

**ASPEN PARK METROPOLITAN DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

**ASPEN PARK METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2021**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
<b>FUND FINANCIAL STATEMENTS</b>	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
SPECIAL REVENUE FUND – SALES TAX – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	7
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS	9
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	10
NOTES TO BASIC FINANCIAL STATEMENTS	11
<b>SUPPLEMENTARY INFORMATION</b>	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	30
ENTERPRISE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE – BUDGET AND ACTUAL	31
<b>OTHER INFORMATION</b>	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	33
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	34

## Independent Auditor's Report

To the Board of Directors  
Aspen Park Metropolitan District

### Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Aspen Park Metropolitan District (the District), as of and for the year ended December 31, 2021 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 financial position of the governmental activities and the major funds of Aspen Park Metropolitan District, as of December 31, 2021, and the respective changes in financial position, and the budgetary comparison for the General Fund, Debt Service Fund, Special Revenue Fund-Sales Tax, and Enterprise 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 Aspen Park 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 Aspen Park 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 Aspen Park 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 Aspen Park 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.

### **Other Matters**

#### *Required Supplementary Information*

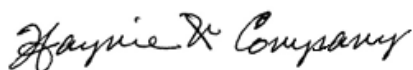
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 Aspen Park 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Littleton, Colorado  
September 20, 2022

## **BASIC FINANCIAL STATEMENTS**

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments - Unrestricted	\$ 56,815	\$ 18,389	\$ 75,204
Cash and Investments - Restricted	1,820,564	-	1,820,564
Receivable - County Treasurer	1,599	-	1,599
Accounts Receivable	238,945	25,035	263,980
Prepaid Expenses	2,552	17,575	20,127
Property Taxes Receivable	387,851	-	387,851
Capital Assets, Not Being Depreciated:			
Parks and Recreation	492,090	-	492,090
Water Rights	-	360,591	360,591
Capital Assets, Net:			
Equipment	-	89,311	89,311
Water and Wastewater Facilities	-	2,989,154	2,989,154
Pipelines and Underground Infrastructure	-	620,752	620,752
Total Assets	<u>3,000,416</u>	<u>4,120,807</u>	<u>7,121,223</u>
<b>LIABILITIES</b>			
Accounts Payable	48,277	67,780	116,057
Accrued Interest Payable	30,713	-	30,713
Noncurrent Liabilities:			
Due Within One Year	456,519	-	456,519
Due in More Than One Year	<u>12,148,481</u>	<u>-</u>	<u>12,148,481</u>
Total Liabilities	<u>12,683,990</u>	<u>67,780</u>	<u>12,751,770</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Taxes Revenue	<u>387,851</u>	<u>-</u>	<u>387,851</u>
Total Deferred Inflows of Resources	<u>387,851</u>	<u>-</u>	<u>387,851</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	34,237	4,059,808	4,094,045
Restricted For:			
Emergency	6,400	-	6,400
Sales Tax Eligible Expenses	461,157	-	461,157
Unrestricted	<u>(10,573,219)</u>	<u>(6,781)</u>	<u>(10,580,000)</u>
Total Net Position	<u>\$ (10,071,425)</u>	<u>\$ 4,053,027</u>	<u>\$ (6,018,398)</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

	Program Revenues			Net Revenues (Expenses) and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
Governmental Activities:							
General Government	\$ 234,964	\$ 188,648	\$ -	\$ -	\$ (46,316)	\$ -	\$ (46,316)
Interest and Related Costs on Long-Term Debt	418,125	1,123,697	-	-	705,572	-	705,572
Total Governmental Activities	<u>\$ 653,089</u>	<u>\$ 1,312,345</u>	<u>\$ -</u>	<u>\$ -</u>	659,256	-	659,256
Business-Type Activities:							
Water and Wastewater	\$ 623,874	\$ 353,388	\$ -	\$ -	-	(270,486)	(270,486)
Total Business-Type Activities	<u>\$ 623,874</u>	<u>\$ 353,388</u>	<u>\$ -</u>	<u>\$ -</u>	-	(270,486)	(270,486)
<b>GENERAL REVENUES</b>							
Property Taxes					335,206	-	335,206
Specific Ownership Taxes					25,647	-	25,647
Net Investment Income					93	-	93
Other Income					-	386	386
Transfer In (Out)					(33,000)	33,000	-
Total General Revenues					<u>327,946</u>	<u>33,386</u>	<u>361,332</u>
<b>CHANGE IN NET POSITION</b>					987,202	(237,100)	750,102
Net Position - Beginning of Year					<u>(11,058,627)</u>	<u>4,290,127</u>	<u>(6,768,500)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (10,071,425)</u>	<u>\$ 4,053,027</u>	<u>\$ (6,018,398)</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	General	Special Revenue - Sales Tax	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments - Unrestricted	\$ 56,815	\$ -	\$ -	\$ 56,815
Cash and Investments - Restricted	6,400	470,521	1,343,643	1,820,564
Receivable - County Treasurer	933	-	666	1,599
Accounts Receivable	-	30,804	208,141	238,945
Prepaid Expenses	2,530	22	-	2,552
Property Taxes Receivable	226,244	-	161,607	387,851
	<u>\$ 292,922</u>	<u>\$ 501,347</u>	<u>\$ 1,714,057</u>	<u>\$ 2,508,326</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 6,284	\$ 40,190	\$ 1,803	\$ 48,277
Total Liabilities	<u>6,284</u>	<u>40,190</u>	<u>1,803</u>	<u>48,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes Revenue	226,244	-	161,607	387,851
Total Deferred Inflows of Resources	<u>226,244</u>	<u>-</u>	<u>161,607</u>	<u>387,851</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenses	2,530	22	-	2,552
Restricted For:				
Emergency Reserves	6,400	-	-	6,400
Sales Tax Eligible Expenses	-	461,135	-	461,135
Debt Service	-	-	1,550,647	1,550,647
Unassigned:				
General Government	51,464	-	-	51,464
Total Fund Balances	<u>60,394</u>	<u>461,157</u>	<u>1,550,647</u>	<u>2,072,198</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 292,922</u>	<u>\$ 501,347</u>	<u>\$ 1,714,057</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	492,090
Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Loans Payable	(12,605,000)
Accrued Interest Payable - Loans	(30,713)
Net Position of Governmental Activities	<u>\$ (10,071,425)</u>

See accompanying Notes to Basic Financial Statements.



**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue - Sales Tax	Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 195,526	\$ -	\$ 139,680	\$ 335,206
Specific Ownership Taxes	14,960	-	10,687	25,647
Sales Taxes	-	188,648	-	188,648
Net Investment Income	-	-	93	93
Public Improvement Fees	-	-	1,123,697	1,123,697
Total Revenues	<u>210,486</u>	<u>188,648</u>	<u>1,274,157</u>	<u>1,673,291</u>
<b>EXPENDITURES</b>				
General, Administrative, and Operations:				
Accounting	33,737	16,615	-	50,352
Audit	4,750	-	-	4,750
County Treasurer's Fees	2,933	-	2,095	5,028
Directors' Fees	1,600	-	-	1,600
District Management	27,777	13,681	-	41,458
Dues and Memberships	3,064	-	-	3,064
Elections	8,682	-	-	8,682
Engineering	-	8,082	-	8,082
Insurance	705	-	-	705
Legal	33,925	16,709	-	50,634
Miscellaneous	2,137	-	-	2,137
PIF Compliance and Review	-	-	15,090	15,090
Legal - PIF Collection Agreement Amend	-	-	10,793	10,793
Street Repairs	-	36,673	-	36,673
Sales Tax Administration	-	637	-	637
Landscaping	-	2,000	-	2,000
Snow Removal	-	10,113	-	10,113
Improved Surfaces - Utilities	-	351	-	351
Debt Service:				
Loan Interest - Series 2020A	-	-	219,933	219,933
Loan Interest - Series 2020B	-	-	176,860	176,860
Loan Principal - Series 2020A	-	-	410,000	410,000
Loan Principal Prepayment - Series 2020A	-	-	85,000	85,000
Cost of Issuance	-	-	5,000	5,000
Paying Agent/Trustee Fees	-	-	1,500	1,500
Total Expenditures	<u>119,310</u>	<u>104,861</u>	<u>926,271</u>	<u>1,150,442</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	91,176	83,787	347,886	522,849
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Enterprise Fund	(33,000)	-	-	(33,000)
Total Other Financing Sources (Uses)	<u>(33,000)</u>	<u>-</u>	<u>-</u>	<u>(33,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	58,176	83,787	347,886	489,849
Fund Balances - Beginning of Year	<u>2,218</u>	<u>377,370</u>	<u>1,202,761</u>	<u>1,582,349</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 60,394</u>	<u>\$ 461,157</u>	<u>\$ 1,550,647</u>	<u>\$ 2,072,198</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds	\$ 489,849
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, loans) 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.

Loan Principal Payment - Current Year	495,000
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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.

Accrued Interest Payable - Change in Liability	<u>2,353</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 987,202</u></u>
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**ASPEN PARK METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 195,537	\$ 195,537	\$ 195,526	\$ (11)
Specific Ownership Taxes	13,650	13,650	14,960	1,310
Total Revenues	<u>209,187</u>	<u>209,187</u>	<u>210,486</u>	<u>1,299</u>
<b>EXPENDITURES</b>				
Accounting	30,000	33,737	33,737	-
Audit	5,000	4,750	4,750	-
County Treasurer's Fees	2,933	2,933	2,933	-
Directors' Fees	2,500	1,600	1,600	-
District Management	32,000	27,777	27,777	-
Dues and Memberships	3,500	3,064	3,064	-
Elections	5,000	8,682	8,682	-
Insurance	450	705	705	-
Legal	25,000	33,925	33,925	-
Miscellaneous	7,617	2,137	2,137	-
Website Maintenance	1,000	-	-	-
Contingency	-	5,690	-	5,690
Total Expenditures	<u>115,000</u>	<u>125,000</u>	<u>119,310</u>	<u>5,690</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	94,187	84,187	91,176	6,989
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Enterprise Fund	(36,000)	(33,000)	(33,000)	-
Total Other Financing Sources (Uses)	<u>(36,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	58,187	51,187	58,176	6,989
Fund Balance - Beginning of Year	<u>3,026</u>	<u>3,026</u>	<u>2,218</u>	<u>(808)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 61,213</u>	<u>\$ 54,213</u>	<u>\$ 60,394</u>	<u>\$ 6,181</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND – SALES TAX  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Sales Taxes	\$ 162,000	\$ 188,648	\$ 26,648
Total Revenues	<u>162,000</u>	<u>188,648</u>	<u>26,648</u>
<b>EXPENDITURES</b>			
Accounting	15,000	16,615	(1,615)
District Management	16,000	13,681	2,319
Engineering	15,000	8,082	6,918
Legal	13,000	16,709	(3,709)
Sales Tax Administration	4,000	637	3,363
Landscaping	10,000	2,000	8,000
Snow Removal	60,000	10,113	49,887
Street Repairs	50,000	36,673	13,327
Underdrain Video Inspection	6,600	-	6,600
Improved Surfaces - Utilities	400	351	49
Total Expenditures	<u>190,000</u>	<u>104,861</u>	<u>85,139</u>
<b>NET CHANGE IN FUND BALANCE</b>	(28,000)	83,787	111,787
Fund Balance - Beginning of Year	<u>353,826</u>	<u>377,370</u>	<u>23,544</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 325,826</u></u>	<u><u>\$ 461,157</u></u>	<u><u>\$ 135,331</u></u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	Enterprise Fund
<b>ASSETS</b>	
Cash and Investments - Unrestricted	\$ 18,389
Accounts Receivable	25,035
Prepaid Expenses	17,575
Capital Assets, Not Being Depreciated:	
Water Rights	360,591
Capital Assets, Net:	
Equipment	89,311
Water and Wastewater Facilities	2,989,154
Pipelines and Underground Infrastructure	620,752
Total Assets	4,120,807
 <b>LIABILITIES</b>	
Accounts Payable	67,780
Total Liabilities	67,780
 <b>NET POSITION</b>	
Net Investment in Capital Assets	4,059,808
Unrestricted	(6,781)
Total Net Position	\$ 4,053,027

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION –  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	<u>Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Water Usage Fees	\$ 46,763
Sewer Usage Fees	87,105
Utility Flat Fees	218,268
Reimbursed Expenditures	1,252
Total Operating Revenues	<u>353,388</u>
<b>OPERATING EXPENSES</b>	
Billing	13,027
Engineering	15,816
Insurance	16,046
Miscellaneous	510
Consultants - Water Rights	13,663
Storage Tank Cleaning	2,750
Sewer Inspection	4,310
Operation and Maintenance:	
Water Facilities	181,666
Sewer Facilities	132,307
Depreciation	243,779
Total Operating Expenses	<u>623,874</u>
<b>OPERATING LOSS</b>	(270,486)
<b>OTHER REVENUES AND EXPENDITURES</b>	
Transfer from General Fund	33,000
Other Income	386
Total Other Revenues and Expenditures	<u>33,386</u>
<b>CHANGE IN NET POSITION</b>	(237,100)
Net Position - Beginning of Year	<u>4,290,127</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 4,053,027</u></u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers	\$ 370,219
Payments to Suppliers	<u>(360,414)</u>
Net Cash Provided by Operating Activities	9,805

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Other Income	386
Transfer from General Fund	<u>33,000</u>
Net Cash Provided by Noncapital Financing Activities	33,386

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital Outlay	<u>(41,821)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(41,821)</u>

**NET DECREASE IN CASH AND INVESTMENTS**

1,370

Cash and Investments - Beginning of Year

17,019

**CASH AND INVESTMENTS - END OF YEAR**

\$ 18,389

**RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Loss	\$ (270,486)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	16,831
Increase in Prepaid Expenses	(1,529)
Increase in Accounts Payable	21,210
Depreciation	<u>243,779</u>
Net Cash Provided by Operating Activities	<u><u>\$ 9,805</u></u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Aspen Park Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on December 5, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Jefferson County, Colorado. The District was established to provide water, storm and sanitary sewer, streets and traffic safety protection, parks and recreation, transportation, mosquito control and other 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. Both statements distinguish between governmental activities, which are normally supported by property taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

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.



**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has designated all of its governmental funds as major funds.

**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, sales taxes, and public improvement fees. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Special Revenue Fund – Sales Tax accounts for sales tax receipts and eligible expenses.

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 District reports the following major proprietary fund:

The Enterprise Fund accounts for activities related to water, sewer, storm drainage, and retaining wall services.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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 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, 2021.

**Pooled Cash and Investments**

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

**Cash Equivalents**

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted cash) with a maturity of three months or less when purchased to be cash equivalents.

**Accounts Receivable, Allowance for Doubtful Accounts**

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

**Property Taxes**

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

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

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Capital Assets**

Capital assets, which include property and infrastructure assets (e.g. equipment, parks and recreation, water and wastewater facilities, and pipelines and underground infrastructure), are reported in the government-wide and business type 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.

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 capital assets, if applicable. Depreciation expense has been computed using the straight-line method over the following estimated useful lives:

Water and wastewater facilities	30 Years
Pipelines and underground infrastructure	50 Years
Equipment	5 Years

**Deferred Inflows of Resources**

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

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

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

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

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

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

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Unrestricted	\$ 75,204
Cash and Investments - Restricted	<u>1,820,564</u>
Total Cash and Investments	<u><u>\$ 1,895,768</u></u>

Cash and investments as of December 31, 2021 consist of the following:

Deposits with Financial Institutions	\$ 588,302
Investments	<u>1,307,466</u>
Total Cash and Investments	<u><u>\$ 1,895,768</u></u>

**Deposits with Financial Institutions**

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

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

At December 31, 2021, the District's cash deposits had a bank and a carrying balance of \$588,302.

**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.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Investments (Continued)**

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

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

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Federated Hermes Treasury Obligations Fund	Weighted-Average 28 Days	\$ <u>1,307,466</u>

**Federated Hermes Treasury Obligations Fund**

The District invested in the Federated Hermes Treasury Obligations Fund (the Fund). The Fund complies with Rule 2a-7 definition of a government money market fund. It is not subject to liquidity fees or redemption gates. It pursues current income consistent with stability of principal. The Fund invests primarily in short-term U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The Fund holds AAAM rating by Standard & Poor's.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in the District's capital assets for the year ended December 31, 2021 follows:

	Balance - December 31, 2020	Additions/ Transfers	Retirements/ Transfers	Balance - December 31, 2021
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Parks and Recreation (Open Space/Tract A)	\$ 492,090	\$ -	\$ -	\$ 492,090
Total Capital Assets, Not Being Depreciated	<u>492,090</u>	<u>-</u>	<u>-</u>	<u>492,090</u>
Governmental Capital Assets, Net	492,090	-	-	492,090
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Water Rights	360,591	-	-	360,591
Total Capital Assets, Not Being Depreciated	<u>360,591</u>	<u>-</u>	<u>-</u>	<u>360,591</u>
Capital Assets, Being Depreciated				
Equipment	69,534	41,821	-	111,355
Water and Wastewater Facilities	7,038,341	-	-	7,038,341
Pipelines and Underground Infrastructure	871,340	-	-	871,340
Total Capital Assets, Being Depreciated	<u>7,979,215</u>	<u>41,821</u>	<u>-</u>	<u>8,021,036</u>
Less Accumulated Depreciation for:				
Equipment	(15,286)	(6,758)	-	(22,044)
Water and Wastewater Facilities	(3,829,593)	(219,594)	-	(4,049,187)
Pipelines and Underground Infrastructure	(233,161)	(17,427)	-	(250,588)
Total Accumulated Depreciation	<u>(4,078,040)</u>	<u>(243,779)</u>	<u>-</u>	<u>(4,321,819)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,901,175</u>	<u>(201,958)</u>	<u>-</u>	<u>3,699,217</u>
Business-Type Capital Assets, Net	<u>4,261,766</u>	<u>(201,958)</u>	<u>-</u>	<u>4,059,808</u>
Total Capital Assets, Net	<u>\$ 4,753,856</u>	<u>\$ (201,958)</u>	<u>\$ -</u>	<u>\$ 4,551,898</u>

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

<b>Business-Type Activities:</b>	
Equipment	\$ 6,758
Water and Wastewater Facilities	219,594
Pipelines and Underground Infrastructure	17,427
Total Depreciation Expense	<u>\$ 243,779</u>

The costs of all capital assets transferred to the County or other entities were removed from the District's financial records.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021:

Loans from Direct Borrowings and Direct Placements:	Balance - December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Public Improvement Fee/ Limited Tax Supported Refunding Loan Series 2020A	\$ 7,125,000	\$ -	\$ 495,000	\$ 6,630,000	\$ 271,519
Public Improvement Fee/ Limited Tax Supported Refunding Loan Series 2020B	5,975,000	-	-	5,975,000	185,000
Total	<u>\$ 13,100,000</u>	<u>\$ -</u>	<u>\$ 495,000</u>	<u>\$ 12,605,000</u>	<u>\$ 456,519</u>

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

**\$7,445,000 Taxable (Convertible to Tax-Exempt) Public Improvement Fee/Limited Tax Supported Refunding Loan, Series 2020A/\$5,975,000 Public Improvement Fee/Limited Tax Supported Refunding Loan, Series 2020B**

On January 17, 2020, the District entered into a loan agreement with BOK Financial Public Finance, Inc to obtain a Taxable (Convertible to Tax-Exempt) Public Improvement Fee/Limited Tax Supported Refunding Loan in an original principal amount of \$7,445,000 (the 2020A Loan) and a Public Improvement Fee/Limited Tax Supported Refunding Loan in an original principal amount of \$5,975,000 (the 2020B Loan) (together, the 2020 Loans). The 2020A Loan refunded the Series 2012 Bonds and the 2020B Loan refunded the Series 2007 and Series 2010 Bonds. The 2020A Loan bears a taxable interest rate of 3.66% until the Tax-Exempt Reissuance Date of March 3, 2021, and thereafter, a fixed interest rate of 2.89%. The 2020B loan bears a fixed interest rate of 2.96%. Once the required Surplus Fund has reached a balance of \$1,305,000, each of the 2020A Loan and 2020B Loan may be prepaid prior to the maturity date, at the option of the District, in whole or in part, up to the annual prepayment allowance of \$100,000 annually, during the annual prepayment period between December 1 and December 12. Any portion of the annual prepayment allowance not used in a given year shall be added to next year's prepayment allowance. The 2020 Loans may be prepaid in amounts greater than the annual prepayment allowance during the annual prepayment period, subject to a yield maintenance fee.

The 2020 Loans are secured by Pledged Revenues that include:

- a) All Pledged Public Improvement Fees (PIF Revenues) that are derived from a contractually imposed fee with respect to certain retail sales of goods occurring within the District, pursuant to the PIF Covenant and the PIF Collection Agreement;
- b) Guaranteed PIF payments from Dillon Companies under the Dillon PIF Guaranty;
- c) Revenues derived from the required mill levy for debt service defined as Capital Levy Revenues;
- d) Specific ownership taxes;
- e) Any other revenues designated as such and pledged to the payment of the 2020 Loan by resolution duly adopted by the Board; and
- f) All income or other gain, if any, from any investment of Pledged Revenues.



**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Events of Default**

- a) The District fails to impose the Capital Levy as required hereunder or to transfer or cause the transfer of the Pledged Revenue to the Custodian for deposit to the Revenue Fund promptly upon the receipt thereof, or to cooperate with the Lender to verify the same;
- b) any pledge or other security interest pledged as security for the 2020 Loan fails to be fully enforceable with the priority required hereunder.
- c) the principal of, premium, if any, or interest on the 2020 Loan is not paid when due;
- d) the District fails to observe or perform any of the covenants, agreements, duties or conditions on the part of the District in this Agreement or the other Financing Documents and such failure is not remedied to the satisfaction of the Lender within 30 days after the date on which the District receives notice from the Lender of such failure;
- e) any representation or warranty made by the District in this Agreement or in any other Financing Document to which the District is a party or any certificate, instrument, financial or other statement furnished by the District to the Lender in connection with the 2020 Loan proves to have been untrue or incomplete in any material respect when made or deemed made;
- f) the District shall initiate, acquiesce or consent to any proceedings to dissolve the District or to consolidate the District with other similar entities into a single entity or the District shall otherwise cease to exist;
- g) (i) the District shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its 28 creditors; or (ii) there shall be commenced against the District any case, proceeding or other action of a nature referred to in clause (i) above and the same shall remain undismitted; or (iii) there shall be commenced against the District any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; or (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the District shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;
- h) this Agreement or any other Financing Document, or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Events of Default (Continued)**

- i) (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created hereunder fails to be fully enforceable with the priority required hereunder;
- j) any funds or investments on deposit in, or otherwise to the credit of the funds and accounts established under the Custodial Agreement shall become subject to any writ, judgment, warrant or attachment, execution, or similar process; or
- k) interest on the 2020B Loan becomes Taxable Interest to the Lender or interest on the 2020A Loan, following the Tax-Exempt Reissuance Date, if any, reverts from Tax-Exempt Interest to Taxable Interest.

**Remedies.**

Upon the occurrence and during the continuance of any Event of Default, the Lender, at its option, may do any one or more of the following:

- a) apply all amounts constituting Collateral to the 2020A Loan Balance or the 2020B Loan Balance, as applicable, and all interest accrued and unpaid thereon, in any order of priority determined by the Lender;
- b) proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Lender; and
- c) take any other action or exercise any other remedy available hereunder or under the other Financing Documents, at law or in equity;

provided, however, that notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be a remedy for the occurrence or continuance of an Event of Default.

Notwithstanding the foregoing, (1) prior to any failure to make payment of the principal or interest due and owing on the 2020 Loan as and when due, the Lender shall be entitled to receive payment thereof from monies deposited in the Surplus Fund, and (2) the Lender's sole remedy upon the occurrence of an Event of Default will be to charge interest on the 2020 Loan, or applicable portion thereof, at the Taxable Fixed Interest Rate from the date on which such interest is treated as Taxable Interest to the Lender.

**PIF Revenues**

The PIF Revenues come from a fee imposed under a private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of 1% for Dillon Companies or any future owner of Lot 1 of the shopping center and 2% for all other locations. The PIF is payable in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District. The PIF is remitted to the District within 20 days after month end.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Capital Levy Revenues**

For the purposes of providing for payment on the 2020 Loans and funding and maintaining the Surplus Fund Requirement, the Board shall annually, commencing with December 2020, fix and set a minimum rate of levy equal to 25 mills (the Capital Levy). Such annual taxes levied to pay principal and interest are in addition to any, and all other, taxes levied to effect the purposes of the District; provided; however, that the total debt service mill levy, including the Capital Levy, for any year shall not exceed 50 mills, adjusted for the changes in the assessed values of property in the District, as contemplated by the ballot questions approving such levies. If said levies or charges made by the District fail to produce an amount sufficient to pay the interest on and the principal of the 2020 Loans, the deficit shall be made up in the next levy and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of Directors of the District in each year while the 2020 Loans are outstanding and unpaid.

In 2016, the District had amended its service plan to modify the combined maximum mill levy cap allowing a maximum of 50 mills for the repayment of debt and a maximum of 40 mills for the payment of the District's ongoing administration, operation and maintenance costs.

**Specific Ownership Taxes**

Specific Ownership Taxes consist of the portion of the tax revenues on certain motor vehicles and other personal property that is imposed by the state pursuant to Article 3, Title 42, C.R.S., or any successor statute that is allocable to the District. This Tax is collected on property within the County by the Jefferson County Treasurer and the total amount of the taxes collected is apportioned among all political and governmental subdivisions within the County on the basis of the amount of ad valorem property taxes levied by such entities within the County during the preceding calendar year.

**Dillon Guaranteed PIF Payments**

The major tenant in the District and the expected primary source of PIF Revenue has agreed to a conditional guaranteed scheduled payment of PIF Revenue. The Dillon Lease provides in part that if, while the Senior Bonds are outstanding, or bonds issued to refund the Senior Bonds, remain outstanding: (a) the Dillon Lease is terminated, other than due to a material default by the Developer, (b) King Soopers closes to the public and Dillon ceases grocery store operations in the leased premises, or (c) Dillon assigns or sublets the premises, or any portion thereof, or assigns the Dillon Lease, then

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Dillon Guaranteed PIF Payments (Continued)**

Dillon will be obligated, on a monthly basis, to subsidize and pay the difference, if any, between the PIF Revenues generated from PIF Sales at the premises by any new tenant, assignee or sublessee, and the PIF Revenues projected to be paid by Dillon from its grocery store operations as specified in the Dillon Lease. This guarantee runs from 2006 through 2029 for a total of \$9,543,040.

**Debt Service Surplus Fund**

The required Debt Service Surplus Fund related to the 2020 Loans is \$1,305,000. As of December 31, 2021, the Debt Service Surplus Fund has a balance of \$1,305,000.

The District's 2020 Loans will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 456,519	\$ 368,562	\$ 825,081
2023	476,329	355,144	831,473
2024	501,139	341,246	842,385
2025	521,013	326,622	847,635
2026	550,759	311,418	862,177
2027-2031	3,131,013	1,301,968	4,432,981
2032-2034	6,968,228	548,948	7,517,176
Total	<u>\$ 12,605,000</u>	<u>\$ 3,553,908</u>	<u>\$ 16,158,908</u>

**Authorized Debt**

On November 5, 2002, the District's voters authorized total indebtedness of \$28,000,000 for construction of public improvements and operating and maintenance expenditures and \$23,000,000 each for debt refunding and debt to private entities. At December 31, 2021, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

	<u>Original Authorization</u>	<u>Authorization Used</u>				<u>Authorized But Unissued</u>
		<u>Series 2004 Bonds</u>	<u>Series 2007 Bonds</u>	<u>Series 2010 Bonds</u>	<u>Series 2012 Bonds</u>	
Streets	\$ 2,500,000	\$ 2,082,932	\$ -	\$ -	\$ -	\$ 417,068
Traffic and Safety Controls	1,000,000	-	-	-	-	1,000,000
Water	5,000,000	4,368,219	-	-	-	631,781
Sanitation	10,000,000	3,060,227	-	-	-	6,939,773
Parks and Recreation	3,000,000	488,622	-	-	-	2,511,378
Public Transportation	500,000	-	-	-	-	500,000
Television Relay and Translation	500,000	-	-	-	-	500,000
Mosquito Control	500,000	-	-	-	-	500,000
Operations and Maintenance	5,000,000	-	-	-	-	5,000,000
Reimbursement Obligation to Private Entities	23,000,000	-	3,700,000	500,000	-	18,800,000
Refinancing District Debt	23,000,000	-	-	-	9,885,000	13,115,000
Total	<u>\$ 74,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 3,700,000</u>	<u>\$ 500,000</u>	<u>\$ 9,885,000</u>	<u>\$ 49,915,000</u>

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 492,090	\$ 4,059,808
Current Portion of Loans Payable	(17,267)	-
Noncurrent Portion of Loans Payable	(459,498)	-
Unspent Loans Proceeds	18,912	-
Net Investment in Capital Assets	\$ 34,237	\$ 4,059,808

To finance the construction of public improvements (capital assets), the District issued and refunded debts. While the debts remain in the District’s governmental fund, all capital assets related to the water and wastewater facilities were transferred to the District’s proprietary fund.

The restricted component of net position consists of 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, 2021, as follows:

Restricted Net Position:	
Emergency (See Note 10)	\$ 6,400
Sales Tax Eligible Expenses	461,157
Total Restricted Net Position	\$ 467,557

The District has a deficit in unrestricted net position. The deficit in unrestricted net position of the District’s governmental activities results from the long-term debt being paid from revenues of a governmental fund, while the public improvements constructed and/or acquired from proceeds of such long-term debt were either conveyed to other governmental entities (which costs were removed from the books) or transferred to the District’s proprietary fund.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 7 DISTRICT AGREEMENTS**

**Termination, Acknowledgment and Release Agreement**

Aspen Park Investors, Ltd., the Original Developer of the District (API) and the District previously entered into the following agreements (collectively, the Agreements):

**Funding and Reimbursement Agreement for O&M Costs, November 16, 2005** – API agreed to make advances to the District for its operations and maintenance costs; District agreed to reimburse API for the advances plus interest.

**Funding and Reimbursement Agreement for Capital Costs, November 16, 2005** – API agreed to make advances to the District for construction or acquisition of public improvements; District agreed to reimburse API for the advances or actual costs of public improvements, plus interest.

**Infrastructure Acquisition Agreement, November 19, 2004** – District agreed to acquire certain public improvements constructed by API.

**Letter Agreement, July 18, 2007** – API agreed to undertake corrective work identified by the District's Engineer prior to the District's (i) acceptance of certain public improvements, and (ii) agreement to reimburse API for the construction thereof.

**Public Improvements Agreement, March 21, 2007; subsequently amended by the First Amendment to Public Improvements Agreement, February 17, 2009, and Second Amendment to Public Improvements Agreement, May 17, 2011** – API agreed to provide funding for additional infrastructure related to the discharge of treated effluent.

**Escrow Agreement, March 21, 2007; subsequently amended by the First Amendment to Escrow Agreement, February 17, 2009** – required by the Public Improvements Agreement, to provide an assurance of funds necessary to construct the additional infrastructure related to the discharge of treated effluent.

**Reimbursement and Acquisition Agreement, April 23, 2013** – API agreed to make advances to the District or construct and dedicate public improvements to the District; District agreed to reimburse API for the advances or actual costs of public improvements, plus interest.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Termination, Acknowledgment and Release Agreement (Continued)**

**Resolution Regarding Reimbursement of Advanced Funds, April 23, 2013** – District recognized and approved certain amounts previously contributed by API as advances pursuant to the Reimbursement and Acquisition Agreement dated April 23, 2013.

On September 17, 2013, the District and API entered into a Termination, Acknowledgment, and Release Agreement (Termination Agreement). Pursuant to the Termination Agreement, API has agreed to forgive all outstanding amounts owed by the District to API under the Agreements listed above, including all accrued interest, but excluding amounts for which debt instruments have been authorized and issued by the District to API (Prior Debt), and to terminate the Agreements listed above. Prior Debt includes the \$3,700,000 Subordinate Revenue Bonds, Series 2007, and the \$500,000 Subordinate Revenue Bonds, Series 2010. Upon execution of the Termination Agreement, all amounts remaining due and outstanding under the Agreements, including all accrued interest, but excluding Prior Debt, are forgiven in their entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by API, and there shall be no further obligation, present or future, of the District to pay or reimburse API for such amounts.

In return, subject to the receipt of the Engineer's Certification, pursuant to the Termination Agreement, the District agreed to release API from any further obligations related to public improvements previously constructed. The Engineer's Certification was received and accepted by the District on November 19, 2013.

In 2013, API transferred its ownership of the shopping center (located within the District's boundaries) to NewQuest Epic Investments. In November 2015, NewQuest Epic Investments sold the shopping center to a new owner, Aspen Park Station, LLC. In 2020, Aspen Park Station, LLC sold the shopping center to new owners GKT Village at Aspen Park 1, LLC, a Missouri limited liability company and GKT Village at Aspen Park 2, LLC, a Missouri limited liability company.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Termination, Acknowledgment and Release Agreement (Continued)**

**Assignment of Water Rights Option and Purchase Agreement**

On July 15, 2013, the District and Aspen Park Investors, Ltd. (API) entered into the Assignment of Water Rights Option and Purchase Agreement (the Assignment). Pursuant to the Assignment, API assigns, transfers and conveys to the District all of API's rights, title and interest in, and delegates all of its duties and obligations under a certain Water Rights Option and Purchase Agreement (the Option Agreement) API entered into in December 2011 with Norman Meyer and Norman Meyer, II (collectively, the Seller). Pursuant to the Assignment, the District accepts all the rights and benefits and assumes all duties and obligations under the Option Agreement.

In a resolution dated September 17, 2013, the District's Board of Directors authorized the purchase of the water rights from the Seller pursuant to the terms and conditions set forth in the Option Agreement. The closing occurred in November 2013.

**Inclusion of Eagle Cliff Parcel**

The District's Board of Directors approved a petition by Aspen Park Investors, Ltd. to include certain real property called Eagle Cliff Parcel into the District. The inclusion was recorded in Jefferson County on January 10, 2014, under Reception No. 2014002736.

**NOTE 8 RELATED PARTY**

The majority property owners within the District which provides certain management, operations and maintenance services to properties and tenants located within the District are GKT Village at Aspen Park 1, LLC and GKT Village at Aspen Park 2, LLC. As of December 31, 2021, one director is employed by Western Skies Management, Inc, the agent for GKT Village at Aspen Park 1, LLC. All potential conflicts, if any, have been disclosed to the Board.



**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 9 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.

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

**NOTE 10 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. On November 5, 2002, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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

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

## **SUPPLEMENTARY INFORMATION**

**ASPEN PARK METROPOLITAN DISTRICT  
DEBT SERVICE FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 139,674	\$ 139,680	\$ 139,680	\$ -
Specific Ownership Taxes	9,750	10,722	10,687	(35)
Net Investment Income	3,000	100	93	(7)
Public Improvement Fees	1,054,000	1,054,000	1,123,697	69,697
Total Revenues	<u>1,206,424</u>	<u>1,204,502</u>	<u>1,274,157</u>	<u>69,655</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	2,095	2,095	2,095	-
Contingency	3,612	1,612	-	1,612
PIF Compliance and Review	25,000	16,000	15,090	910
Legal - PIF Collection Agreement Amend	-	15,000	10,793	4,207
Debt Service:				
Loan Interest - Series 2020A	219,933	219,933	219,933	-
Loan Interest - Series 2020B	176,860	176,860	176,860	-
Loan Principal - Series 2020A	410,000	410,000	410,000	-
Loan Principal Prepayment - Series 2020A	38,000	85,000	85,000	-
Cost of Issuance	-	5,000	5,000	-
Paying Agent/Trustee Fees	2,500	1,500	1,500	-
Total Expenditures	<u>878,000</u>	<u>933,000</u>	<u>926,271</u>	<u>6,729</u>
<b>NET CHANGE IN FUND BALANCE</b>	328,424	271,502	347,886	76,384
Fund Balance - Beginning of Year	<u>1,191,860</u>	<u>1,202,761</u>	<u>1,202,761</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 1,520,284</u></u>	<u><u>\$ 1,474,263</u></u>	<u><u>\$ 1,550,647</u></u>	<u><u>\$ 76,384</u></u>

**ASPEN PARK METROPOLITAN DISTRICT  
ENTERPRISE FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Water Usage Fees	\$ 56,700	\$ 56,700	\$ 46,763	\$ (9,937)
Sewer Usage Fees	91,000	91,000	87,105	(3,895)
Utility Flat Fees	219,000	219,000	218,268	(732)
Penalties and Late Fees	1,000	1,000	-	(1,000)
Other Income	1,000	1,000	386	(614)
Reimbursed Expenditures	-	-	1,252	1,252
Total Revenues	<u>368,700</u>	<u>368,700</u>	<u>353,774</u>	<u>(14,926)</u>
<b>EXPENDITURES</b>				
Billing	18,000	13,027	13,027	-
Engineering	30,000	15,816	15,816	-
Insurance	16,500	16,046	16,046	-
Miscellaneous	3,000	510	510	-
Contingency	2,750	5,084	-	5,084
Capital-Related :				
Consultants - Water Rights	30,000	13,663	13,663	-
Aeration Blower Replacement	6,400	6,400	6,400	-
Emergency Crane Repairs - WWTP	8,000	7,794	7,794	-
Storage Tank Cleaning	2,750	2,750	2,750	-
Grease Trap Maintenance	2,500	-	-	-
Well House Discharge Pipe Replacement	7,500	-	-	-
Sewer Inspection	8,500	4,310	4,310	-
Well House Lightning Protection	28,400	21,800	21,800	-
WWTP Screen PLC Replacement	7,800	-	-	-
Security Camera	5,000	5,827	5,827	-
Operation and Maintenance:				
Water Facilities	118,950	181,666	181,666	-
Sewer Facilities	118,950	132,307	132,307	-
Stormwater Facilities	1,000	-	-	-
Retaining Wall	1,000	-	-	-
Total Expenditures	<u>417,000</u>	<u>427,000</u>	<u>421,916</u>	<u>5,084</u>
<b>EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES</b>	(48,300)	(58,300)	(68,142)	(9,842)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from General Fund	36,000	33,000	33,000	-
Total Other Financing Sources (Uses)	<u>36,000</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	(12,300)	(25,300)	(35,142)	(9,842)
Funds Available - Beginning of Year	20,296	28,361	28,361	-
<b>Funds Available - END OF YEAR</b>	<u>\$ 7,996</u>	<u>\$ 3,061</u>	<u>\$ (6,781)</u>	<u>\$ (9,842)</u>
<b>ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS:</b>				
Net Change in Funds Available			\$ (35,142)	
Capital Outlay			41,821	
Depreciation			(243,779)	
<b>CHANGE IN NET POSITION</b>			<u>(237,100)</u>	
Net Position - Beginning of Year			4,290,127	
<b>NET POSITION - END OF YEAR</b>			<u>\$ 4,053,027</u>	

## **OTHER INFORMATION**

**ASPEN PARK METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2021**

\$7,445,000 Taxable (Convertible to Tax-Exempt)  
Public Improvement Fee/Limited Tax Supported  
Refunding Loan - Series 2020A  
Dated January 17, 2020  
Interest rate at 3.66% thru March 2021;  
at 2.89% thru 2034  
Principal Due December 1  
Payable June 1 and December 1

\$5,975,000 Public Improvement Fee/Limited Tax  
Supported Refunding Loan - Series 2020B  
Dated January 17, 2020  
Interest rate at 2.96%  
Principal Due December 1  
Payable June 1 and December 1

Year Ended December 31,	Principal	Interest	Totals	Principal	Interest	Totals
2022	\$ 271,519	\$ 191,702	\$ 463,221	\$ 185,000	\$ 176,860	\$ 361,860
2023	286,329	183,760	470,089	190,000	171,384	361,384
2024	301,139	175,486	476,625	200,000	165,760	365,760
2025	311,013	166,782	477,795	210,000	159,840	369,840
2026	330,759	157,794	488,553	220,000	153,624	373,624
2027	340,633	148,236	488,869	230,000	147,112	377,112
2028	360,380	138,390	498,770	240,000	140,304	380,304
2029	375,190	127,976	503,166	250,000	133,200	383,200
2030	390,000	117,132	507,132	265,000	125,800	390,800
2031	404,810	105,862	510,672	275,000	117,956	392,956
2032	424,557	94,162	518,719	285,000	109,816	394,816
2033	439,367	81,894	521,261	300,000	101,380	401,380
2034	2,394,304	69,196	2,463,500	3,125,000	92,500	3,217,500
Total	<u>\$ 6,630,000</u>	<u>\$ 1,758,372</u>	<u>\$ 8,388,372</u>	<u>\$ 5,975,000</u>	<u>\$ 1,795,536</u>	<u>\$ 7,770,536</u>

**ASPEN PARK METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2017	\$ 5,382,708	15.000	45.000	\$ 322,959	\$ 322,951	99.99
2018	5,616,811	15.000	45.000	337,005	336,775	99.92
2019	5,525,555	15.000	45.000	331,530	331,521	99.99
2020	5,666,133	15.000	45.000	339,965	339,956	99.99
2021	5,586,964	35.000	25.000	335,211	335,206	99.99
Estimated for the Year Ending December 31, 2022	\$ 6,464,303	35.000	25.000	\$ 387,851		