

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**GOLDSMITH METROPOLITAN DISTRICT
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Goldsmith Metropolitan District (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Goldsmith Metropolitan District, as of December 31, 2020, and the respective changes in financial position thereof, and the budgetary comparisons for the General Fund and the Special Revenue Fund – Block K Subdistrict for the year ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
June 17, 2021

BASIC FINANCIAL STATEMENTS

**GOLDSMITH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 12,520,094
Cash and Investments - Restricted	219,150
Receivables - Other	103,657
Receivables - Property Tax	5,551,677
Prepaid Expense	450
Investment in Block K	219,600
Noncurrent Assets	
Investment in Block K	4,698,317
Capital Assets, Not Being Depreciated	18,918,460
Capital Assets, Net	19,741,730
Total Assets	<u>61,973,135</u>
LIABILITIES	
Accounts Payable	696,266
Retainage Payable	3,334
Due to Other Districts	520
Security Deposits - ACC	140,000
Accrued Interest Payable	7,235
Noncurrent Liabilities	
Due Within One Year - Block K	219,600
Due in More Than One Year - Block K	4,698,317
Total Liabilities	<u>5,765,272</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	5,551,677
Total Deferred Inflows of Resources	<u>5,551,677</u>
NET POSITION	
Net Investments in Capital Assets	36,282,826
Restricted for:	
Emergency Reserves	169,400
Unrestricted	14,203,960
Total Net Position	<u><u>\$ 50,656,186</u></u>

See accompanying Notes to Basic Financial Statements.

**GOLDSMITH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 1,478,153	\$ 16,250	\$ 272,064	\$ -	\$ (1,189,839)
Parks and Open Space Maintenance	4,305,221	108,952	-	-	(4,196,269)
Transfer of Capital Assets to Other Entities	764,684	-	-	-	(764,684)
Interest on Long-Term Obligations and Related Costs	167,432	-	-	-	(167,432)
Total Governmental Activities	\$ 6,715,490	\$ 125,202	\$ 272,064	\$ -	(6,318,224)
GENERAL REVENUES:					
Property Taxes					5,503,297
Specific Ownership Taxes					331,280
Net Investment Income					273,630
Total General Revenues					6,108,207
CHANGE IN NET POSITION					(210,017)
Net Position - Beginning of Year					50,866,203
NET POSITION - END OF YEAR					\$ 50,656,186

See accompanying Notes to Basic Financial Statements.

**GOLDSMITH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Capital Projects	Special Revenue - Block K	Debt Service - Block K	Capital Projects - Block K	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 3,091,849	\$ 9,428,245	\$ -	\$ -	\$ -	\$ 12,520,094
Cash and Investments - Restricted	169,000	-	50,150	-	-	219,150
Receivable - County Treasurer	21,554	21	43	1,621	-	23,239
Accounts Receivable	80,418	-	-	-	-	80,418
Prepaid Expense	450	-	-	-	-	450
Property Tax Receivable	5,191,603	-	9,233	350,841	-	5,551,677
Investment in Block K	-	4,917,917	-	-	-	4,917,917
Total Assets	<u>\$ 8,554,874</u>	<u>\$ 14,346,183</u>	<u>\$ 59,426</u>	<u>\$ 352,462</u>	<u>\$ -</u>	<u>\$ 23,312,945</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 311,299	\$ 384,967	\$ -	\$ -	\$ -	\$ 696,266
Due to Other Districts	-	520	-	-	-	520
Retainage Payable	-	3,334	-	-	-	3,334
Security Deposits - ACC	140,000	-	-	-	-	140,000
Total Liabilities	<u>451,299</u>	<u>388,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>840,120</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Tax Revenue	5,191,603	-	9,233	350,841	-	5,551,677
Total Deferred Inflows of Resources	<u>5,191,603</u>	<u>-</u>	<u>9,233</u>	<u>350,841</u>	<u>-</u>	<u>5,551,677</u>
FUND BALANCES						
Nonspendable:						
Prepaid Expense	450	-	-	-	-	450
Restricted for:						
Emergency Reserve	169,000	-	400	-	-	169,400
Debt Service	-	-	-	1,621	-	1,621
Committed:						
ACC Reserve	73,557	-	-	-	-	73,557
Special Revenue	-	-	49,793	-	-	49,793
Assigned:						
Subsequent Year's Expenditures	277,124	-	-	-	-	277,124
Capital Projects	-	13,957,362	-	-	-	13,957,362
Unassigned	2,391,841	-	-	-	-	2,391,841
Total Fund Balances	<u>2,911,972</u>	<u>13,957,362</u>	<u>50,193</u>	<u>1,621</u>	<u>-</u>	<u>16,921,148</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,554,874</u>	<u>\$ 14,346,183</u>	<u>\$ 59,426</u>	<u>\$ 352,462</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						38,660,190
Long-term liabilities, including obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.						
Intergovernmental Obligation						(4,917,917)
Accrued Intergovernmental Obligation Interest Payable						<u>(7,235)</u>
Net Position of Governmental Activities						<u>\$ 50,656,186</u>

See accompanying Notes to Basic Financial Statements.

**GOLDSMITH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Capital Projects	Special Revenue - Block K	Debt Service - Block K	Capital Projects - Block K	Total Governmental Funds
REVENUES						
Property Taxes	\$ 5,163,148	\$ -	\$ 8,722	\$ 331,427	\$ -	\$ 5,503,297
Specific Ownership Taxes	307,175	-	618	23,487	-	331,280
In-Lieu Income	152,666	-	-	-	-	152,666
Net Investment Income	2,031	270,151	1,066	382	-	273,630
Water Sales	108,952	-	-	-	-	108,952
ACC Fees	16,250	-	-	-	-	16,250
Reimbursed Expenditures	119,398	-	-	-	-	119,398
Total Revenues	<u>5,869,620</u>	<u>270,151</u>	<u>10,406</u>	<u>355,296</u>	<u>-</u>	<u>6,505,473</u>
EXPENDITURES						
Current						
Accounting	43,495	20,325	-	-	-	63,820
Audit	8,100	-	-	-	-	8,100
ACC Expenditures	199,135	-	-	-	-	199,135
Board Support	9,234	-	-	-	-	9,234
Consulting	77,676	285,019	-	-	-	362,695
County Treasurer's Fees	61,486	-	131	4,977	-	66,594
Dues and Subscriptions	4,838	-	-	-	-	4,838
Global Information Services	23,320	-	-	-	-	23,320
Insurance	25,775	-	-	-	-	25,775
Legal Services	94,280	-	-	-	-	94,280
Maintenance	3,069,911	-	-	-	-	3,069,911
Payroll Tax	451	-	-	-	-	451
Special Events	55,830	-	-	-	-	55,830
Support Management	106,473	106,473	-	-	-	212,946
Utilities	363,947	-	-	-	-	363,947
Debt Service						
Interest Expense	-	-	-	170,306	-	170,306
Principal Payment	-	-	-	180,257	-	180,257
Capital Outlay						
Capital Outlay/Expense	-	2,469,499	-	-	364,266	2,833,765
Total Expenditures	<u>4,143,951</u>	<u>2,881,316</u>	<u>131</u>	<u>355,540</u>	<u>364,266</u>	<u>7,745,204</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,725,669	(2,611,165)	10,275	(244)	(364,266)	(1,239,731)
OTHER FINANCING SOURCES (USES)						
Proceeds from Loan	-	-	-	-	350,000	350,000
Transfers In (Out)	(844,027)	844,027	(4,080)	-	4,080	-
Total Other Financing Sources (Uses)	<u>(844,027)</u>	<u>844,027</u>	<u>(4,080)</u>	<u>-</u>	<u>354,080</u>	<u>350,000</u>
NET CHANGE IN FUND BALANCES	881,642	(1,767,138)	6,195	(244)	(10,186)	(889,731)
Fund Balances - Beginning of Year	<u>2,030,330</u>	<u>15,724,500</u>	<u>43,998</u>	<u>1,865</u>	<u>10,186</u>	<u>17,810,879</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,911,972</u>	<u>\$ 13,957,362</u>	<u>\$ 50,193</u>	<u>\$ 1,621</u>	<u>\$ -</u>	<u>\$ 16,921,148</u>

See accompanying Notes to Basic Financial Statements.

**GOLDSMITH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (889,731)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:

Conveyance of Capital Assets to Other Entities	(764,684)
Current Year Capital Assets	2,681,915
Depreciation	(1,075,625)

The issuance of long-term debt (e.g. bonds, leases, and other obligations) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment - Intergovernmental Obligation	180,257
Intergovernmental Obligation - Block K	(350,000)

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 the governmental funds.

Accrued Interest on Intergovernmental Obligation - Change in Liability	7,851
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Changes in Net Position of Governmental Activities	\$ (210,017)
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**GOLDSMITH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 5,206,322	\$ 5,163,148	\$ (43,174)
Specific Ownership Taxes	312,379	307,175	(5,204)
In-Lieu Income	118,048	152,666	34,618
Net Investment Income - ACC	4,700	2,031	(2,669)
Water Sales	100,000	108,952	8,952
ACC Fees	25,000	16,250	(8,750)
Miscellaneous Income	36,433	-	(36,433)
Reimbursed Expenditures	5,000	119,398	114,398
Total Revenues	<u>5,807,882</u>	<u>5,869,620</u>	<u>61,738</u>
EXPENDITURES			
Accounting	47,500	43,495	4,005
Audit	8,400	8,100	300
ACC Expenditures	253,448	199,135	54,313
Board Support	15,000	9,234	5,766
Consulting	50,000	77,676	(27,676)
Contingency	50,000	-	50,000
County Treasurer's Fees	78,095	61,486	16,609
Dues and Subscriptions	5,000	4,838	162
Global Information Services	33,000	23,320	9,680
Insurance	42,000	25,775	16,225
Legal Services	47,500	94,280	(46,780)
Payroll Tax	460	451	9
Special Events	90,000	55,830	34,170
Support Management	106,500	106,473	27
Maintenance:			
Operational Labor	2,909,000	2,274,945	634,055
Contract Services	541,500	559,320	(17,820)
Materials	330,000	235,646	94,354
Utilities:			
Xcel Energy	230,200	206,323	23,877
Denver Water	75,000	96,018	(21,018)
Water Rights	25,000	61,606	(36,606)
Total Expenditures	<u>4,937,603</u>	<u>4,143,951</u>	<u>793,652</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	870,279	1,725,669	855,390
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	(844,027)	(844,027)	-
Total Other Financing Sources (Uses)	<u>(844,027)</u>	<u>(844,027)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	26,252	881,642	855,390
Fund Balance - Beginning of Year	<u>2,027,663</u>	<u>2,030,330</u>	<u>2,667</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,053,915</u>	<u>\$ 2,911,972</u>	<u>\$ 858,057</u>

See accompanying Notes to Basic Financial Statements.

**GOLDSMITH METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – BLOCK K SUBDISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 8,722	\$ 8,722	\$ -
Specific Ownership Taxes	523	618	95
Net Investment Income	500	1,066	566
Total Revenues	<u>9,745</u>	<u>10,406</u>	<u>661</u>
EXPENDITURES			
Contingency	1,000	-	1,000
County Treasurer's Fees	131	131	-
HOA Management	<u>36,433</u>	<u>-</u>	<u>36,433</u>
Total Expenditures	<u>37,564</u>	<u>131</u>	<u>37,433</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,819)</u>	<u>10,275</u>	<u>38,094</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>-</u>	<u>(4,080)</u>	<u>(4,080)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,080)</u>	<u>(4,080)</u>
NET CHANGE IN FUND BALANCE	(27,819)	6,195	34,014
Fund Balance - Beginning of Year	<u>28,119</u>	<u>43,998</u>	<u>15,879</u>
FUND BALANCE - END OF YEAR	<u>\$ 300</u>	<u>\$ 50,193</u>	<u>\$ 49,893</u>

See accompanying Notes to Basic Financial Statements.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Goldsmith Metropolitan District (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized in 1975, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City and County of Denver, Colorado, and the City of Greenwood Village, Arapahoe County, Colorado. The District was organized to provide storm sewer improvements, street improvements, parks and recreational facilities and safety protection services.

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Capital Projects Fund - Block K is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities related to the Block K sub-area.

Budgets

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

The District amended its annual budget for the year ended December 31, 2020.

Pooled Cash and Investments

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

Interfund Balances

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

Property Taxes

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

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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

Accounts Receivable, Allowance for Doubtful Accounts

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Tap Fees and Contributed Assets

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

Deferred Inflow of Resources

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

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 12,520,094
Cash and Investments - Restricted	<u>219,150</u>
Total Cash and Investments	<u>\$ 12,739,244</u>
Deposits with Financial Institutions	\$ 436,907
Investments	<u>12,302,337</u>
Total Cash and Investments	<u>\$ 12,739,244</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, 2020, the District's cash deposits had a bank balance of \$437,526 and a carrying balance of \$436,907. Outstanding checks at December 31, 2020 were \$619.

Investments

The District has adopted a formal investment policy which follows state statutes regarding investments.

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

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.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020, 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	\$ 12,302,337

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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST 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 and there is no redemption notice period.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020, follows:

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land and Right-of-Ways	\$ 6,249,005	\$ -	\$ -	\$ 6,249,005
Landscaping	11,475,850	-	-	11,475,850
Water Taps	992,089	-	-	992,089
Construction in Progress	897,080	1,106,832	1,802,396	201,516
Total Capital Assets, Not Being Depreciated	19,614,024	1,106,832	1,802,396	18,918,460
Capital Assets, Being Depreciated:				
Parks and Open Space				
Fence	294,370	-	-	294,370
Fountains	2,040,694	96,394	-	2,137,088
Park and Open Space Improvements	18,255,873	456,830	-	18,712,703
Infrastructure				
Street Improvements	2,926,041	596,033	-	3,522,074
Transportation	1,727,615	-	-	1,727,615
Other Improvements				
Signage	1,541,424	345,285	-	1,886,709
Wells/Irrigation	6,058,259	-	-	6,058,259
Office Building	962,062	1,118,253	-	2,080,315
Total Capital Assets, Being Depreciated	33,806,338	2,612,795	-	36,419,133
Less Accumulated Depreciation for:				
Parks and Open Space				
Fence	171,367	6,479	-	177,846
Fountains	586,720	69,630	-	656,350
Park and Open Space Improvements	8,043,995	526,478	-	8,570,473
Infrastructure				
Street Improvements	1,405,015	107,468	-	1,512,483
Transportation	931,911	33,781	-	965,692
Other Improvements				
Signage	949,613	45,742	-	995,355
Wells/Irrigation	3,312,145	235,341	-	3,547,486
Office Building	201,012	50,706	-	251,718
Total Accumulated Depreciation	15,601,778	1,075,625	-	16,677,403
Total Capital Assets, Being Depreciated, Net	18,204,560	1,537,170	-	19,741,730
Governmental Activities Capital Assets, Net	<u>\$ 37,818,584</u>	<u>\$ 2,644,002</u>	<u>\$ 1,802,396</u>	<u>\$ 38,660,190</u>

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Water taps at December 31, 2020, in the amount of \$992,089 represents 593 taps at the original purchase amount of \$1,673 per tap. Of the 593 taps remaining, 339 are reserved per the Infrastructure Cooperation Agreement (see Intergovernmental Agreement footnote).

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

Governmental Activities:	
General Government	\$ 473,038
Parks and Open Space	<u>602,587</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,075,625</u></u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in general long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Intergovernmental					
Obligation - Block K	<u>\$ 4,748,174</u>	<u>\$ 350,000</u>	<u>\$ 180,257</u>	<u>\$ 4,917,917</u>	<u>\$ 219,600</u>

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

In 2004 the District issued its \$5,300,000 General Obligation Variable Rate Bonds, Series 2004, with a maximum interest rate of 9%. The bonds were issued for the construction of improvements that benefitted the Goldsmith Metropolitan District Block K Subdistrict (the Subdistrict). As consideration for the issuance of the bonds and in accordance with a Funding Agreement dated July 1, 2004, between the District, the Subdistrict and Shea Colorado, LLC and its affiliates (Shea, or Developer), the Subdistrict agreed to impose within the Subdistrict a debt service mill levy of 30 mills (subject to adjustment but not more than 50 mills) in each year while the bonds were outstanding, and to transfer revenues from the mill levy to the District for the purpose of paying debt service on the 2004 Bonds. In addition, the Developer agreed to pay the difference, if any, between the annual principal and interest payments and the proceeds from the Subdistrict's mill levy and other available revenues.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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

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

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Using the variable interest rate at December 1, 2020, of 1.79% for the Intergovernmental Obligation, the District's long-term obligations would mature as follows:

<u>Year Ending December 31,</u>	Governmental Activities		
	Principal	Interest	Total
2021	\$ 219,600	\$ 88,031	\$ 307,631
2022	223,531	84,100	307,631
2023	227,533	80,099	307,632
2024	231,605	76,026	307,631
2025	235,751	71,880	307,631
2026-2030	1,243,585	294,570	1,538,155
2031-2035	1,358,943	179,213	1,538,156
2036-2039	1,177,369	53,156	1,230,525
Total	<u>\$ 4,917,917</u>	<u>\$ 927,075</u>	<u>\$ 5,844,992</u>

Using estimated interest rates of 2.00% to 5.00% for years 2020 through 2032 and 5.00% thereafter for the Intergovernmental Obligation, the District's long-term obligations would mature as follows:

<u>Year Ending December 31,</u>	Governmental Activities		
	Principal	Interest	Total
2021	\$ 219,600	\$ 98,358	\$ 317,958
2022	223,531	117,458	340,989
2023	227,533	123,057	350,590
2024	231,605	127,418	359,023
2025	235,751	130,509	366,260
2026-2030	1,243,585	652,094	1,895,679
2031-2035	1,358,943	494,254	1,853,197
2036-2039	1,177,369	148,476	1,325,845
Total	<u>\$ 4,917,917</u>	<u>\$ 1,891,624</u>	<u>\$ 6,809,541</u>

Authorized Debt

On November 4, 2003, a majority of the qualified electors of the Block K Subdistrict authorized the issuance of indebtedness in an amount not to exceed \$53,000,000 at an interest rate of 12% per annum. The authorization consists of \$15,000,000 for the financing of new improvements, \$8,000,000 for funding operations and maintenance costs, and \$30,000,000 for the purposes of debt refunding.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

At December 31, 2020, the Block K Subdistrict had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 4, 2003 Election	Authorization Used in 2004 Agreement	Authorization Used in 2019 Agreement	Remaining at December 31, 2020
Streets	\$ 5,000,000	\$ 1,749,000	\$ 500,000	\$ 2,751,000
Parks and Recreation	5,000,000	3,148,200	500,000	1,351,800
Storm Drainage	5,000,000	402,800	-	4,597,200
Intergovernmental	8,000,000	-	-	8,000,000
Debt Refunding	30,000,000	-	4,960,000	25,040,000
Total	<u>\$ 53,000,000</u>	<u>\$ 5,300,000</u>	<u>\$ 5,960,000</u>	<u>\$ 41,740,000</u>

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$140,000,000 at an interest rate not to exceed 12% per annum. The authorization consists of \$40,000,000 for the financing of new improvements and \$100,000,000 for the purpose of debt refunding.

At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized May 4, 2004 Election	Authorization Used 2004 Bonds	Remaining at December 31, 2020
Streets	\$ 10,000,000	\$ 1,749,000	\$ 8,251,000
Parks and Recreation	10,000,000	3,148,200	6,851,800
Transportation	10,000,000	402,800	9,597,200
Storm Drainage	10,000,000	-	10,000,000
Debt Refunding	100,000,000	-	100,000,000
Total	<u>\$ 140,000,000</u>	<u>\$ 5,300,000</u>	<u>\$ 134,700,000</u>

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investments in capital assets as follows:

	Governmental Activities
Net Investment in Capital Assets	
Capital Assets, Net	\$ 38,660,190
Current Portion of Long-Term Obligations	(106,157)
Noncurrent Portion of Long-Term Obligations	<u>(2,271,207)</u>
Total	<u><u>\$ 36,282,826</u></u>

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 169,400
Total Restricted Net Position	<u><u>\$ 169,400</u></u>

The District's unrestricted net position as of December 31, 2020 is \$14,203,960.

NOTE 7 COVENANT OBLIGATIONS

Effective December 1, 2004, the District entered into an agreement regarding covenant obligations and support services with TCD North, Inc. (North), DTC West Land Venture (DTC), the Architectural Control Committee of the Denver Technological Center (ACC) and the Design Control Committee of Regency West Denver Tech Center (DCC). ACC and DCC are committees created to administer the protective covenants of properties which lie in the District's service area. With this agreement, North, DTC, ACC and DCC have delegated to the District the responsibility for the performance of certain functions and duties pursuant to the protective covenants. Due to North's familiarity and involvement with matters relating to the protective covenants, the parties agreed that North would continue to provide the services needed to administer the covenants. All the services provided by North under this agreement were subsequently assigned to Shea. ACC and DCC will continue to bear responsibility for and exercise all the powers granted and/or assigned to them in the protective covenants.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 COVENANT OBLIGATIONS (CONTINUED)

Effective January 1, 2013, the agreement was updated to include provisions for the District to fund ACC and DCC to the extent that the service charges are not sufficient to cover the full cost of operations. The agreement terminates on December 31, 2022.

At December 31, 2020, the District had \$213,969 in cash and investments and liabilities of \$140,412 related to the ACC and DCC covenant obligations composed of payables and security deposits being held by the District.

For each calendar year following 2013, the management fee shall be increased by the increase, if any, in the Denver-Boulder CPI for the prior year. The fee for 2020 was \$178,448.

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

City and County of Denver

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

South Denver Metropolitan District - 1991 Water Tap Connection Agreement

In an agreement dated June 18, 1991, Denver Suburban paid the South Denver Metropolitan District \$2,500,000 for all remaining rights to obtain water tap connections from the Denver Water Board within a geographic area defined in an agreement dated September 13, 1983, between The City and County of Denver, Denver Tech Center Associates, and Quincy Investments Company, which had been subsequently assigned to the South Denver Metropolitan District. These water tap connections are utilized for newly developing parcels within the aforementioned geographic area as the underlying mechanism for a supplementary tap fee to recoup costs as well as fund the construction of additional infrastructure. As of December 31, 2020, a total of 909 of the original 1,502 (¾" equivalent) tap rights had been sold in this manner. The current District's (f/k/a Denver Suburban) sale price for a single ¾" equivalent tap is \$7,850. Of the 593 remaining taps, 339 are reserved per the Infrastructure Cooperation Agreement. Denver Suburban was legally dissolved on March 28, 2013. The agreement was assigned to the District by the dissolution of Denver Suburban.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Infrastructure Cooperation Agreement (ICA)

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

During 2020, the District did not receive any fees for taps related to the ICA. The remaining balance of taps available under the ICA is 339 as of December 31, 2020.

NOTE 9 RELATED PARTIES

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

During 2020, the District paid Shea \$229,848 for support management services. The District also paid Tech Center Maintenance (affiliate of Shea) \$3,206,111 for landscape services and maintenance. The amount due to TCM at December 31, 2020 is \$254,470. At December 31, 2020, \$327,753 in related party amounts are included in accounts payable.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 INTERFUND TRANSFERS

The \$844,027 transfer from the General Fund to Capital Projects Fund was the result of the District's goal to maintain a reserve in the approximate amount of half of annual expenditures in the General Fund.

The \$4,080 transfer from the Special Revenue Fund – Block K Subdistrict to Capital Projects Fund – Block K Subdistrict was to cover capital expenditures.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 12 TAX, SPENDING AND DEBT LIMITATIONS

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

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

On November 4, 1997, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District for 1997 and any year thereafter, without regard to any limitations under TABOR.

**GOLDSMITH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

The electors also authorized the Subdistrict to collect and spend or retain in a reserve all currently levied taxes and other revenue of the Subdistrict for 2003 and any year thereafter, without regard to any limitations under TABOR.

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

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

SUPPLEMENTARY INFORMATION

**GOLDSMITH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 260,000	\$ 99,845	\$ (160,155)
Investment Revenue	203,917	170,306	(33,611)
Reimbursed Expenditures	20,000	-	(20,000)
Tap Fees	180,000	-	(180,000)
Total Revenues	<u>663,917</u>	<u>270,151</u>	<u>(393,766)</u>
EXPENDITURES			
Accounting	22,000	20,325	1,675
Consulting	5,000	285,019	(280,019)
Contingency	75,000	-	75,000
Support Management	106,500	106,473	27
Streets/Sidewalks/Transportation			
Bus Shelter Renovation	50,000	-	50,000
DTC Signals	50,000	-	50,000
Median Renovation	50,000	179,824	(129,824)
Multimodal	100,000	-	100,000
S Ulster Cir/GWL Repairs	100,000	263,269	(163,269)
Sidewalks Repairs	75,000	33,374	41,626
Signal Painting	30,000	31,400	(1,400)
Street Sign Replacement/Directories	300,000	278,888	21,112
Street Trees	100,000	73,989	26,011
Landscape/Identity			
Artwork/Features	50,000	80,965	(30,965)
Entry Area Improvements	200,000	2,973	197,027
Lighting Upgrades	100,000	238,349	(138,349)
Wayfinding Signage Upgrade	800,000	-	800,000
Park			
Goldsmith Gulch Mucking	200,000	-	200,000
GWP Playground/Improvements	800,000	-	800,000
Orchard Park Enhancement	-	81,621	(81,621)
Park Bench/Table Replacement	10,000	-	10,000
Park Painting	-	8,750	(8,750)
Storm and WQ Structures	1,500,000	73,284	1,426,716
Wells/Irrigation			
GWV Districts Interconnect	300,000	-	300,000
Irrigation Electrical Upgrade	250,000	4,560	245,440
Irrigation Main Line Repair	200,000	-	200,000
North Well Relocation	100,000	-	100,000
South/North Wells Pump	250,000	-	250,000
Miscellaneous Projects			
HQ Renovation	808,000	1,118,253	(310,253)
Upgrade Electrical Cabinets	50,000	-	50,000
Total Expenditures	<u>6,681,500</u>	<u>2,881,316</u>	<u>3,800,184</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,017,583)	(2,611,165)	3,406,418
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	844,027	844,027	-
Loan to Block K	(350,000)	-	350,000
Total Other Financing Sources (Uses)	<u>494,027</u>	<u>844,027</u>	<u>350,000</u>
NET CHANGE IN FUND BALANCE	(5,523,556)	(1,767,138)	3,756,418
Fund Balance - Beginning of Year	<u>13,851,267</u>	<u>15,724,500</u>	<u>1,873,233</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,327,711</u>	<u>\$ 13,957,362</u>	<u>\$ 5,629,651</u>

**GOLDSMITH METROPOLITAN DISTRICT
DEBT SERVICE FUND – BLOCK K SUBDISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 331,427	\$ 331,427	\$ -
Specific Ownership Taxes	19,826	23,487	3,661
System Development Fees	50,000	-	(50,000)
Net Investment Income	250	382	132
Total Revenues	<u>401,503</u>	<u>355,296</u>	<u>(46,207)</u>
EXPENDITURES			
County Treasurer's Fees	4,971	4,977	(6)
Interest Expense	203,917	170,306	33,611
Principal Expense	172,666	180,257	(7,591)
Contingency	19,949	-	19,949
Total Expenditures	<u>401,503</u>	<u>355,540</u>	<u>45,963</u>
NET CHANGE IN FUND BALANCE	-	(244)	(244)
Fund Balance - Beginning of Year	<u>-</u>	<u>1,865</u>	<u>1,865</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,621</u>	<u>\$ 1,621</u>

**GOLDSMITH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – BLOCK K SUBDISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Block K Capital Expense	350,000	367,000	364,266	2,734
Total Expenditures	350,000	367,000	364,266	2,734
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(350,000)	(367,000)	(364,266)	2,734
OTHER FINANCING SOURCES (USES)				
Proceeds from Loan	350,000	350,000	350,000	-
Transfers in (Out)	-	6,814	4,080	(2,734)
Total Other Financing Sources (Uses)	350,000	356,814	354,080	(2,734)
NET CHANGE IN FUND BALANCE				
	-	(10,186)	(10,186)	-
Fund Balance - Beginning of Year	17,079	10,186	10,186	-
FUND BALANCE - END OF YEAR				
	\$ 17,079	\$ -	\$ -	\$ -

OTHER INFORMATION

**GOLDSMITH METROPOLITAN DISTRICT
 FIVE YEAR SUMMARY OF ASSESSED VALUATION,
 MILL LEVY AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy *	Mills Levied	Total Property Taxes		Percent Collected to Levied
		General Fund	Levied	Collected	
2016	\$ 510,640,222	10.500	\$ 5,361,722	\$ 5,317,424	99.17%
2017	501,775,441	10.500	5,268,642	5,270,060	100.03
2018	584,408,617	10.000	5,844,085	5,697,461	97.49
2019	583,309,072	8.500	4,958,127	4,925,194	99.34
2020	694,176,305	7.500	5,206,322	5,163,148	99.17
Estimate for Year Ending December 31, 2021	\$ 692,213,847	7.500	\$ 5,191,603		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

* Assessed Valuation excludes Debt Only assessed valuations.

**GOLDSMITH METROPOLITAN DISTRICT
 FIVE YEAR SUMMARY OF ASSESSED VALUATION,
 MILL LEVY AND PROPERTY TAXES COLLECTED
 BLOCK K SUBDISTRICT
 DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Fund	Debt Service Fund	Levied	Collected	
2016	\$ 7,128,388	60.000	30.000	\$ 641,555	\$ 641,556	100.00%
2017	7,623,098	60.000	30.000	686,079	686,081	100.00
2018	8,347,356	65.947	32.974	825,729	825,729	100.00
2019	8,635,482	65.947	32.974	854,230	854,230	100.00
2020	8,721,753	1.000	38.000	340,149	340,149	100.00
Estimate for Year Ending December 31, 2021	\$ 9,232,665	1.000	38.000	\$ 360,074		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.
 Information received from the County Treasurer does not permit identification of specific year of levy.