481
	\$ 6,150,000	\$ 7,560,395	\$ 13,710,395

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Advance and Reimbursement Agreement

On December 13, 2021, the District and GEOS Ventures, LLC (the Developer) entered into an Advance and Reimbursement Agreement, as amended by the First Amendment to Advance and Reimbursement Agreement on November 16, 2022, (collectively, the “Agreement”) pursuant to which the Developer has agreed to advance funds to the District to cover the shortfall up to \$182,901 in the District’s General Fund for the payment of administrative, operations and maintenance expenditures. The District has agreed to reimburse such advances, together with interest at 6% per annum, subject to annual appropriation and budget approval by the District. As of December 31, 2023, the outstanding advances under this agreement totaled \$169,166 and accrued interest totaled \$19,877.

The following is an analysis of changes in long-term debt for the year ending December 31, 2023:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Current Portion
<u>General Obligation Bonds</u>					
Limited Tax G.O. Convertible Capital					
Appreciation Refunding and Improvement Bonds, Series 2021(3)					
	\$ 4,911,329	\$ -	\$ -	\$ 4,911,329	\$ -
Accreted Value - Series 2021(3)	539,601	338,988	-	878,589	-
Bond Premium - Series 2021(3)	119,003	-	-	119,003	-
Total	5,569,933	338,988	-	5,908,921	-
 <u>Other</u>					
Developer Advance - O&M	135,567	33,599	-	169,166	-
Developer accrued interest - O&M	10,219	9,658	-	19,877	-
Total	145,786	43,257	-	189,043	-
	\$ 5,715,719	\$ 382,245	\$ -	\$ 6,097,964	\$ -

As of December 31, 2023, the District had remaining voted debt authorization of approximately \$11,321,794. The District has not budgeted to issue any additional debt in 2024. Per the Service Plan, as amended by the First Amendment to Service Plan for the District which was approved on December 19, 2022, the District is permitted to issue bond indebtedness of up to \$5,000,000, not including the principal amount of debt which has been refunded by the issuance of refunding debt or multi-fiscal year contracts related to television relay and translation services (which shall not exceed \$500,000 in accordance with the voter authorization received at the November 9, 2016 general election).

Note 5: Related Party

A portion of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2023

### Note 6: Litigation

On May 9, 2022, the District was named as a party to breach of contract dispute between the District's contractor, BEC Barajas Excavating Construction, LLC ("BEC") and BEC's subcontractor, Martin Marietta Materials, Inc. regarding nonpayment for work performed for public areas within the District. On June 20, 2022, Martin Marietta Materials, Inc. filed a notice to dismiss all claims with prejudice, including all claims against the District. On May 3, 2023, the District filed a proof of claim in BEC's Chapter 7 bankruptcy filing for liquidated damages related to nonperformance of work performed for public areas within the District.

The District's former developer was involved in divorce proceedings which resulted, in part, in the escrowing of certain funds to satisfy any outstanding claims or expenses that the District may have. The District Court of Boulder County issued an order to release funds in the amount of \$876,000 to the former developer on April 4, 2022. To date the District has been unable to reach an agreement with the former developer related to these previously escrowed funds. In June 2023, the receiver appointed in the divorce proceedings received a check from the City as a refund for certain landscaping escrow payments. The District is similarly working to reach an agreement with the former developer related to these refunded payments related to Public Improvements.

The District has recorded Accounts Payable on its books in the amount of \$61,868 for legal fees due to the former District Counsel, which the District is in negotiations with regarding the amount due.

### Note 7: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

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.

On November 6, 2007, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

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.

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds; and
- 2) long-term liabilities such as bonds payable, developer advances and accrued developer advance/bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the statement of activities; and,
- 3) governmental funds report developer advances and/or bond/loan proceeds as revenue, however, in the statement of activities, these amounts are recorded as an increase in long-term liabilities,

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2023

Note 10: Restatement

Net position as of December 31, 2022 was restated to remove the prior year Accrued Interest on the Series 2021<sup>(3)</sup> Bonds and record previously unrecognized accounts payable for legal services. The effect of the restatement is as follows:

Net position, December 31, 2022 as originally reported	\$ (2,165,379)
Accrue accounts payable	(61,868)
Accrued Interest on the Series 2021 <sup>(3)</sup> Bonds	<u>311,642</u>
Net position, December 31, 2022, restated	<u>\$ (1,915,605)</u>



SUPPLEMENTAL INFORMATION

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 149,283	\$ 144,668	\$ (4,615)
Specific ownership taxes	10,450	10,683	233
Interest income	<u>8,000</u>	<u>6,623</u>	<u>(1,377)</u>
Total Revenues	<u>167,733</u>	<u>161,974</u>	<u>(5,759)</u>
<b>EXPENDITURES</b>			
Paying agent fees	4,000	4,000	-
Treasurer's fees	<u>2,239</u>	<u>2,173</u>	<u>66</u>
Total Expenditures	<u>6,239</u>	<u>6,173</u>	<u>66</u>
<b>NET CHANGE IN FUND BALANCE</b>	161,494	155,801	(5,693)
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>119,255</u>	<u>120,252</u>	<u>997</u>
END OF YEAR	<u><u>\$ 280,749</u></u>	<u><u>\$ 276,053</u></u>	<u><u>\$ (4,696)</u></u>

# GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2023

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Interest income	\$ 17,000	\$ 65,557	\$ 48,557
Total Revenues	<u>17,000</u>	<u>65,557</u>	<u>48,557</u>
 <b>EXPENDITURES</b>			
Accounting	8,000	2,029	5,971
Engineering	30,000	54,760	(24,760)
Legal	15,000	14,864	136
Capital outlay	<u>814,115</u>	<u>610,391</u>	<u>203,724</u>
Total Expenditures	<u>867,115</u>	<u>682,044</u>	<u>185,071</u>
NET CHANGE IN FUND BALANCE	(850,115)	(616,487)	233,628
 <b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>850,115</u>	<u>1,376,406</u>	<u>526,291</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 759,919</u>	<u>\$ 759,919</u>

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED

December 31, 2023

<u>Year Ended December 31,</u>	<b>Prior Year Total Assessed Valuation for Current Year Property Tax Levy</b>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<b>Percent Collected to Levied</b>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected (1)</u>	
		2017	\$ 485,250	40.000	0.000	
2018	\$ 799,281	40.000	0.000	\$ 31,971	\$ 31,971	100.00%
2019	\$ 911,009	40.000	0.000	\$ 36,440	\$ 36,728	100.79%
2020	\$ 1,311,453	40.000	0.000	\$ 52,458	\$ 52,458	100.00%
2021	\$ 1,482,280	11.133	33.399	\$ 66,009	\$ 66,009	100.00%
2022	\$ 2,276,867	15.526	29.006	\$ 101,393	\$ 101,416	100.02%
2023	\$ 4,037,830	8.842	36.971	\$ 184,985	\$ 179,267	96.91%
Estimated for year ending December 31, 2024	\$ 4,486,546	8.037	40.461	\$ 217,589		

**NOTE**

(1) Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED

GEOS NEIGHBORHOOD METROPOLITAN DISTRICT

CONTINUING DISCLOSURE ANNUAL  
FINANCIAL INFORMATION

December 31, 2023

(Unaudited)

**History of Assessed Valuations and Mill Levies for the District**

Levy Year	Collection Year	Assessed Valuation		Mill Levies		
		Valuation	Percent Change	General Fund	Bond Redemption	Total
2016	2017	\$ 485,273	0.00%	40.000	0.000	40.000
2017	2018	799,281	64.71%	40.000	0.000	40.000
2018	2019	911,009	13.98%	40.000	0.000	40.000
2019	2020	1,311,453	43.96%	40.000	0.000	40.000
2020	2021	1,482,280	13.03%	11.133	33.399	44.532
2021	2022	2,276,867	53.61%	15.526	29.006	44.532
2022	2023	4,037,830	77.34%	8.842	36.971	45.813
2023	2024	4,486,546	11.11%	8.037	40.461	48.498

**Property Tax Collections in the District**

Levy Year	Collection Year	Taxes Levied	Current Tax Collections (1)	Collection Rate
2015	2016	\$ 17,618	\$ 17,618	100%
2016	2017	19,410	19,411	100%
2017	2018	31,971	31,971	100%
2018	2019	36,440	36,728	101%
2019	2020	52,458	52,458	100%
2020	2021	66,009	66,009	100%
2021	2022	101,393	101,416	100%
2022	2023	184,985	179,267	97%
2023	2024	217,589		

(1) Figures are through December 31, 2023

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**Ten Largest Owners of Taxable Property within the District**

<u>Taxpayer Name</u>	<u>2023 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Homeowner #1	\$ 86,625	1.93%
Homeowner #2	61,451	1.37%
Homeowner #3	61,451	1.37%
Homeowner #4	61,451	1.37%
GEOS Ventures LLC	58,000	1.29%
GEOS Ventures LLC	58,000	1.29%
Homeowner #5	54,582	1.22%
Homeowner #6	54,582	1.22%
Homeowner #7	54,008	1.20%
Homeowner #8	52,119	1.16%
Total	<u>\$ 602,269</u>	<u>13.42%</u>

**Assessed Valuation of Classes of Property in the District**

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percentage of Assessed Valuation</u>
Vacant Land	\$3,367,011	75.05%
Residential	1,087,085	24.23%
State Assessed	31,210	0.70%
Residential - MF	1,240	0.03%
	<u>\$4,486,546</u>	<u>100.00%</u>

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**Selected Debt Ratios of the District**

Direct Debt of the District (1)	\$	6,150,000
Overlapping Debt (2)		88,686
Total	<u>\$</u>	<u>6,238,686</u>
2023 District Assessed Valuation	\$	4,486,546
Ratio of Direct Debt to 2023 District Certified Assessed Valuation		137.08%
Ratio of Total Debt Debt to 2023 District Assessed Valuation		139.05%
2023 District Statutory "Actual" Value (3)	\$	24,446,802
Ratio of Direct Debt to 2023 District Statutory "Actual" Value		25.16%
Ratio of Direct Debt Plus Overlapping Debt to 2023 District Statutory "Actual" Value		25.52%

(1) Consisting of the Series 2021(3) Bonds in the amount of \$6,150,000.

(2) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt.

(3) This figure has been calculated using a statutory formula under which assessed valuation is calculated at 7.15% of the statutory "actual" value of residential property in the District, and 29% of the statutory "actual" value of other property within the District (with certain specified exceptions). Statutory "actual" value is not intended to represent market value.