

**INSPIRATION METROPOLITAN  
DISTRICT  
Douglas County, Colorado**


**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2022**


**INSPIRATION METROPOLITAN DISTRICT  
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1221 W. Mineral Avenue, Suite 202  
Littleton, CO 80120

 303-734-4800

 303-795-3356

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors

Inspiration Metropolitan District  
Douglas County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Inspiration Metropolitan District (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents:

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Inspiration Metropolitan District, as of December 31, 2022, and the respective changes in financial position and the budgetary comparisons for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 Inspiration Metropolitan District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### **Required Supplementary Information**

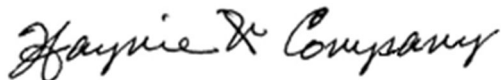
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

The supplementary information as listed in the table of contents 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Littleton, Colorado  
June 6, 2023

## **BASIC FINANCIAL STATEMENTS**

**INSPIRATION METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 1,417,488
Cash and Investments - Restricted	4,465,086
Property Taxes Receivable	3,907,833
Receivable from County Treasurer	29,433
Accounts Receivable	336,940
Prepaid Expenses	41,068
Capital Assets, Net	4,863,590
Total Assets	15,061,438
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Bond Refunding	6,251,059
Total Deferred Outflows of Resources	6,251,059
<b>LIABILITIES</b>	
Accounts Payable	542,478
Retainage Payable	17,052
Prepaid Assessments	35,028
Accrued Interest Payable	229,232
Noncurrent Liabilities:	
Due Within One Year	880,000
Due in More Than One Year	74,989,071
Total Liabilities	76,692,861
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Assessments	520,968
Deferred Property Tax Revenue	3,907,833
Total Deferred Inflows of Resources	4,428,801
<b>NET POSITION</b>	
Net Investment in Capital Assets	3,943,637
Restricted For:	
Emergency Reserves	105,100
Debt Service	570,610
Unrestricted	(64,428,513)
Total Net Position	\$ (59,809,165)

See accompanying Notes to Basic Financial Statements.

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

		Program Revenues			Net Revenue (Expense) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 2,934,640	\$ 2,033,992	\$ 159,000	\$ 261,338	\$ (480,310)
Interest and Related Costs on Long-Term Debt	3,309,194	-	609,000	-	(2,700,194)
Total Governmental Activities	\$ 6,243,834	\$ 2,033,992	\$ 768,000	\$ 261,338	(3,180,504)
 <b>GENERAL REVENUES</b>					
					4,621,403
					410,277
					85,524
					22,744
					5,139,948
 <b>CHANGE IN NET POSITION</b>					1,959,444
					(61,768,609)
 <b>NET POSITION - END OF YEAR</b>					\$ (59,809,165)

See accompanying Notes to Basic Financial Statements.

**INSPIRATION METROPOLITAN DISTRICT  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 111,507	\$ 1,305,981	\$ -	\$ -	\$ 1,417,488
Cash and Investments - Restricted	38,100	875,695	1,102,171	2,449,120	4,465,086
Property Taxes Receivable	577,601	-	3,249,007	81,225	3,907,833
Receivable from County Treasurer	7,762	-	21,671	-	29,433
Due from Other Funds	-	75,425	-	-	75,425
Accounts Receivable	-	336,940	-	-	336,940
Prepaid Expenses	11,791	29,277	-	-	41,068
<b>Total Assets</b>	<b>\$ 746,761</b>	<b>\$ 2,623,318</b>	<b>\$ 4,372,849</b>	<b>\$ 2,530,345</b>	<b>\$ 10,273,273</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 15,353	\$ 83,599	7,000	\$ 436,526	\$ 542,478
Due to Other Funds	-	-	-	75,425	75,425
Prepaid Assessments	-	35,028	-	-	35,028
Retainage Payable	-	-	-	17,052	17,052
<b>Total Liabilities</b>	<b>15,353</b>	<b>118,627</b>	<b>7,000</b>	<b>529,003</b>	<b>669,983</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Assessments	-	520,968	-	-	520,968
Deferred Property Tax Revenue	577,601	-	3,249,007	81,225	3,907,833
<b>Total Deferred Inflows of Resources</b>	<b>577,601</b>	<b>520,968</b>	<b>3,249,007</b>	<b>81,225</b>	<b>4,428,801</b>
<b>FUND BALANCES</b>					
Nonspendable	11,791	29,277	-	-	41,068
Restricted For:					
Emergency Reserves	38,100	67,000	-	-	105,100
Debt Service	-	-	1,116,842	-	1,116,842
Capital Projects	-	-	-	1,845,276	1,845,276
Committed					
Reserve	-	802,193	-	-	802,193
Special Revenue Fund Operations	-	1,078,751	-	-	1,078,751
Tree Planting/Screening	-	6,502	-	-	6,502
Capital Projects	-	-	-	74,841	74,841
Assigned for Subsequent Year	103,916	-	-	-	103,916
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>153,807</b>	<b>1,983,723</b>	<b>1,116,842</b>	<b>1,920,117</b>	<b>5,174,489</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 746,761</b>	<b>\$ 2,623,318</b>	<b>\$ 4,372,849</b>	<b>\$ 2,530,345</b>	
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 as assets in the funds.					
Capital Assets, Net					4,863,590
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					
Cost of Bond Refunding					6,251,059
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.					
Bonds Payable					(75,800,000)
Developer Advance Payable					(53,970)
Accrued Interest on Developer Advance Payable					(15,101)
Accrued Interest Payable					(229,232)
<b>Net Position of Governmental Activities</b>					<b>\$ (59,809,165)</b>

See accompanying Notes to Basic Financial Statements.



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

	General Fund	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 1,143,033	\$ -	\$ 3,402,694	\$ 75,676	\$ 4,621,403
Specific Ownership Taxes	108,194	-	302,083	-	410,277
Operation Fees - Residents	-	1,769,586	-	-	1,769,586
Operation Fees - Builders	-	143,031	-	-	143,031
Transfer Fees	-	159,000	-	-	159,000
Development Fees - Builders	-	-	609,000	-	609,000
Other Revenue	-	121,375	-	-	121,375
Miscellaneous Income	-	22,744	-	-	22,744
Net Investment Income	17,453	17,768	26,563	23,740	85,524
Total Revenues	<u>1,268,680</u>	<u>2,233,504</u>	<u>4,340,340</u>	<u>99,416</u>	<u>7,941,940</u>
<b>EXPENDITURES</b>					
General and Administration	323,369	802,786	10,000	75,676	1,211,831
Operations and Maintenance	-	1,264,248	-	-	1,264,248
Debt Service:					
Bond Principal	-	-	675,000	-	675,000
Bond and Loan Interest	-	-	2,927,458	-	2,927,458
County Treasurer's Fees	-	-	51,061	-	51,061
Debt Issue Costs	-	-	4,262	-	4,262
Paying Agent Fees	-	-	15,000	-	15,000
Capital Outlay:					
Capital Outlay	-	-	-	710,077	710,077
Total Expenditures	<u>323,369</u>	<u>2,067,034</u>	<u>3,682,781</u>	<u>785,753</u>	<u>6,858,937</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	945,311	166,470	657,559	(686,337)	1,083,003
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Other Funds	-	675,000	-	266,609	941,609
Transfers to Other Funds	(850,000)	(87,779)	(3,830)	-	(941,609)
Total Other Financing Sources (Uses)	<u>(850,000)</u>	<u>587,221</u>	<u>(3,830)</u>	<u>266,609</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	95,311	753,691	653,729	(419,728)	1,083,003
Fund Balances - Beginning of Year	<u>58,496</u>	<u>1,230,032</u>	<u>463,113</u>	<u>2,339,845</u>	<u>4,091,486</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 153,807</u>	<u>\$ 1,983,723</u>	<u>\$ 1,116,842</u>	<u>\$ 1,920,117</u>	<u>\$ 5,174,489</u>

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Governmental Funds \$ 1,083,003

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 Contributions	261,338
Capital Outlay	710,077
Depreciation	(407,500)

The issuance of long-term debt (e.g. bond issuance, developer advance) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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.

Bond Principal Payment	675,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of Loss on Refunding	(377,197)
Accrued Interest Payable - Change in Liability	<u>14,723</u>

Changes in Net Position of Governmental Activities	<u><u>\$ 1,959,444</u></u>
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**INSPIRATION METROPOLITAN DISTRICT  
GENERAL FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,147,520	\$ 1,143,033	\$ (4,487)
Specific Ownership Taxes	97,879	108,194	10,315
Net Investment Income	600	17,453	16,853
Total Revenues	<u>1,245,999</u>	<u>1,268,680</u>	<u>22,681</u>
<b>EXPENDITURES</b>			
General and Administration:			
Accounting	102,000	107,907	(5,907)
Audit	5,700	5,700	-
Contingency	9,338	-	9,338
County Treasurer's Fees	17,213	17,153	60
Dues and License	1,500	1,238	262
Election	47,000	60,164	(13,164)
Insurance	8,700	9,427	(727)
Legal	114,000	120,794	(6,794)
Miscellaneous	1,000	986	14
Total Expenditures	<u>306,451</u>	<u>323,369</u>	<u>(16,918)</u>
<b>NET CHANGE IN FUND BALANCES</b>	939,548	945,311	5,763
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Other Funds	(940,000)	(850,000)	90,000
Total Other Financing Sources (Uses)	<u>(940,000)</u>	<u>(850,000)</u>	<u>90,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(452)	95,311	95,763
Fund Balances - Beginning of Year	<u>55,549</u>	<u>58,496</u>	<u>2,947</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 55,097</u>	<u>\$ 153,807</u>	<u>\$ 98,710</u>

See accompanying Notes to Basic Financial Statements.

**INSPIRATION METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Operation Fees - Residents	\$ 1,787,520	\$ 1,769,586	\$ (17,934)
Operation Fees - Builders	147,000	143,031	(3,969)
Transfer Fees	182,500	159,000	(23,500)
Other Revenue	42,000	121,375	79,375
Net Investment Income	750	17,768	17,018
Miscellaneous Income	13,750	22,744	8,994
Total Revenues	<u>2,173,520</u>	<u>2,233,504</u>	<u>59,984</u>
<b>EXPENDITURES</b>			
Communications	5,304	3,805	1,499
Community Engagement	40,000	27,381	12,619
Facility Maintenance	190,615	203,574	(12,959)
General and Administration	844,716	802,786	41,930
Landscaping	805,536	615,569	189,967
Utilities	547,417	413,919	133,498
Total Expenditures	<u>2,433,588</u>	<u>2,067,034</u>	<u>366,554</u>
<b>NET CHANGE IN FUND BALANCES</b>	(260,068)	166,470	426,538
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers From Other Funds	690,000	675,000	(15,000)
Transfers to Other Funds	(95,000)	(87,779)	7,221
Total Other Financing Sources (Uses)	<u>595,000</u>	<u>587,221</u>	<u>(7,779)</u>
<b>NET CHANGE IN FUND BALANCES</b>	334,932	753,691	418,759
Fund Balances - Beginning of Year	<u>1,138,585</u>	<u>1,230,032</u>	<u>91,447</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,473,517</u>	<u>\$ 1,983,723</u>	<u>\$ 510,206</u>

See accompanying Notes to Basic Financial Statements.

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

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Inspiration Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Douglas County entered on May 30, 2002 and recorded on June 7, 2002 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). On February 10, 2017, the District formally changed its name from RockingHorse Metropolitan District No. 2 to Inspiration Metropolitan District. The District's service area is located in the city of Aurora, Douglas County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, traffic and safety controls, park and recreation, limited fire protection, transportation, limited television relay and translation, and mosquito control improvements and services.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental 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 has no employees, and all operations and administrative functions are contracted.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 inter-governmental 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.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund accounts for certain financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the operation and maintenance of District owned public facilities.

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total 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 has amended its annual budget for the year ended December 31, 2022.

**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, cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Property Taxes**

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred 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.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. 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.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

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

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 estimated economic useful life of 30 years for the pool and clubhouse, 15 years for Public Art, 7 to 15 years for Equipment, and 10 to 20 years for improvements other than buildings.

**Amortization**

**Cost of Bond Refunding**

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense, and the unamortized deferred cost is reflected as a deferred outflow of resources.

**Deferred Inflow/Outflow of Resources**

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

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 two items that qualify for reporting in this category. Accordingly, the items, deferred assessments and deferred property tax revenue, are deferred and recognized as inflows of resources in the period that the amounts become available.

**Operations Fees**

Effective October 20, 2015, the District adopted a Resolution Concerning the Imposition of an Operations Fee which was amended on November 5, 2018, November 19, 2019, November 10, 2020, March 9, 2021, and November 8, 2022. (collectively, the Fee Resolution). As amended in 2022 to become effective January 1, 2023, the District will impose: 1) an Operations Fee on each Residential Unit at a rate of \$294 per quarter; 2) an Operations Fee on each Vacant Lot at a rate of \$147 per quarter; 3) a Transfer fee on each Residential Unit transfer of \$500; and 4) a Transfer fee on each Vacant Lot transfer of \$500.



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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operations Fees (Continued)**

On July 16, 2010 and Amended and Restated by 2016 Resolution on July 26, 2016, the Board of Directors of the Districts adopted a Joint Resolution Concerning District Fees for the Use of District Recreational Facilities by Nonresidents and Nonproperty Owners. Persons not residing or owning property within the legal boundaries of the District, as may be amended from time to time (the Outside Users), shall be entitled to utilize the RockingHorse tennis courts (the Recreation Amenities) in accordance with, and to the extent set forth within the resolution and the rules and regulations of the Districts. The annual Outside User fee is \$1,400 per year.

**Development Fees**

On October 20, 2015, the District established a one-time Development Fee of \$3,500 per residential unit for the overall cost of providing amenities and facilities benefitting property and inhabitants within the District. The Development Fee is calculated to defray the cost of funding Development Costs and reasonably distribute the burden in a manner based on the benefits received by persons paying the fees and using the Facilities. The fees are payable by homebuilders at the time of issuance of a building permit.

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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.

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Assets:	
Cash and Investments	\$ 1,417,488
Cash and Investments - Restricted	4,465,086
Total Cash and Investments	<u>\$ 5,882,574</u>

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

Deposits with Financial Institutions	\$ 600,995
Investments	5,281,579
Total Cash and Investments	<u>\$ 5,882,574</u>

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.

On December 31, 2022, the District’s cash deposits had a bank balance of \$566,935 and a carrying balance of \$600,995.

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

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

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

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

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

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

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

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Trust (COLOTRUST)	Under 60 Days	\$ 2,341,132
Federated Hermes U.S. Treasury Cash Reserves	Weighted-Average Under 60 Days	<u>2,940,447</u>
Total		<u><u>\$ 5,281,579</u></u>

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

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

**COLOTRUST**

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

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

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

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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**Federated Hermes U.S. Treasury Cash Reserves**

The debt service money that is included in the trust accounts at Zions Bancorporation, National Association, is invested in Federated Hermes U.S. Treasury Cash Reserves. The portfolio is a money market fund which invests in short-term U.S. Treasury securities, which are fully guaranteed as to principal and interest by the United States. The weighted average maturity of the underlying securities is 60 days or less. Each share is equal in value to \$1.00. The fund is rated AAAM by Standard and Poor's and Aaa-mf by Moody's.

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

**NOTE 4 CAPITAL ASSETS**

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

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 98,930	\$ 543,682	\$ 81,286	\$ 561,326
Land	-	46,489	-	46,489
Landscape Improvements	<u>245,520</u>	<u>-</u>	<u>-</u>	<u>245,520</u>
Total Capital Assets, Not Being Depreciated	344,450	590,171	81,286	853,335
Capital Assets, Being Depreciated:				
Pool and Clubhouse	1,744,358	-	-	1,744,358
Public Art	-	214,849	-	214,849
Equipment	-	134,234	-	134,234
Improvements Other than Buildings	<u>4,119,348</u>	<u>113,447</u>	<u>-</u>	<u>4,232,795</u>
	5,863,706	462,530	-	6,326,236
Less Accumulated Depreciation For:				
Pool and Clubhouse	319,799	58,146	-	377,945
Public Art	-	7,162	-	7,162
Equipment	-	6,244	-	6,244
Improvements Other than Buildings	<u>1,588,682</u>	<u>335,948</u>	<u>-</u>	<u>1,924,630</u>
Total Accumulated Depreciation	<u>1,908,481</u>	<u>407,500</u>	<u>-</u>	<u>2,315,981</u>
Total Capital Assets, Being Depreciated, Net	<u>3,955,225</u>	<u>55,030</u>	<u>-</u>	<u>4,010,255</u>
Capital Assets, Net	<u>\$ 4,299,675</u>	<u>\$ 645,201</u>	<u>\$ 81,286</u>	<u>\$ 4,863,590</u>

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

General Government	<u>\$ 407,500</u>
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**INSPIRATION METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS**

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

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
Notes/Loans/Bonds from Direct Borrowings and Direct Placements:					
Series 2021A-1 Loan	60,180,000	-	365,000	59,815,000	500,000
Series 2021A-2 Loan	13,045,000	-	175,000	12,870,000	230,000
Series 2021B Bonds	3,250,000	-	135,000	3,115,000	150,000
Subtotal of Notes/Loans/Bonds from Direct Borrowings and Direct Placements	76,475,000	-	675,000	75,800,000	880,000
Other Debts:					
Developer Advance - Operations	53,970	-	-	53,970	-
Interest on Developer Advance - Operations	15,101	-	-	15,101	-
Subtotal of Other Debts	69,071	-	-	69,071	-
Total Long-Term Obligations	<u>\$ 76,544,071</u>	<u>\$ -</u>	<u>\$ 675,000</u>	<u>\$ 75,869,071</u>	<u>\$ 880,000</u>

The details of the District's long-term obligations are as follows:

**2021A Notes and 2021B Bonds**

**Taxable (Convertible to Tax Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Notes, Series 2021A-1** (the 2021A-1 Senior Notes) and **Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Notes, Series 2021A-2** (the 2021A-2 Senior Notes, and together with the 2021A-1 Senior Notes, the "2021A Notes"), were issued on November 9, 2021, in the respective amounts of \$60,180,000 and \$13,045,000.

**Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2021B** (the 2021B Bonds) were issued on December 7, 2021, in the amount of \$3,250,000.

**Proceeds of the 2021A Notes**

The 2021A-1 Senior Notes were issued for the purposes of: (a) advance refunding the Series 2014A, Series 2014B, and Series 2014C Bonds, and (b) paying the costs in connection with the issuance of the 2021A Notes.

The 2021A-2 Senior Notes were issued for the purposes of: (a) currently refunding the Series 2017D Bonds, and (b) paying the costs in connection with the issuance of the 2021A Notes.

The 2021A Notes do not have any unused lines of credit.

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

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Details of the 2021A Notes**

The 2021A-1 Senior Notes were issued at the Taxable Rate of 3.91% per annum. On the Tax-Exempt Reissuance Date, expected to be October 4, 2023, the 2021A-1 Senior Notes will bear interest at the Base Rate of 3.13% until maturity. The 2021A-2 Senior Notes bear interest at the Base Rate of 3.13% from the date of issuance until maturity. The 2021A Notes mature on December 1, 2036.

Interest on the 2021A Notes is payable semiannually on June 1 and December 1, beginning on December 1, 2021. The 2021A Notes are subject to annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2022.

To the extent principal of any Note is not paid when due, such principal shall remain outstanding until paid, but in no event beyond the Discharge Date of December 1, 2051 and will continue to bear interest at the rate then borne by the 2021A Notes. To the extent interest on any 2021A Note is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the 2021A Notes. Any amount of principal or interest on the 2021A Notes remaining unpaid on December 1, 2051, will be deemed discharged.

**Optional Redemption of the 2021A Notes**

The 2021A Notes are subject to redemption prior to maturity, at the option of the District, on any date, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
Date of issuance of the Notes to November 3, 2023	3.00%
November 4, 2023, to November 3, 2024	2.00
November 4, 2024, to November 3, 2025	1.00
November 4, 2025, and thereafter	0.00

**2021A Notes Pledged Revenue**

The 2021A Notes are secured by and payable solely from and to the extent of Pledged Revenue, which means the moneys derived by the District from the following sources:

- (a) all Property Tax Revenues derived from imposition by the District of the Required Mill Levy;
- (b) the portion of the Specific Ownership Tax Revenues which is collected as a result of imposition of the Required Mill Levy;
- (c) all Development Fee Revenues; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Note Fund.

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

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Required Mill Levy**

Pursuant to the Indenture, the District has covenanted to levy the "Required Mill Levy," generally meaning:

- (a) prior to the first date on which the Senior Debt to Assessed Ratio is 50% or less (Conversion Date of the 2021A Notes), an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Property Tax Revenues which would be sufficient to pay the Annual Debt Requirements for the next Fiscal Year but not in excess of 50 mills (as adjusted for changes in the method of calculating assessed valuation on or after January 1, 2004).
- (b) on and after the Conversion Date of the 2021A Notes, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Property Tax Revenues which would be sufficient to pay the principal of, premium if any, and interest on the 2021A Notes as the same become due and payable.

**Events of Default of the 2021A Notes**

Events of default occur if the District fails to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture, fails to pay principal and interest on the 2021A Notes when due, and does not comply with other customary terms and conditions with normal municipal financing as described in the Indenture. The 2021A Notes are not subject to acceleration. No assets have been pledged as collateral on the 2021A Notes.

**Proceeds of the 2021B Bonds**

The 2021B Bonds were issued for the purpose of (a) paying Project Costs, (b) funding the Subordinate Reserve Fund to the Subordinate Reserve Requirement, and (c) paying other costs in connection with the issuance of the 2021B Bonds.

The 2021B Bonds do not have any unused lines of credit.

**Details of the 2021B Bonds**

The 2021B Bonds bear interest at 5.00%, payable annually on December 15, beginning on December 15, 2022. The 2021B Bonds are subject to annual mandatory sinking fund principal payments due on December 15, beginning on December 15, 2022, and maturing on December 15, 2036.

To the extent principal of any 2021B Bond is not paid when due, such principal shall remain outstanding until paid, but in no event beyond the Discharge Date of December 15, 2051 and will continue to bear interest at the rate then borne by the 2021B Bonds. To the extent interest on any 2021B Bond is not paid when due, such unpaid interest shall compound annually on each December 15 at the interest rate then borne by the 2021B Bonds. Any amount of principal or interest on the 2021B Bonds remaining unpaid on December 15, 2051, will be deemed discharged.



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

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Optional Redemption of the 2021B Bonds**

The 2021B Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2026, to December 14, 2027	3.00%
December 15, 2027, to December 14, 2028	2.00
December 15, 2028, to December 14, 2029	1.00
December 15, 2029, and thereafter	0.00

**Subordinate Pledged Revenue**

The 2021B Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, which means the moneys derived by the District from the following sources:

- (a) all Subordinate Property Tax Revenues derived from imposition by the District of the Subordinate Required Mill Levy;
- (b) the portion of the Subordinate Specific Ownership Tax Revenues which is collected as a result of imposition of the Subordinate Required Mill Levy;
- (c) all Development Fee Revenues; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**Subordinate Required Mill Levy**

Pursuant to the Subordinate Bonds Indenture, the District has covenanted to levy the "Subordinate Required Mill Levy," generally meaning:

- (a) prior to the first date on which the Debt to Assessed Ratio is 50% or less (Conversion Date of the 2021B Bonds), an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Subordinate Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2021B Bonds as the same become due and payable and to replenish the Subordinate Reserve Fund to the Subordinate Reserve Requirement, but not in excess of 50 mills (as adjusted for changes in the method of calculating assessed valuation on or after January 1, 2004) less the Senior Obligation Mill Levy;
- (b) on and after the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Subordinate Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2021B Bonds as the same become due and payable and to replenish the Subordinate Reserve Fund to the Subordinate Reserve Requirement.

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

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Additional Security on the 2021B Bonds**

The 2021B Bonds are additionally secured by the Subordinate Reserve Fund and the Subordinate Surplus Fund. The Subordinate Reserve Fund was funded from proceeds of the 2021B Bonds in the amount of the Subordinate Reserve Requirement of \$154,500.

The Subordinate Surplus Fund was funded by Subordinate Pledged Revenue that was not needed to pay debt service on the 2021B Bonds in any year and is deposited to and held in the Subordinate Surplus Fund, up to the Maximum Subordinate Surplus Amount of \$162,500.

**Events of Default on the 2021B Bonds**

Events of default occur if the District fails to impose the Subordinate Required Mill Levy or to apply the Subordinate Pledged Revenue as required by the Subordinate Indenture, fails to pay principal and interest on the 2021B Bonds when due, and does not comply with other customary terms and conditions with normal municipal financing as described in the Subordinate Indenture. The 2021B Bonds are not subject to acceleration. No assets have been pledged as collateral on the 2021B Bonds.

**Developer Advances** see Note 8.

**Maturity of the 2021A Notes and 2021B Bonds**

The District's 2021A Notes mature on December 1, 2036. The following maturity of the 2021A Notes assumes the 2021A Notes will be refinanced until December 1, 2051, with an estimated interest rate of 4.5%.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 730,000	\$ 2,667,726	\$ 3,397,726
2024	1,395,000	2,252,192	3,647,192
2025	1,435,000	2,208,528	3,643,528
2026	1,540,000	2,163,613	3,703,613
2027	1,585,000	2,115,411	3,700,411
2028 - 2032	9,260,000	9,776,399	19,036,399
2033 - 2037	11,270,000	8,832,795	20,102,795
2038 - 2042	12,345,000	9,184,950	21,529,950
2043 - 2047	16,375,000	6,061,500	22,436,500
2048 - 2051	16,750,000	1,933,200	18,683,200
Total	<u>\$ 72,685,000</u>	<u>\$ 47,196,312</u>	<u>\$ 119,881,312</u>

The District's 2021B Bonds will mature as follows:

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

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Maturity of the 2021A Notes and 2021B Bonds (Continued)**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 150,000	\$ 155,750	\$ 305,750
2024	160,000	148,250	308,250
2025	165,000	140,250	305,250
2026	175,000	132,000	307,000
2027	185,000	123,250	308,250
2028 - 2032	1,065,000	468,750	1,533,750
2033 - 2036	1,215,000	166,750	1,381,750
Total	<u>\$ 3,115,000</u>	<u>\$ 1,335,000</u>	<u>\$ 4,450,000</u>

**Authorized Debt**

On May 7, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$81,012,649 for public improvements and \$74,294,145 for refunding at an interest rate not to exceed 18% per annum.

On November 2, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,077,300,000 for public improvements and \$239,400,000 for refunding at an interest rate not to exceed 18% per annum.

As of December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Debt Authorized May 7, 2002</u>	<u>Debt Authorized November 2, 2004</u>	<u>Authorization Used</u>	<u>Authorized But Unissued</u>
Streets	\$ 43,325,813	\$ 119,700,000	\$ 17,558,423	\$ 145,467,390
Traffic and Safety	2,686,836	119,700,000	8,568	122,378,268
Water	10,000,000	119,700,000	6,929,782	122,770,218
Park and Recreation	15,000,000	119,700,000	11,535,708	123,164,292
Sanitation	10,000,000	119,700,000	13,003,205	116,696,795
Fire Protection	-	119,700,000	-	119,700,000
Transportation	-	119,700,000	-	119,700,000
Mosquito Control	-	119,700,000	-	119,700,000
TV Relay	-	119,700,000	-	119,700,000
Refundings	74,294,145	239,400,000	80,404,497	233,289,648
Total	<u>\$ 155,306,794</u>	<u>\$ 1,316,700,000</u>	<u>\$ 129,440,183</u>	<u>\$ 1,342,566,611</u>

The District's Service Plan allows for a total debt amount of \$119,700,000 when combined with RockingHorse Metropolitan District No. 1 (District No. 1).

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

**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, 2022, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 4,863,590
Noncurrent Liabilities	(2,765,229)
Unspent Bond Proceeds	<u>1,845,276</u>
Net Investment in Capital Assets	<u><u>\$ 3,943,637</u></u>

Restricted net position includes assets that are 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, 2022 as follows:

Emergency Reserves	\$ 105,100
Debt Service	<u>570,610</u>
Total	<u><u>\$ 675,710</u></u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 7 RELATED PARTY**

The Developer of the property which constitutes the District is Nash Inspiration, LLC. From January 2022 until the May 2022 election, one member of the Board of Directors was an employee, owner or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**NOTE 8 AGREEMENTS**

**Intergovernmental Agreement with the City of Aurora**

On December 21, 2004, the District and District No. 1 (collectively, the Districts) entered into the Intergovernmental Agreement between the city of Aurora and the Districts (the IGA). The IGA defines and clarifies the services which the Districts may provide, as well as those services which the Districts are prohibited from providing.

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

**NOTE 8 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement with the City of Aurora (Continued)**

The IGA was amended and restated on May 21, 2018, to allow the District to own, operate, and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity. Pursuant to the Consolidated Service Plan, the Districts are required to impose the Aurora Regional Improvement (ARI) Mill Levy upon the Districts' residents. This mill levy is 1.000 mill for 20 years, which for this purpose begins the first year that the Districts certify a debt service mill levy. The levy increases to 5.000 mills for years 21 through 40 or the date of repayment of the debt incurred for public improvements, other than regional improvements, whichever occurs first. For the 10 years subsequent to the period where the 5.000 mills is imposed, the ARI mill levy is the average of the debt service mill levy for the previous 10 years.

The District first imposed a mill levy for debt service for the collection year 2011 and will certify an ARI mill levy of 5.000 mills beginning in 2030 for collection in 2031.

**South Aurora Regional Improvement Authority**

On February 7, 2018, the District entered into the South Aurora Regional Improvement Authority (SARIA) Establishment Agreement (SARIA Agreement) with the City. The Authority was formed to provide functions and services necessary to acquire, construct, finance, maintain, and manage certain regional improvements that are identified and agreed upon by the City and the member districts.

The SARIA Agreement provides that SARIA may adopt an ARI master plan, pursuant to the Code and Service Plans of the districts. SARIA will prioritize and support the completion of the regional improvements as identified in the ARI Master Plan. In order to fund these projects, SARIA may issue revenue bonds or other multi-fiscal year financial obligations, subject to its sole discretion, secured by the pledged revenues of the ARI Mill Levies by each of the districts and other funds legally available to SARIA.

SARIA adopted ARI Master Plan Number One on December 8, 2017; however, no action has been taken to implement ARI Master Plan Number One. On June 15, 2018, the Authority adopted ARI Master Plan Number Two which replaces ARI Master Plan Number One and constitutes the Authority's current plan for Regional Improvements.

ARI Master Plan Number Two identifies \$62,200,000 of Regional Improvements. Pursuant to ARI Master Plan Number Two, the Authority is responsible for providing financing for only a portion of these improvements. The remaining costs are planned to be paid by the City, the County, and/or certain Member Districts and developers, depending upon the particular improvement.

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

**NOTE 8 AGREEMENTS (CONTINUED)**

**South Aurora Regional Improvement Authority, Continued**

On October 2, 2018, the SARIA Agreement was amended by the First Amendment to the South Aurora Regional Improvement Authority Establishment Agreement (First Amendment) in conjunction with the issuance of SARIA's Special Revenue Bonds, Series 2018 (SARIA Bonds). SARIA issued its SARIA Bonds in the amount of \$11,265,000, bearing interest at the rate 6.25%, on December 19, 2018. The District is obligated to pledge its ARI Mill Levy Revenues to the repayment of the SARIA Bonds pursuant to the terms of the SARIA Agreement and the First Amendment.

**Funding and Reimbursement Agreement**

On July 21, 2015, the District and Nash Inspiration, LLC (the Developer) entered into a Funding and Reimbursement Agreement whereby the Developer agreed to loan up to \$100,000 per year for operations through December 31, 2015, and the District agreed to repay the Developer for funds advanced plus accrued interest at 7% per annum. This agreement was subsequently extended for 2016 and 2017. Effective January 1, 2017, the Maximum Loan Amount was increased to \$200,000. Outstanding advances under the agreement totaled \$53,970 plus accrued interest through December 31, 2020 of \$15,101. The Developer is expected to forgive the outstanding advances totaling \$69,071, including principal and interest in 2023, upon transfer of certain tracts of land from the Developer to the District.

**NOTE 9 INTERFUND AND OPERATING TRANSFERS**

Transfers from the General Fund to the Special Revenue Fund will be used for future operating costs of the District.

Transfers from the General Fund and the Special Revenue Fund to the Capital Projects Fund will be used to fund major capital improvements.

Transfers from the Debt Service Fund as a result of 2021B Bond issue proceeds transferred to the Capital Projects Fund will be used to fund major capital improvements.

**NOTE 10 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 (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**NOTE 10 RISK MANAGEMENT (CONTINUED)**

The District pays annual premiums to the Pool for property 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 11 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 that apply to the state of Colorado and all local governments.

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

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

On November 2, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

As of December 31, 2022, the District had unexpended construction related contract commitments of approximately \$175,756.

## **SUPPLEMENTARY INFORMATION**



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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 3,416,051	\$ 3,404,540	\$ 3,402,694	\$ (1,846)
Specific Ownership Taxes	273,284	297,934	302,083	4,149
Development Fees - Builders	633,500	591,500	609,000	17,500
Debt Forgiveness	-	69,071	-	(69,071)
Net Investment Income	1,000	2,500	26,563	24,063
Total Revenues	<u>4,323,835</u>	<u>4,365,545</u>	<u>4,340,340</u>	<u>(25,205)</u>
<b>EXPENDITURES</b>				
Accounting	3,000	3,000	3,000	-
Loan Principal - Series 2021A-1	365,000	365,000	365,000	-
Loan Principal - Series 2021A-2	175,000	175,000	175,000	-
Bond Principal - Series 2021B	125,000	135,000	135,000	-
Loan Interest - Series 2021A-1	2,353,038	2,353,038	2,353,038	-
Loan Interest - Series 2021A-2	408,309	408,309	408,309	-
Bond Interest - Series 2021B	189,965	166,111	166,111	-
Contingency	21,941	11,311	-	11,311
County Treasurer's Fees	51,241	51,068	51,061	7
Debt Issue Costs	-	4,262	4,262	-
Refund Overpaid System Development Fees	-	7,000	7,000	-
Repay O&M Developer Advance Principal	-	53,970	-	53,970
Repay O&M Developer Advance Interest	-	15,101	-	15,101
Paying Agent Fees	7,500	8,000	15,000	(7,000)
Total Expenditures	<u>3,699,994</u>	<u>3,756,170</u>	<u>3,682,781</u>	<u>73,389</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	623,841	609,375	657,559	48,184
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	-	(303,830)	(3,830)	300,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(303,830)</u>	<u>(3,830)</u>	<u>300,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	623,841	305,545	653,729	348,184
Fund Balances - Beginning of Year	<u>261,205</u>	<u>463,113</u>	<u>463,113</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 885,046</u>	<u>\$ 768,658</u>	<u>\$ 1,116,842</u>	<u>\$ 348,184</u>

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes - Regional ARI	\$ 75,973	\$ 75,717	\$ 75,676	\$ (41)
Net Investment Income	-	5,130	23,740	18,610
Total Revenues	<u>75,973</u>	<u>80,847</u>	<u>99,416</u>	<u>18,569</u>
<b>EXPENDITURES</b>				
Capital Outlay	700,955	961,694	710,077	251,617
County Treasurer's Fees - Regional ARI	1,140	1,136	1,136	-
Regional ARI Expense	74,833	74,581	74,540	41
Contingency	10,063	22,589	-	22,589
Total Expenditures	<u>786,991</u>	<u>1,060,000</u>	<u>785,753</u>	<u>274,247</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(711,018)	(979,153)	(686,337)	292,816
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	345,000	340,000	266,609	(73,391)
Total Other Financing Sources (Uses)	<u>345,000</u>	<u>340,000</u>	<u>266,609</u>	<u>(73,391)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(366,018)	(639,153)	(419,728)	219,425
Fund Balances - Beginning of Year	<u>2,325,169</u>	<u>2,339,845</u>	<u>2,339,845</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,959,151</u>	<u>\$ 1,700,692</u>	<u>\$ 1,920,117</u>	<u>\$ 219,425</u>

**INSPIRATION METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND –  
SCHEDULE OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>			
<b>COMMUNICATIONS</b>			
Website and Digital Tools	\$ 5,304	\$ 3,805	\$ 1,499
Total Communications	5,304	3,805	1,499
<b>COMMUNITY ENGAGEMENT</b>			
Community Wide Program	40,000	27,381	12,619
Total Community Engagement	40,000	27,381	12,619
<b>FACILITY MAINTENANCE</b>			
Building Maintenance	16,500	4,065	12,435
Facility Security Access System	3,500	1,375	2,125
Fence/Walls	40,000	60,041	(20,041)
Holiday Lights	6,300	-	6,300
Internet	3,600	3,250	350
Janitorial	4,900	-	4,900
Lighting and Electric	-	235	(235)
Maintenance - General Community	-	20,668	(20,668)
Pest Control	1,020	-	1,020
Pool Operations	69,700	82,226	(12,526)
Snow Removal	43,000	30,548	12,452
Vandalism	1,500	-	1,500
Waste Services	595	1,166	(571)
Total Facility Maintenance	190,615	203,574	(12,959)
<b>GENERAL AND ADMINISTRATION</b>			
Bad Debt Expense	5,610	-	5,610
Billing Statements Postage/Mailing	10,000	4,521	5,479
Billing/Collection	151,784	141,790	9,994
Contingency	24,100	-	24,100
Governance Mailing	510	-	510
Insurance and Bonds	29,303	28,473	830
Legal	10,800	21,577	(10,777)
Lockbox Services	3,060	2,408	652
Management Fee	552,300	543,025	9,275
Miscellaneous	-	857	(857)
Property Management Covenant Enforcement	54,000	56,864	(2,864)
Storage	1,835	2,914	(1,079)
Telephone	900	357	543
Uniforms	300	-	300
Web Hosting	214	-	214
Total General and Administration	844,716	802,786	41,930
<b>LANDSCAPING</b>			
Annual Review Backflow Preventers	3,060	-	3,060
Irrigation System	105,600	103,094	2,506
Landscape Maintenance	298,232	319,423	(21,191)
Seasonal Color	6,873	-	6,873
Tract Turnover	200,000	-	200,000
Tree Maintenance and Replacement	120,771	124,847	(4,076)
Pond Maintenance & Certification	40,000	45,455	(5,455)
Winter Water	31,000	22,750	8,250
Total Landscaping	805,536	615,569	189,967
<b>UTILITIES</b>			
Electricity	6,273	6,943	(670)
Gas	6,120	8,814	(2,694)
Trash Collection	207,024	213,797	(6,773)
Water and Sewer	328,000	184,365	143,635
Total Utilities	547,417	413,919	133,498
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,433,588</b>	<b>\$ 2,067,034</b>	<b>\$ 366,554</b>

## **OTHER INFORMATION**

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

Year Ending December 31,	\$60,180,000			\$13,045,000		
	Taxable (Convertible to Tax Exempt) Limited Tax (Convertible to Unlimited) General Obligation Refunding Notes Series 2021A-1, Interest Rate 3.13% - 4.50% Payable June 1 and December 1 Principal due December 1			Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Notes Series 2021A-2, Interest Rate 3.13% - 4.50% Payable June 1 and December 1 Principal due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 500,000	\$ 2,264,895	\$ 2,764,895	\$ 230,000	\$ 402,831	\$ 632,831
2024	1,145,000	1,856,560	3,001,560	250,000	395,632	645,632
2025	1,180,000	1,820,721	3,000,721	255,000	387,807	642,807
2026	1,265,000	1,783,787	3,048,787	275,000	379,826	654,826
2027	1,305,000	1,744,193	3,049,193	280,000	371,218	651,218
2028	1,395,000	1,703,346	3,098,346	300,000	362,454	662,454
2029	1,435,000	1,659,683	3,094,683	310,000	353,064	663,064
2030	1,530,000	1,614,767	3,144,767	330,000	343,361	673,361
2031	1,580,000	1,566,878	3,146,878	340,000	333,032	673,032
2032	1,680,000	1,517,424	3,197,424	360,000	322,390	682,390
2033	1,730,000	1,464,840	3,194,840	370,000	311,122	681,122
2034	1,835,000	1,410,691	3,245,691	395,000	299,541	694,541
2035	1,890,000	1,353,256	3,243,256	410,000	287,178	697,178
2036	2,145,000	1,294,099	3,439,099	460,000	274,345	734,345
2037	1,680,000	1,764,000	3,444,000	355,000	373,725	728,725
2038	1,815,000	1,688,400	3,503,400	385,000	357,750	742,750
2039	1,895,000	1,606,725	3,501,725	405,000	340,425	745,425
2040	2,045,000	1,521,450	3,566,450	430,000	322,200	752,200
2041	2,135,000	1,429,425	3,564,425	455,000	302,850	757,850
2042	2,295,000	1,333,350	3,628,350	485,000	282,375	767,375
2043	2,395,000	1,230,075	3,625,075	510,000	260,550	770,550
2044	2,565,000	1,122,300	3,687,300	545,000	237,600	782,600
2045	2,685,000	1,006,875	3,691,875	565,000	213,075	778,075
2046	2,870,000	886,050	3,756,050	605,000	187,650	792,650
2047	3,000,000	756,900	3,756,900	635,000	160,425	795,425
2048	3,200,000	621,900	3,821,900	675,000	131,850	806,850
2049	3,340,000	477,900	3,817,900	710,000	101,475	811,475
2050	3,560,000	327,600	3,887,600	755,000	69,525	824,525
2051	3,720,000	167,400	3,887,400	790,000	35,550	825,550
<b>Total</b>	<b>\$ 59,815,000</b>	<b>\$ 38,995,487</b>	<b>\$ 98,810,487</b>	<b>\$ 12,870,000</b>	<b>\$ 8,200,825</b>	<b>\$ 21,070,825</b>

The Series 2021A-1 and Series 2021A-2 Bonds mature on December 1, 2036. For purposes of the above, the Series 2021A-1 and Series 2021A-2 Bonds are assumed to be refinanced until December 1, 2051 with an estimated interest rate of 4.5%.

**INSPIRATION METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)  
DECEMBER 31, 2022**

\$3,250,000

Subordinate Limited Tax (Convertible to  
Unlimited Tax) General Obligation Bonds

Series 2021B, Interest Rate 5.00%

Payable December 15

Year Ending December 31,	Principal due December 15			Total		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 150,000	\$ 155,750	\$ 305,750	\$ 880,000	\$ 2,823,476	\$ 3,703,476
2024	160,000	148,250	308,250	1,555,000	2,400,442	3,955,442
2025	165,000	140,250	305,250	1,600,000	2,348,778	3,948,778
2026	175,000	132,000	307,000	1,715,000	2,295,613	4,010,613
2027	185,000	123,250	308,250	1,770,000	2,238,661	4,008,661
2028	195,000	114,000	309,000	1,890,000	2,179,800	4,069,800
2029	200,000	104,250	304,250	1,945,000	2,116,997	4,061,997
2030	210,000	94,250	304,250	2,070,000	2,052,378	4,122,378
2031	225,000	83,750	308,750	2,145,000	1,983,660	4,128,660
2032	235,000	72,500	307,500	2,275,000	1,912,314	4,187,314
2033	245,000	60,750	305,750	2,345,000	1,836,712	4,181,712
2034	260,000	48,500	308,500	2,490,000	1,758,732	4,248,732
2035	270,000	35,500	305,500	2,570,000	1,675,933	4,245,933
2036	440,000	22,000	462,000	3,045,000	1,590,443	4,635,443
2037	-	-	-	2,035,000	2,137,725	4,172,725
2038	-	-	-	2,200,000	2,046,150	4,246,150
2039	-	-	-	2,300,000	1,947,150	4,247,150
2040	-	-	-	2,475,000	1,843,650	4,318,650
2041	-	-	-	2,590,000	1,732,275	4,322,275
2042	-	-	-	2,780,000	1,615,725	4,395,725
2043	-	-	-	2,905,000	1,490,625	4,395,625
2044	-	-	-	3,110,000	1,359,900	4,469,900
2045	-	-	-	3,250,000	1,219,950	4,469,950
2046	-	-	-	3,475,000	1,073,700	4,548,700
2047	-	-	-	3,635,000	917,325	4,552,325
2048	-	-	-	3,875,000	753,750	4,628,750
2049	-	-	-	4,050,000	579,375	4,629,375
2050	-	-	-	4,315,000	397,125	4,712,125
2051	-	-	-	4,510,000	202,950	4,712,950
<b>Total</b>	<b>\$ 3,115,000</b>	<b>\$ 1,335,000</b>	<b>\$ 4,450,000</b>	<b>\$ 75,800,000</b>	<b>\$ 48,531,312</b>	<b>\$ 124,331,312</b>

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

Year Ended December 31	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied for			Total Property Taxes		Percent Collected to Levied
		General	Debt Service	ARI	Levied	Collected	
2018	\$ 26,447,560	11.055	55.277	1.105	\$ 1,783,544	\$ 1,777,289	99.65 %
2019	31,183,840	11.055	55.277	1.105	2,102,945	2,093,508	99.55
2020	48,311,840	11.132	55.664	1.112	3,280,760	3,330,519	101.52
2021	60,951,360	11.132	55.664	1.112	4,139,085	4,139,090	100.00
2022	68,321,010	16.796	50.000	1.112	4,639,543	4,621,403	99.61
Estimated 2023	\$ 72,200,150	8.000	45.000	1.125	\$ 3,907,833		

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