

ASPEN PARK METROPOLITAN DISTRICT
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION


YEAR ENDED DECEMBER 31, 2020


**ASPEN PARK METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2020**

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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, the business-type activities and the major funds of Aspen Park Metropolitan District (the District) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of the District, as of December 31, 2020 and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 the 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Other Matters

Required Supplementary Information

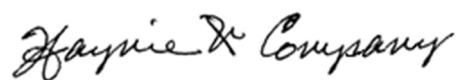
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information section, Summary of Assessed Valuations, is presented for purposes of additional analysis and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,



Littleton, Colorado
August 17, 2021

BASIC FINANCIAL STATEMENTS

**ASPEN PARK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments - Unrestricted	\$ 13,959	\$ 17,019	\$ 30,978
Cash and Investments - Restricted	1,381,894	-	1,381,894
Receivable - County Treasurer	2,260	-	2,260
Accounts Receivable	215,880	41,866	257,746
Prepaid Expenses	450	16,046	16,496
Property Taxes Receivable	335,211	-	335,211
Capital Assets, Not Being Depreciated:			
Parks and Recreation	492,090	-	492,090
Water Rights	-	360,591	360,591
Capital Assets, Net:			
Equipment	-	54,248	54,248
Water and Wastewater Facilities	-	3,208,748	3,208,748
Pipelines and Underground Infrastructure	-	638,179	638,179
Total Assets	2,441,744	4,336,697	6,778,441
LIABILITIES			
Accounts Payable	32,094	46,570	78,664
Accrued Interest Payable	33,066	-	33,066
Noncurrent Liabilities:			
Due Within One Year	410,000	-	410,000
Due in More Than One Year	12,690,000	-	12,690,000
Total Liabilities	13,165,160	46,570	13,211,730
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes Revenue	335,211	-	335,211
Total Deferred Inflows of Resources	335,211	-	335,211
NET POSITION			
Net Investment in Capital Assets	13,977	4,261,766	4,275,743
Restricted For:			
Emergency	2,800	-	2,800
Sales Tax Eligible Expenses	377,370	-	377,370
Unrestricted	(11,452,774)	28,361	(11,424,413)
Total Net Position	\$ (11,058,627)	\$ 4,290,127	\$ (6,768,500)

See accompanying Notes to Basic Financial Statements.

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

	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
FUNCTIONS/PROGRAMS							
Governmental Activities:							
General Government	\$ 204,956	\$ 160,254	\$ -	\$ -	\$ (44,702)	\$ -	\$ (44,702)
Interest and Related Costs on Long-Term Debt	1,324,970	1,029,910	-	-	(295,060)	-	(295,060)
Total Governmental Activities	<u>\$ 1,529,926</u>	<u>\$ 1,190,164</u>	<u>\$ -</u>	<u>\$ -</u>	(339,762)	-	(339,762)
Business-Type Activities:							
Water and Wastewater	\$ 634,949	\$ 331,399	\$ -	\$ -	-	(303,550)	(303,550)
Total Business-Type Activities	<u>\$ 634,949</u>	<u>\$ 331,399</u>	<u>\$ -</u>	<u>\$ -</u>	-	(303,550)	(303,550)
GENERAL REVENUES							
Property Taxes					339,956	-	339,956
Specific Ownership Taxes					25,408	-	25,408
Net Investment Income					3,294	-	3,294
Other Income					-	2,176	2,176
Total General Revenues					<u>368,658</u>	<u>2,176</u>	<u>370,834</u>
CHANGE IN NET POSITION					28,896	(301,374)	(272,478)
Net Position - Beginning of Year					(11,087,523)	4,591,501	(6,496,022)
NET POSITION - END OF YEAR					<u>\$ (11,058,627)</u>	<u>\$ 4,290,127</u>	<u>\$ (6,768,500)</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Special Revenue - Sales Tax	Debt Service	Total Governmental Funds
ASSETS				
Cash and Investments - Unrestricted	\$ 13,959	\$ -	\$ -	\$ 13,959
Cash and Investments - Restricted	2,800	362,481	1,016,613	1,381,894
Receivable - County Treasurer	565	-	1,695	2,260
Accounts Receivable	-	28,448	187,432	215,880
Prepaid Expenses	450	-	-	450
Property Taxes Receivable	195,537	-	139,674	335,211
	<u>\$ 213,311</u>	<u>\$ 390,929</u>	<u>\$ 1,345,414</u>	<u>\$ 1,949,654</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 15,556	\$ 13,559	\$ 2,979	\$ 32,094
Total Liabilities	15,556	13,559	2,979	32,094
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes Revenue	195,537	-	139,674	335,211
Total Deferred Inflows of Resources	195,537	-	139,674	335,211
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	450	-	-	450
Restricted For:				
Emergency Reserves	2,800	-	-	2,800
Sales Tax Eligible Expenses	-	377,370	-	377,370
Debt Service	-	-	1,202,761	1,202,761
Unassigned:				
General Government	(1,032)	-	-	(1,032)
Total Fund Balances	<u>2,218</u>	<u>377,370</u>	<u>1,202,761</u>	<u>1,582,349</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 213,311</u>	<u>\$ 390,929</u>	<u>\$ 1,345,414</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

(13,100,000)

Accrued Interest Payable - Loans

(33,066)

Net Position of Governmental Activities

\$ (11,058,627)

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, 2020**

	General	Special Revenue - Sales Tax	Debt Service	Total Governmental Funds
REVENUES				
Property Taxes	\$ 84,989	\$ -	\$ 254,967	\$ 339,956
Specific Ownership Taxes	6,352	-	19,056	25,408
Sales Taxes	-	160,254	-	160,254
Net Investment Income	-	-	3,294	3,294
Public Improvement Fees	-	-	1,029,910	1,029,910
Total Revenues	<u>91,341</u>	<u>160,254</u>	<u>1,307,227</u>	<u>1,558,822</u>
EXPENDITURES				
General, Administrative, and Operations:				
Accounting	32,348	15,964	-	48,312
Audit	4,750	-	-	4,750
County Treasurer's Fees	1,275	-	3,825	5,100
Directors' Fees	1,600	-	-	1,600
District Management	40,893	19,993	-	60,886
Dues and Memberships	3,017	-	-	3,017
Elections	2,594	-	-	2,594
Engineering	-	9,783	-	9,783
Insurance	400	-	-	400
Legal	28,426	14,188	-	42,614
Miscellaneous	2,443	6,746	-	9,189
PIF Compliance and Review	-	-	15,850	15,850
Website Maintenance	650	-	-	650
Sales Tax Administration	-	1,312	-	1,312
Snow Removal	-	18,243	-	18,243
Improved Surfaces - Utilities	-	331	-	331
Debt Service:				
Loan Interest - Series 2020A	-	-	237,669	237,669
Loan Interest - Series 2020B	-	-	154,261	154,261
Loan Principal - Series 2020A	-	-	320,000	320,000
Principal - Extraordinary - Senior Bonds	-	-	-	-
Cost of Issuance	-	-	447,404	447,404
Paying Agent/Trustee Fees	-	-	1,000	1,000
Total Expenditures	<u>118,396</u>	<u>86,560</u>	<u>1,180,009</u>	<u>1,384,965</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,055)	73,694	127,218	173,857
OTHER FINANCING SOURCES (USES)				
Loan Issuance	-	-	13,420,000	13,420,000
Refunding Payment	-	-	(13,459,724)	(13,459,724)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(39,724)</u>	<u>(39,724)</u>
NET CHANGE IN FUND BALANCES	(27,055)	73,694	87,494	134,133
Fund Balances - Beginning of Year	<u>29,273</u>	<u>303,676</u>	<u>1,115,267</u>	<u>1,448,216</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,218</u>	<u>\$ 377,370</u>	<u>\$ 1,202,761</u>	<u>\$ 1,582,349</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, 2020**

Net Change in Fund Balances - Governmental Funds \$ 134,133

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

The issuance of long-term debt (e.g., bonds, leases) 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 Issuance	(13,420,000)
Loan Principal Payment - Current Year	320,000
Refunding Bonds Series 2004 - Defeasance	7,235,000
Subordinate Bonds Series 2007 - Payoff	3,700,000
Subordinate Bonds Series 2010 - Payoff	500,000

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

Accrued Interest Payable - Change in Liability	1,559,763
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Change in Net Position of Governmental Activities	\$ 28,896
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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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 84,989	\$ 84,989	\$ 84,989	\$ -
Specific Ownership Taxes	6,900	6,000	6,352	352
Total Revenues	91,889	90,989	91,341	352
EXPENDITURES				
Accounting	21,800	34,000	32,348	1,652
Audit	4,750	4,750	4,750	-
County Treasurer's Fees	1,275	1,275	1,275	-
Directors' Fees	2,500	1,700	1,600	100
District Management	21,800	41,000	40,893	107
Dues and Memberships	3,500	3,017	3,017	-
Elections	1,500	2,594	2,594	-
Insurance	600	400	400	-
Legal	21,800	25,000	28,426	(3,426)
Miscellaneous	4,475	5,264	2,443	2,821
Website Maintenance	1,000	1,000	650	350
Total Expenditures	85,000	120,000	118,396	1,604
NET CHANGE IN FUND BALANCE	6,889	(29,011)	(27,055)	1,956
Fund Balance - Beginning of Year	24,804	29,273	29,273	-
FUND BALANCE - END OF YEAR	\$ 31,693	\$ 262	\$ 2,218	\$ 1,956

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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Sales Taxes	\$ 150,000	\$ 160,254	\$ 10,254
Total Revenues	<u>150,000</u>	<u>160,254</u>	<u>10,254</u>
EXPENDITURES			
Accounting	10,900	15,964	(5,064)
District Management	10,900	19,993	(9,093)
Engineering	15,000	9,783	5,217
Legal	10,900	14,188	(3,288)
Sales Tax Administration	4,000	1,312	2,688
Landscaping	10,000	-	10,000
Snow Removal	60,000	18,243	41,757
Engineering - Asphalt Assessment	-	6,746	(6,746)
Improved Surfaces - Utilities	300	331	(31)
Total Expenditures	<u>122,000</u>	<u>86,560</u>	<u>35,440</u>
NET CHANGE IN FUND BALANCE	28,000	73,694	45,694
Fund Balance - Beginning of Year	<u>321,144</u>	<u>303,676</u>	<u>(17,468)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 349,144</u></u>	<u><u>\$ 377,370</u></u>	<u><u>\$ 28,226</u></u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	Enterprise Fund
ASSETS	
Cash and Investments - Unrestricted	\$ 17,019
Accounts Receivable	41,866
Prepaid Expenses	16,046
Capital Assets, Not Being Depreciated:	
Water Rights	360,591
Capital Assets, Net:	
Equipment	54,248
Water and Wastewater Facilities	3,208,748
Pipelines and Underground Infrastructure	638,179
Total Assets	4,336,697
LIABILITIES	
Accounts Payable	46,570
Total Liabilities	46,570
NET POSITION	
Net Investment in Capital Assets	4,261,766
Unrestricted	28,361
Total Net Position	\$ 4,290,127

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, 2020**

	Enterprise Fund
OPERATING REVENUES	
Water Usage Fees	\$ 41,739
Sewer Usage Fees	77,961
Utility Flat Fees	209,827
Penalties and Late Fees	1,872
Total Operating Revenues	331,399
OPERATING EXPENSES	
Billing	18,136
Engineering	19,862
Insurance	13,625
Miscellaneous	990
Consultants - Water Rights	80,361
Auto-Dialer	2,606
Emergency Water Line Repairs	27,193
Operation and Maintenance:	
Water Facilities	120,979
Sewer Facilities	112,966
Depreciation	238,231
Total Operating Expenses	634,949
OPERATING LOSS	(303,550)
OTHER REVENUES AND EXPENDITURES	
Other Income	2,176
Total Other Revenues and Expenditures	2,176
CHANGE IN NET POSITION	(301,374)
Net Position - Beginning of Year	4,591,501
NET POSITION - END OF YEAR	\$ 4,290,127

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 348,910
Payments to Suppliers	<u>(450,911)</u>
Net Cash Used by Operating Activities	<u>(102,001)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Other Income	<u>2,176</u>
Net Cash Provided by Noncapital Financing Activities	2,176

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Outlay	<u>(122,549)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(122,549)</u>

NET DECREASE IN CASH AND INVESTMENTS

(222,374)

Cash and Investments - Beginning of Year

239,393

CASH AND INVESTMENTS - END OF YEAR

\$ 17,019

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

Operating Loss	\$ (303,550)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Decrease in Accounts Receivable	17,511
Increase in Prepaid Expenses	(16,046)
Decrease in Accounts Payable	(38,147)
Depreciation	<u>238,231</u>
Net Cash Used by Operating Activities	<u><u>\$ (102,001)</u></u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Aspen Park Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in December 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, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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, 2020**

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, 2020.

Pooled Cash and Investments

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

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, 2020**

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, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as 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, 2020**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments - Unrestricted	\$ 30,978
Cash and Investments - Restricted	1,381,894
Total Cash and Investments	\$ 1,412,872

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions	\$ 435,206
Investments	977,666
Total Cash and Investments	\$ 1,412,872

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, 2020, the District's cash deposits had a bank and a carrying balance of \$435,206.

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, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Federated Hermes Treasury Obligations Fund	Weighted Ave. - 28 days	<u>\$ 977,666</u>

Federated Hermes Treasury Obligations Fund

The District invested in the Federated Hermes Treasury Obligations 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, 2020**

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2019	Additions/ Transfers	Retirements/ Transfers	Balance - December 31, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Parks and Recreation (Open Space/Tract A)	\$ 492,090	\$ -	\$ -	\$ 492,090
Total Capital Assets, Not Being Depreciated	492,090	-	-	492,090
 Governmental Capital Assets, Net	 492,090	 -	 -	 492,090
	Balance - December 31, 2019	Additions/ Transfers	Retirements/ Transfers	Balance - December 31, 2020
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Water Rights	360,591	-	-	360,591
Total Capital Assets, Not Being Depreciated	360,591	-	-	360,591
 Capital Assets, Being Depreciated				
Equipment	38,006	31,528	-	69,534
Water and Wastewater Facilities	7,001,739	36,602	-	7,038,341
Pipelines and Underground Infrastructure	816,921	54,419	-	871,340
Total Capital Assets, Being Depreciated	7,856,666	122,549	-	7,979,215
 Less Accumulated Depreciation for:				
Equipment	(12,921)	(2,365)	-	(15,286)
Water and Wastewater Facilities	(3,610,885)	(218,708)	-	(3,829,593)
Pipelines and Underground Infrastructure	(216,003)	(17,158)	-	(233,161)
Total Accumulated Depreciation	(3,839,809)	(238,231)	-	(4,078,040)
 Total Capital Assets, Being Depreciated, Net	 4,016,857	 (115,682)	 -	 3,901,175
 Business-Type Capital Assets, Net	 4,377,448	 (115,682)	 -	 4,261,766
 Total Capital Assets, Net	 \$ 4,869,538	 \$ (115,682)	 \$ -	 \$ 4,753,856

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

Business-Type Activities:	
Equipment	\$ 2,365
Water and Wastewater Facilities	218,708
Pipelines and Underground Infrastructure	17,158
Total Depreciation Expense	<u>\$ 238,231</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, 2020**

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, 2020:

	Balance - December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Public Improvement Fee/Limited Tax Supported Revenue Refunding Bonds Series 2012	\$ 7,235,000	\$ -	\$ 7,235,000	\$ -	\$ -
Subordinate Revenue Bonds Series 2007	3,700,000	-	3,700,000	-	-
Subordinate Revenue Bonds Series 2010	500,000	-	500,000	-	-
Public Improvement Fee/Limited Tax Supported Refunding Loan Series 2020A	-	7,445,000	320,000	7,125,000	410,000
Public Improvement Fee/Limited Tax Supported Refunding Loan Series 2020B	-	5,975,000	-	5,975,000	-
Total	<u>\$ 11,435,000</u>	<u>\$ 13,420,000</u>	<u>\$ 11,755,000</u>	<u>\$ 13,100,000</u>	<u>\$ 410,000</u>

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

\$10,000,000 Public Improvement Fee/Limited Tax Supported Revenue Bonds, Series 2004/\$9,885,000 Public Improvement Fee/Limited Tax Supported Revenue Refunding Bonds, Series 2012

On June 22, 2004, the District issued \$10,000,000 of Public Improvement Fee/Limited Tax Supported Revenue Bonds, Series 2004 (2004 Bonds). The 2004 Bonds were used to establish debt service reserve and capitalized interest funds, pay for the costs of issuance, and provide funding for the acquisition and construction of infrastructure and related costs. The 2004 Bonds are term bonds due on December 1, 2029, and bear interest at a rate of 7.50%.

On November 28, 2012, the District issued \$9,885,000 Public Improvement Fee/Limited Tax Supported Revenue Refunding Bonds, Series 2012, to refund the Series 2004 Bonds. The Series 2012 Refunding Bonds are term bonds due on December 1, 2037, and bear interest at a rate of 5.75%. If funds are available in any given year, the Series 2012 Refunding Bonds require an additional principal payment to be made in the amount of \$165,000, prior to any payments being made on the Subordinate Bonds.

\$3,700,000 Subordinate Revenue Bonds

On July 18, 2007, the District issued \$3,700,000 of Subordinate Revenue Bonds, Series 2007, to acquire certain public improvements constructed by the Developer. The principal and interest on the Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue on a basis subordinate to the Senior Bonds. The Series 2007 Subordinate Bonds, which were purchased by the Developer, bear interest at a rate of 6.00%. If any amount of principal or interest remains due and owing on the Series 2007 Subordinate Bonds on December 1, 2037, such amounts shall be discharged and no further amounts shall be due on the Series 2007 Subordinate Bonds.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$500,000 Subordinate Revenue Bonds

On April 20, 2010, the District issued \$500,000 of Subordinate Revenue Bonds, Series 2010, to repay the Developer for advances made in prior years used to construct public improvements within the District. The principal and interest on the Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue on a basis subordinate to the Senior Bonds. The Series 2010 Subordinate Bonds, which were purchased by the Developer, bear interest at a rate of 6.00%. If any amount of principal or interest remains due and owing on the Series 2010 Subordinate Bonds on December 1, 2037, such amounts shall be discharged and no further amounts shall be due on the Series 2010 Subordinate Bonds.

\$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 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 and a fixed interest rate of 2.89% thereafter. 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:

- 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
- Revenues derived from the required mill levy for debt service defined as Capital Levy Revenues
- Specific ownership taxes
- Guaranteed PIF payments from Dillon Companies under the Dillon PIF Guaranty

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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.

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: (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, 2020**

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, 2020, the Debt Service Surplus Fund has a balance of \$891,161.

The District's 2020 Loans will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 410,000	\$ 396,793	\$ 806,793
2022	460,000	370,923	830,923
2023	480,000	357,500	837,500
2024	505,000	343,495	848,495
2025	525,000	328,760	853,760
2026-2030	3,025,000	1,398,409	4,423,409
2031-2034	7,695,000	777,267	8,472,267
Total	<u>\$ 13,100,000</u>	<u>\$ 3,973,147</u>	<u>\$ 17,073,147</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, 2020, 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
	<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, 2020**

NOTE 6 NET POSITION

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

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

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 492,090	\$ 4,261,766
Current Portion of Loans Payable	(15,558)	-
Noncurrent Portion of Loans Payable	(481,528)	-
Unspent Loans Proceeds	18,973	-
Net Investment in Capital Assets	\$ 13,977	\$ 4,261,766

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, 2020, as follows:

Restricted Net Position:	
Emergency (See Note 10)	\$ 2,800
Sales Tax Eligible Expenses	377,370
Total Restricted Net Position	\$ 380,170

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, 2020**

NOTE 7 DISTRICT AGREEMENTS

Termination, Acknowledgment and Release Agreement

Aspen Park Investors, Ltd., the 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, 2020**

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.

Exclusion Agreement

On September 9, 2005, the District entered into an agreement which set forth the terms and conditions by which the District would provide wastewater facilities and services to certain real property to be excluded from the District. This Agreement shall terminate on August 30, 2015, with respect to any connections for development on the Property that have not occurred by such date, unless further extended per the mutual written agreement of the parties. This agreement was not extended.

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

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 (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 (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.

Reimbursement Agreement (Snow Removal and Landscape Maintenance)

On November 15, 2018, the District and Aspen Park Station, LLC (APS) entered into a Reimbursement Agreement pursuant to which the District has agreed to reimburse APS for costs of snow removal and landscape maintenance services for certain District improvements, including streets, sidewalks, detention ponds, and landscaping, incurred by APS on behalf of and for the benefit of the District. Until such time this agreement is terminated, the District will reimburse APS based on the District's allocable share of the overall costs of snow removal and landscape maintenance that have been billed to APS directly by contractors providing these services. The District Engineer had determined this allocation to be 23%, which is the percentage of the District improvements to the overall APS property. This agreement was not renewed in 2020 as the District is contracting directly for these services.

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. 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, 2020**

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 (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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 254,976	\$ 254,967	\$ (9)
Specific Ownership Taxes	20,400	19,056	(1,344)
Net Investment Income	10,000	3,294	(6,706)
Public Improvement Fees	999,000	1,029,910	30,910
Total Revenues	<u>1,284,376</u>	<u>1,307,227</u>	<u>22,851</u>
EXPENDITURES			
County Treasurer's Fees	3,825	3,825	-
Contingency	6,889	-	6,889
PIF Compliance and Review	25,000	15,850	9,150
Debt Service:			
Loan Interest - Series 2020A	237,669	237,669	-
Loan Interest - Series 2020B	154,261	154,261	-
Loan Principal - Series 2020A	320,000	320,000	-
Cost of Issuance	466,132	447,404	18,728
Paying Agent/Trustee Fees	1,500	1,000	500
Total Expenditures	<u>1,215,276</u>	<u>1,180,009</u>	<u>35,267</u>
EXCESS OF REVENUES OVER EXPENDITURES	69,100	127,218	58,118
OTHER FINANCING SOURCES (USES)			
Loan Issuance	13,420,000	13,420,000	-
Refunding Payment	(13,459,724)	(13,459,724)	-
Total Other Financing Uses	<u>(39,724)</u>	<u>(39,724)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	29,376	87,494	58,118
Fund Balance - Beginning of Year	<u>1,103,190</u>	<u>1,115,267</u>	<u>12,077</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,132,566</u></u>	<u><u>\$ 1,202,761</u></u>	<u><u>\$ 70,195</u></u>

**ASPEN PARK METROPOLITAN DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Water Usage Fees	\$ 63,900	\$ 54,000	\$ 41,739	\$ (12,261)
Sewer Usage Fees	116,800	76,500	77,961	1,461
Utility Flat Fees	209,000	209,000	209,827	827
Penalties and Late Fees	525	2,500	1,872	(628)
Other Income	-	2,176	2,176	-
Total Revenues	390,225	344,176	333,575	(10,601)
EXPENDITURES				
Billing	15,000	18,000	18,136	(136)
Engineering	30,000	28,000	19,862	8,138
Insurance	14,500	13,625	13,625	-
Miscellaneous	3,800	2,000	990	1,010
Contingency	-	12,067	-	12,067
Capital-Related :				
Consultants - Water Rights	25,000	65,000	80,361	(15,361)
Aeration Blower Replacement	5,600	-	-	-
Wastewater Treatment Building PLC Equipment Replacement	-	23,620	23,620	-
MBR Recirculation Pump Replacement	7,600	12,982	12,982	-
Effluent Injection Well/Drilling	75,000	75,000	54,419	20,581
Reconfiguration of Plumbing Metering Services	25,000	25,000	31,528	(6,528)
Auto-Dialer	-	2,606	2,606	-
Emergency Water Line Repairs	-	28,000	27,193	807
Customer Meter Testing and Repairs	-	15,000	-	15,000
Operation and Maintenance:				
Water Facilities	89,500	116,650	120,979	(4,329)
Sewer Facilities	107,000	112,450	112,966	(516)
Stormwater Facilities	1,000	-	-	-
Retaining Wall	1,000	-	-	-
Total Expenditures	400,000	550,000	519,267	30,733
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(9,775)	(205,824)	(185,692)	20,132
Funds Available - Beginning	187,530	214,053	214,053	-
Funds Available - Ending	<u>\$ 177,755</u>	<u>\$ 8,229</u>	<u>\$ 28,361</u>	<u>\$ 20,132</u>
ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS:				
Excess of Revenue Over/(Under) Expenditures (Budget Basis)			\$ (185,692)	
Capital Outlay			122,549	
Depreciation			(238,231)	
CHANGE IN NET POSITION			(301,374)	
Net Position - Beginning of Year			4,591,501	
NET POSITION - END OF YEAR			<u>\$ 4,290,127</u>	

OTHER INFORMATION

**ASPEN PARK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

**\$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 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
2021	\$ 410,000	\$ 219,933	\$ 629,933	\$ -	\$ 176,860	\$ 176,860
2022	275,000	194,063	469,063	185,000	176,860	361,860
2023	290,000	186,116	476,116	190,000	171,384	361,384
2024	305,000	177,735	482,735	200,000	165,760	365,760
2025	315,000	168,920	483,920	210,000	159,840	369,840
2026	335,000	159,817	494,817	220,000	153,624	373,624
2027	345,000	150,136	495,136	230,000	147,112	377,112
2028	365,000	140,165	505,165	240,000	140,304	380,304
2029	380,000	129,617	509,617	250,000	133,200	383,200
2030	395,000	118,634	513,634	265,000	125,800	390,800
2031	410,000	107,219	517,219	275,000	117,956	392,956
2032	430,000	95,370	525,370	285,000	109,816	394,816
2033	445,000	82,943	527,943	300,000	101,380	401,380
2034	2,425,000	70,083	2,495,083	3,125,000	92,500	3,217,500
Total	<u>\$ 7,125,000</u>	<u>\$ 2,000,751</u>	<u>\$ 9,125,751</u>	<u>\$ 5,975,000</u>	<u>\$ 1,972,396</u>	<u>\$ 7,947,396</u>

**ASPEN PARK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2015	\$ 5,096,477	5.000	45.000	\$ 254,822	\$ 254,620	99.92 %
2016	5,029,475	5.000	45.000	251,472	251,463	99.99
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
Estimated for the Year Ending December 31, 2021	5,586,964	35.000	25.000	335,211		