

PANORAMA METROPOLITAN DISTRICT
ARAPAHOE COUNTY, COLORADO

ANNUAL FINANCIAL REPORT
AND SUPPLEMENTAL INFORMATION
FOR THE
YEAR ENDED DECEMBER 31, 2023

PANORAMA METROPOLITAN DISTRICT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

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PANORAMA METROPOLITAN DISTRICT

ROSTER OF DISTRICT OFFICIALS
DECEMBER 31, 2023

BOARD OF DIRECTORS

Krystal Arceneaux	President
Vacant	Treasurer
Jason Mitchell	Asst. Secretary
James Priestley	Asst. Secretary
Larry Lance	Asst. Secretary

DISTRICT MANAGER

David Solin
Special District Management Services, Inc.

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Panorama Metropolitan District
Arapahoe County, Colorado

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and each major fund of Panorama Metropolitan 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 my 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 Panorama Metropolitan District as of December 31, 2023, and the changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Panorama Metropolitan District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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, 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 Panorama Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Panorama Metropolitan 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Panorama Metropolitan District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I 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. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Panorama Metropolitan District's basic financial statements. The supplementary budget comparison schedules identified in the table of contents is presented to supplement the basic financial statements and is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Scott Wright

Salida, Colorado
September 5, 2024

PANORAMA METROPOLITAN DISTRICT

STATEMENT OF NET POSITION DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 3,716,730
Receivables	1,168,923
Prepaid Expenses	6,170
Capital Assets, net of accumulated depreciation:	
Nondepreciable	1,602,096
Depreciable	2,842,869
Total Assets	<u>9,336,788</u>
LIABILITIES	
Accounts Payable	<u>7,889</u>
Total Liabilities	<u>7,889</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Property Taxes	<u>1,163,378</u>
NET POSITION	
Net Investment in Capital Assets	4,444,965
Restricted For:	
Emergencies	19,340
Public Improvements	505,864
Unrestricted (Deficit)	<u>3,195,352</u>
Total Net Position	<u>\$ 8,165,521</u>

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

PANORAMA METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General and Administrative	\$ 149,393	\$ -	\$ -	\$ -	\$ (149,393)
Maintenance and Utilities	102,429	-	-	-	(102,429)
Interest and Related Costs on Long-term Debt	23,404	-	-	-	(23,404)
Total Governmental Activities	\$ 275,226	\$ -	\$ -	\$ -	(275,226)
General Revenues:					
					1,303,971
					86,970
					40,481
					<u>1,431,422</u>
					1,431,422
					1,156,196
					<u>7,009,325</u>
					7,009,325
					<u>\$ 8,165,521</u>
					\$ 8,165,521

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

PANORAMA METROPOLITAN DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 3,210,866	\$ -	\$ 505,864	\$ 3,716,730
Due From Other Local Governments	5,545	-	-	5,545
Property Taxes Receivable	563,652	599,726	-	1,163,378
Prepaid Expense	6,170	-	-	6,170
Total Assets	\$ 3,786,233	\$ 599,726	\$ 505,864	\$ 4,891,823
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ 7,889	\$ -	\$ -	\$ 7,889
Total Liabilities	7,889	-	-	7,889
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	563,652	599,726	-	1,163,378
Total Deferred Inflows of Resources	563,652	599,726	-	1,163,378
FUND BALANCES (DEFICITS)				
Nonspendable	6,170	-	-	6,170
Restricted For:				
TABOR Emergency Reserve	19,340	-	-	19,340
Public Improvements	-	-	505,864	505,864
Unassigned	3,189,182	-	-	3,189,182
Total Fund Balances	3,214,692	-	505,864	3,720,556
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,786,233	\$ 599,726	\$ 505,864	\$ 4,891,823

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

PANORAMA METROPOLITAN DISTRICT

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2023

	<u>Total</u>
Total Fund Balances - Governmental Fund	\$ 3,720,556
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
- Capital Assets	5,543,730
- Accumulated Depreciation/Amortization	<u>(1,098,765)</u>
	<u>4,444,965</u>
 Net Position of Governmental Activities	 \$ 8,165,521

PANORAMA METROPOLITAN DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Taxes:				
General Property Taxes	\$ 517,233	\$ 786,738	\$ -	\$ 1,303,971
Specific Ownership Tax	86,970	-	-	86,970
Investment Earnings	25,508	10,022	4,951	40,481
Total Revenues	629,711	796,760	4,951	1,431,422
Expenditures				
Current:				
General and Administrative	51,121	-	-	51,121
Maintenance and Utilities	78,695	-	-	78,695
County Treasurer Fees	7,777	11,800	-	19,577
Debt Service:				
Principal	-	950,000	-	950,000
Interest	-	24,985	-	24,985
Fiscal Charges	-	500	-	500
Capital Improvements	-	-	495	495
Total Expenditures	137,593	987,285	495	1,125,373
Excess (Deficiency) of Revenues Over (Under) Expenditures	492,118	(190,525)	4,456	306,049
Other Financing Sources (Uses)				
Transfers In	458,788	-	-	458,788
Transfers Out	-	(458,788)	-	(458,788)
Total Other Financing Sources (Uses)	458,788	(458,788)	-	-
Net Change in Fund Balances	950,906	(649,313)	4,456	306,049
Fund Balances (Deficit), Beginning of Year	2,263,786	649,313	501,408	3,414,507
Fund Balances (Deficit), End of Year	\$ 3,214,692	\$ -	\$ 505,864	\$ 3,720,556

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

PANORAMA METROPOLITAN DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Total</u>
Net change in fund balances - Total Governmental Funds	\$ 306,049
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than the noncapitalizable are reported in the Statement of Activities, and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
- Capital Outlay	-
- Depreciation	<u>(101,934)</u>
	<u>(101,934)</u>
Repayment of bond principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. liabilities in the Statement of Net Position:	
- General Obligation Refunding Bond Retirements	<u>950,000</u>
	<u>950,000</u>
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
- Change in Accrued Interest Payable	<u>2,081</u>
Change in Net Position of Governmental Funds	<u><u>\$ 1,156,196</u></u>

PANORAMA METROPOLITAN DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes:			
General Property Taxes	\$ 518,428	\$ 517,233	\$ (1,195)
Specific Ownership Tax	60,000	86,970	26,970
Investment Earnings	10,000	25,508	15,508
Total Revenues	<u>588,428</u>	<u>629,711</u>	<u>41,283</u>
Expenditures			
General and Administrative:			
Accounting	17,600	13,926	3,674
Audit	8,300	8,500	(200)
District Management	32,500	11,910	20,590
Election Costs	800	258	542
Insurance	7,000	6,715	285
Legal	36,000	8,668	27,332
Miscellaneous	3,000	1,144	1,856
Maintenance and Utilities:			
Landscape Maintenance	42,000	29,698	12,302
Repairs and Maintenance	25,000	8,047	16,953
Snow Plowing	60,000	15,795	44,205
Utilities	35,000	25,155	9,845
County Treasurer Fees	7,776	7,777	(1)
Contingency	250,000	-	250,000
Emergency Reserve	17,660	-	17,660
Total Expenditures	<u>542,636</u>	<u>137,593</u>	<u>405,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,792	492,118	446,326
Other Financing Sources (Uses)			
Transfers In	-	458,788	458,788
Net Change in Fund Balances	45,792	950,906	905,114
Fund Balances, Beginning of Year	<u>2,213,708</u>	<u>2,263,786</u>	<u>50,078</u>
Fund Balances, End of year	<u>\$ 2,259,500</u>	<u>\$ 3,214,692</u>	<u>\$ 955,192</u>

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

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

The financial statements of Panorama Metropolitan District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the District's financial statements.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

As required by GAAP, these financial statements present the activities of Panorama Metropolitan District, i.e., the primary government. The District does not have any component units for which the District is considered financially accountable, nor is the District a component unit of any other primary governmental entity.

Primary Government. The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act and the District's Service Plan, dated November 18, 1982. The District's service area is located entirely within the City of Centennial (City). The District was established to provide street improvements, safety protection and transportation services. That authority was expanded in December, 2013 by approval of an Amended and Restated Service Plan to include, among other powers, water, sanitary sewer, and parks and recreation services to existing and future development.

All street and safety protection improvements constructed to date, except for the Panorama Circle and Chester Street traffic signal, have been dedicated to and accepted by Arapahoe County or its successors and assigns, for maintenance and repair. The District maintains a detention pond and provides landscape maintenance and snow removal services related to these improvements. The District's primary revenues are property taxes.

The District is governed by an elected Board of Directors which is responsible for setting policy, appointing administrative personnel, and adopting an annual budget in accordance with the provisions of the Colorado Special District Act. The District has no employees, and all operations and administrative functions are contracted. The more significant accounting policies of the District are described as follows:

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the District. The focus of these statements is on the sustainability of the

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

District as an entity and the change in the District's net position resulting from the current year's activities.

In the Statement of Net Position, the District's financial position is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets, net of related debt; restricted; and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the District. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the District with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds. The District has no proprietary or fiduciary funds. Individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the 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. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are 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 generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

financial position, and demonstrate compliance with legal, contractual, and regulatory requirements.

The District reports the following major governmental funds:

- *General Fund* - This is the District's primary operating fund. It is used to account for all activities of the District not required to be accounted for in another fund.
- *Debt Service Fund* - This fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.
- *Capital Project Fund* – This fund is used to account for the acquisition and/or construction of major capital facilities and infrastructure.

D. Cash and Cash Equivalents

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 and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town. Colorado State Statutes authorize the District to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value.

E. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents the consumption of net position that applies to a future period that will not be recognized as an outflow of the resources (expenditure) until the future period. At the end of the current fiscal year, the District did not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net 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 tax revenues.

The governmental funds also reported deferred inflows of resources representing unavailable property tax revenues.

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Deferred outflows of resources are presented below the total assets on the government-wide and governmental fund statements. Deferred inflows of resources are presented below the total liabilities on the government-wide and governmental fund statements.

F. Capital Assets

Capital assets, which include both nondepreciable and depreciable items, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life of at least 3 years. Such assets are recorded at historical cost. Donated and contributed capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

G. Fund Equity

The District utilizes the fund balance presentation as required under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are categorized as nonspendable, restricted, committed, assigned or unassigned. These fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are legally or contractually required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose but is neither restricted nor committed; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that do not meet any other of the above criteria and are available for any purpose; positive amounts are reported only in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 6).

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

H. Budgetary Information

In accordance with the Colorado Budget Law, the District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or prior to October 15th the budget is submitted to the Board of Directors of the District.
2. A public hearing on the budget is held prior to its adoption.
3. On the date of the hearing, the Board reviews the proposed budget and formally adopts it by resolution.
4. At the time of adopting the budget the Board also adopts the mill levies.
5. Prior to the beginning of the calendar year, the Board passes an appropriating resolution giving the District legal authority to spend.
6. The District adopts budgets for the general, debt service, and capital project funds on a basis consistent with generally accepted accounting principles. The District's Board of Directors can modify the budget and appropriations resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Directors. There were no supplemental amendments during the year ended December 31, 2023.

I. 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 15th by certification to the County Commissioners to put the tax lien on the individual properties as of January 1st of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District. Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 2. Deposits and Investments

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

Cash and Cash Equivalents	<u>\$ 3,716,730</u>
Total	<u>\$ 3,716,730</u>

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

Deposits with Financial Institutions	<u>\$ 3,716,730</u>
Total	<u>\$ 3,716,730</u>

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The District's deposits with depository financial institutions are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act (PDPA). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. PDPA requires that cash be deposited in eligible public depositories and that deposits 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 with the District being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 3. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Landscape Improvements	\$ 1,294,913	\$ -	\$ -	\$ 1,294,913
Detention Pond	125,981	-	-	125,981
Traffic Signals	<u>181,202</u>	<u>-</u>	<u>-</u>	<u>181,202</u>
Total Capital Assets, Not Being Depreciated	<u>1,602,096</u>	<u>-</u>	<u>-</u>	<u>1,602,096</u>
Capital Assets, Being Depreciated:				
Infrastructure Improvements	<u>3,941,634</u>	<u>-</u>	<u>-</u>	<u>3,941,634</u>
Total Capital Assets, Being Depreciated	<u>3,941,634</u>	<u>-</u>	<u>-</u>	<u>3,941,634</u>
Less Accumulated Depreciation:				
Infrastructure Improvements	<u>(996,831)</u>	<u>(101,934)</u>	<u>-</u>	<u>(1,098,765)</u>
Total Accumulated Depreciation	<u>(996,831)</u>	<u>(101,934)</u>	<u>-</u>	<u>(1,098,765)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,944,803</u>	<u>(101,934)</u>	<u>-</u>	<u>2,842,869</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,546,899</u>	<u>\$ (101,934)</u>	<u>\$ -</u>	<u>\$ 4,444,965</u>

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

Maintenance and Utilities \$ 101,934

Note 4. Long-term Debt

General Obligation Refunding Bonds. On December 21, 2011, the District issued its Series 2011 General Refunding Obligation Bonds (2011 Bonds), totaling \$7,205,000 with an interest rate of 2.63% payable semiannually on June 1 and December 1 through 2023. The 2011 Bonds were issued in order to refund the outstanding 1997 and 1998 bonds in the aggregate principal amount of \$7,180,000. The refunding resulted in an economic gain of \$1,087,185. On December 1, 2023 the District made its final debt service payment of \$962,492 consisting of \$950,000 in outstanding principal and \$12,492 in semiannual interest. The 2011 Bonds are now considered fully matured and defeased.

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Bonds Payable:</i>					
Series 2011 GO Bonds	\$ 950,000	\$ -	\$ 950,000	\$ -	\$ -
Total Long-term Liabilities	\$ 950,000	\$ -	\$ 950,000	\$ -	\$ -

Authorized but Unissued Debt. The District's voters authorized \$13,500,000 of general obligation debt in the 1995 and 1997 elections, of which \$7,655,000 remains unissued as of December 31, 2023. Of the \$7,655,000 of unissued debt, \$5,585,000 is authorized for refunding purposes, \$1,685,000 for safety improvements, and \$385,000 for street improvements. In the future, the District intends to 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; however, as of the date of the auditor's report, the amount and timing of any debt issuances is not determinable.

The District's voters authorized \$70,000,000 of general obligation debt in the 2013 election, all of which remains unissued as of December 31, 2023, for the various purposes summarized in Note 6.

Note 5. 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 maintains commercial insurance for significant insurable risks. 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, and public officials' liability 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 6. Tax, Spending and Debt Limitations

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

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

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

On May 7, 2002, the District's voters approved the following ballot question: "Shall Panorama Metropolitan District, without increasing taxes of any kind, be authorized to collect and spend all proceeds of its ad valorem taxes and investment income thereon as a voter-approved revenue change in 2002 and in each year thereafter, without regard to any spending, revenue-raising, or other limitation contain within Article X, Section 20 of the Colorado Constitution, and without regard to the annual limit set forth in Section 29-1- 301, Colorado Revised statutes?"

On May 8, 2012, the District's voters approved the following ballot question: "Shall Panorama Metropolitan District taxes be increased \$375,000 annually or such lesser amount as necessary to pay the District's administration, operations, maintenance, and capital expenses and costs of constructing facilities and improvements, by the imposition of ad valorem property taxes levies in any year, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such taxes and investment income thereon be collected, retained and spent by the District in fiscal year 2012 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?"

On November 5, 2013, the District's voters approved 13 ballot issues identified as 5D through 5P. A summary of the approved annual revenue and debt increases is as follows:

<u>Ballot Issue</u>	<u>Tax Maximum</u>	<u>Debt Maximum</u>	<u>Purpose, as may be defined more specifically in the ballot issue</u>
5D	\$475,000	NA	Administration, operations, maintenance, capital expenses
5E	\$10,000,000	NA	Intergovernmental agreements or other contracts
5F	NA	NA	Increase overall revenue limit
5G	\$574,000,000	\$70,000,000	Street improvements
5H	\$574,000,000	70,000,000	Parks and recreational facilities
5I	\$574,000,000	70,000,000	Water infrastructure and services
5J	\$574,000,000	70,000,000	Sewer and sanitation infrastructure and services
5K	\$574,000,000	70,000,000	Transportation infrastructure and services

PANORAMA METROPOLITAN DISTRICT

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5L	\$574,000,000	70,000,000	Mosquito control
5M	\$574,000,000	70,000,000	Traffic and safety controls
5N	\$574,000,000	70,000,000	General obligation debt refinancing
5O	\$574,000,000	70,000,000	Intergovernmental and contractual debt refinancing
5P	NA	NA	Intergovernmental joint financing of public improvements

On May 5, 2020, the District’s voters approved the following ballot question: “Shall Panorama Metropolitan District taxes be increased \$750,000 annually or by such lesser amount as necessary to pay the District’s administration, operations, maintenance, and capital expenses, by the imposition of ad valorem property taxes levies in any year, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such taxes and investment income thereon be collected, retained and spent by the District in fiscal year 2020 and in each fiscal year thereafter as a voter- approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District’s revenues or expenditures as it currently may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?”

TABOR also 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 has established an emergency reserve for the year ended December 31, 2023, in the amount of \$19,340.

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 interpretation of how to calculate Fiscal Year Spending limits may require judicial interpretation.

Note 7. Commitments and Contingencies

Settlement Agreement Imposing Debt and Debt Mill Levy Limits. On December 16, 2013, the District entered into a Settlement Agreement (Agreement) with Carr Office Park, LLC (Carr) and MG Panorama LLC (MG). At the time of the Agreement, Carr owned, and MG intended to acquire, commercial property with an assessed value of more than half of the District’s total assessed value.

In consideration of Carr and MG’s agreement to support a Revised Amended and Restated Service Plan, the District agreed to certain limitations on debt issuance and related debt mill levy increases. Specifically, the District agreed to limit new debt issuance to \$15,000,000 (in addition to the outstanding principal amount of the 2011 Bonds) without prior written consent

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

of Carr, MG, or any future owner (collectively, the “Carr Owner”), as set forth in the Agreement.

The District further agreed not to issue or incur any new debt that would anticipate an increase in the annual debt mill levy by more than: (i) three mills over the 2013 debt mill levy of 12.237 (a total of 15.237 mills) through the scheduled maturity of the 2011 Bonds as set forth more specifically in the agreement; and (ii) 5.000 mills total for a debt mill levy commencing in the tax collection year following the retirement of the 2011 Bonds.

Verification that any debt issued shall not increase the debt mill levy beyond the limits in the preceding paragraph shall be determined at the time of issuance by a financial forecast prepared by a qualified financial advisor assuming: 1) no increase in the assessed valuation resulting from new construction; 2) no increase resulting from revaluation of current property in the District over 1% annual inflation on the current annual assessed valuation of the District in every future year of the amortization schedule for repayment of such debt; and 3) the satisfaction of the Required Debt Service Ratio Coverage, as set forth more specifically in the Agreement.

In addition to compliance with the limits stated above, if there is an Outstanding Reimbursement Obligation (ORO), the District may issue new debt to repay the ORO and any Additional District Improvements (ADI) provided that (i) the bond proceeds for the ADI do not exceed 25% of the net bond proceeds available to pay the ORO; and (ii) the bond proceeds shall not be used to reimburse a developer for the costs of any ADI until they become an ORO.

Notwithstanding all of the above, the District may issue debt that does not meet the requirements set forth above if such issuance is (i) approved by all members of the District Board and (ii) consented to in writing by the Carr Owner.

Prior to developers advancing funds to the District or expending funds for the design, construction, and completion of certain District Public Improvements (DPI) acquired by the District upon completion, the District shall enter into a Reimbursement Agreement defining, among other items, what DPI will be constructed and the terms and conditions of reimbursement, including, but not limited to the following: a) No reimbursement shall be due and owing to a developer by the District until the Completion Date as defined in the agreement; b) Prior to reimbursement, the District shall receive evidence confirming the New Vertical Development Value (NVDV) of the developer’s property. Reimbursement shall be limited to the amount of debt that could be issued by calculating the capacity for issuance of debt in accordance with the terms set forth above (and in the Agreement), assuming the NVDV with no debt mill levy increase and calculated substantially in compliance with the example set forth in Exhibit C of the Agreement.

Notwithstanding the restrictions on developer reimbursement set forth above, the District may fund directly or reimburse a developer for costs associated with the following DPI without regard to Completion Date or the need for confirmation of the NVDV: a) Light Rail

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Improvements in an amount not to exceed \$1,200,000 in 2013 dollars; and b) Downstream Sanitary Sewer System Improvements in an amount not to exceed \$500,000 in 2013 dollars.

Intergovernmental Agreement – Dry Creek Light Rail Project. Effective December 16, 2014, the District entered into a Funding and Construction Management Agreement for Scopes 1, 2 and 5, Dry Creek Light Rail Platform Modification and Connectivity Improvements with the City. Subsequently the District and the City entered into an Amended and Restated Funding and Construction Management Agreement for Scopes 1, 2 and 5, Dry Creek Light Rail Platform Modification and Connectivity Improvements Agreement, dated June 2, 2015 (the “Amended and Restated Agreement”) for the funding and construction management of the Dry Creek Light Rail Project (City Project). The City Project included the installation of a new rail crossing, new sidewalk, construction of a new Regional Transport District Call-n- Ride/Kiss-n-Ride, and improvements designed to enhance accessibility concerns. In addition, the District planned to finance, acquire, and construct additional public infrastructure in the vicinity of the City Project described as Scopes 3 and 4, Dry Creek Light Rail Platform Modification and Connectivity Improvements (the “Additional District Improvements”). By execution of the Amended and Restated Agreement, the City agreed to finance the City Project with the cooperation of SPIMD1/South I-25 Urban Corridor Transportation Management (TMA).

Capital Pledge Agreement and Exclusion Agreement. On July 22, 2020, the District approved a Capital Pledge Agreement. As set forth in the agreement, the District’s commitment to Jones Metropolitan District No. 1 (JMD), is to fund \$15,000,000 plus interest, towards the JMD’s cost of financing the Public Improvements, from the imposition of 5 mills beginning in the year when the 2011 Bonds are fully repaid. (The 2011 Bonds have been fully repaid as of December 31, 2023.)

Subsequent to the approval of the Capital Pledge Agreement, the District’s Board held a public hearing on the possible exclusion of the property within the service areas of Jones Metropolitan Districts No’s. 1, 2, 3, 4 and 5. The exclusion of the property was approved by the District Board and the mill levy to be imposed by the District for the repayment of the 2011 Bonds and the 2020 Capital Pledge Agreement shall continue to be imposed on the excluded property until these obligations, or any debt issued to refund these obligations, has been fully repaid. As a part of the consideration of the exclusion petition, the Board considered and approved an Exclusion Agreement. The Exclusion Agreement requires JMD to take conveyance of the Kiss n Ride access road (currently being maintained by the District) and to assume responsibility for operation and maintenance of that access road.

Note 8. Related Parties

A majority of the District’s board members are officers, members, or employees of owners (or affiliated entities) of property within the District. These members may have conflicts of interest with respect to certain transactions that come before the Board.

PANORAMA METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 9. Use of Estimates

The preparation of financial statements in conformity with GAAP involves the use of management's estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based upon management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates. District management has estimated the useful lives of the District's capital assets as reflected in the Statement of Net Position.

PANORAMA METROPOLITAN DISTRICT

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes:			
General Property Taxes	\$ 788,340	\$ 786,738	\$ (1,602)
Investment Earnings	5,000	10,022	5,022
Total Revenues	<u>793,340</u>	<u>796,760</u>	<u>3,420</u>
Expenditures			
Current:			
County Treasurer Fees	11,825	11,800	25
Debt Service:			
Principal	950,000	950,000	-
Interest	24,985	24,985	-
Fiscal Charges	1,500	500	1,000
Contingency	175,000	-	175,000
Total Expenditures	<u>1,163,310</u>	<u>987,285</u>	<u>176,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(369,970)	(190,525)	179,445
Other Financing Sources (Uses)			
Transfers Out	-	(458,788)	(458,788)
Net Change in Fund Balances	(369,970)	(649,313)	(279,343)
Fund Balances, Beginning of Year	<u>670,882</u>	<u>649,313</u>	<u>(21,569)</u>
Fund Balances, End of year	<u>\$ 300,912</u>	<u>\$ -</u>	<u>\$ (300,912)</u>

PANORAMA METROPOLITAN DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Investment Earnings	\$ 1,700	\$ 4,950	\$ 3,250
Total Revenues	<u>1,700</u>	<u>4,950</u>	<u>3,250</u>
Expenditures			
Capital Improvements	434,666	495	434,171
Total Expenditures	<u>434,666</u>	<u>495</u>	<u>434,171</u>
Net Change in Fund Balances	(432,966)	4,455	437,421
Fund Balances, Beginning of Year	<u>502,734</u>	<u>501,409</u>	<u>(1,325)</u>
Fund Balances, End of year	<u>\$ 69,768</u>	<u>\$ 505,864</u>	<u>\$ 436,096</u>