

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

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

**YEAR ENDED DECEMBER 31, 2018**

**ASPEN PARK METROPOLITAN DISTRICT  
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**Haynie &  
Company**

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## **Independent Auditor's Report**

To the Board of Directors  
Aspen Park Metropolitan District

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the major funds of Aspen Park Metropolitan District as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the major funds of Aspen Park Metropolitan District, as of December 31, 2018 and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

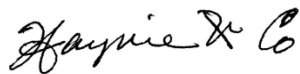
### *Required Supplementary Information*

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 Aspen Park Metropolitan District's financial statements as a whole. The supplementary information section 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.



Littleton, Colorado  
July 17, 2019

## **BASIC FINANCIAL STATEMENTS**

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments - Unrestricted	\$ 47,698	\$ 211,911	\$ 259,609
Cash and Investments - Restricted	1,273,852	-	1,273,852
Receivable - County Treasurer	2,880	-	2,880
Accounts Receivable	154,267	83,153	237,420
Prepaid Expenses	350	13,838	14,188
Property Taxes Receivable	331,530	-	331,530
Capital Assets, Not Being Depreciated:			
Parks and Recreation	492,090	-	492,090
Water Rights		360,591	360,591
Capital Assets, Net:			
Equipment	-	17,933	17,933
Water and Wastewater Facilities	-	3,554,445	3,554,445
Pipelines and Underground Infrastructure	-	600,018	600,018
Total Assets	<u>2,302,667</u>	<u>4,841,889</u>	<u>7,144,556</u>
<b>LIABILITIES</b>			
Accounts Payable	29,934	33,654	63,588
Accrued Interest Payable - Senior Bonds	36,656	-	36,656
Accrued Interest Payable - Subordinate Bonds	1,711,161	-	1,711,161
Noncurrent Liabilities:			
Due Within One Year	415,000	-	415,000
Due in More Than One Year	11,435,000	-	11,435,000
Total Liabilities	<u>13,627,751</u>	<u>33,654</u>	<u>13,661,405</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Taxes Revenue	331,530	-	331,530
Total Deferred Inflows of Resources	<u>331,530</u>	<u>-</u>	<u>331,530</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	70,880	4,532,987	4,603,867
Restricted For:			
Emergency	2,800	-	2,800
Sales Tax Eligible Expenses	272,144	-	272,144
Unrestricted	<u>(12,002,438)</u>	<u>275,248</u>	<u>(11,727,190)</u>
Total Net Position	<u>\$ (11,656,614)</u>	<u>\$ 4,808,235</u>	<u>\$ (6,848,379)</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

	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	\$ 197,354	\$ 132,766	\$ -	\$ -	\$ (64,588)	\$ -	\$ (64,588)
Interest and Related Costs on Long-Term Debt	721,511	956,141	-	-	234,630	-	234,630
Total Governmental Activities	<u>\$ 918,865</u>	<u>\$ 1,088,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>170,042</u>	<u>-</u>	<u>170,042</u>
Business-Type Activities:							
Water and Wastewater	\$ 470,177	\$ 359,429	\$ -	\$ -	-	(110,748)	(110,748)
Total Business-Type Activities	<u>\$ 470,177</u>	<u>\$ 359,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(110,748)</u>	<u>(110,748)</u>
<b>GENERAL REVENUES</b>							
Property Taxes					336,775	-	336,775
Specific Ownership Taxes					31,203	-	31,203
Net Investment Income					24,743	-	24,743
Other Income					-	609	609
Total General Revenues					<u>392,721</u>	<u>609</u>	<u>393,330</u>
<b>CHANGE IN NET POSITION</b>							
					562,763	(110,139)	452,624
Net Position - Beginning of Year					<u>(12,219,377)</u>	<u>4,918,374</u>	<u>(7,301,003)</u>
<b>NET POSITION - END OF YEAR</b>							
					<u>\$ (11,656,614)</u>	<u>\$ 4,808,235</u>	<u>\$ (6,848,379)</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General	Special Revenue - Sales Tax	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments - Unrestricted	\$ 47,698	\$ -	\$ -	\$ 47,698
Cash and Investments - Restricted	2,800	266,716	1,004,336	1,273,852
Receivable - County Treasurer	720	-	2,160	2,880
Accounts Receivable	-	22,300	131,967	154,267
Prepaid Expenses	350	-	-	350
Property Taxes Receivable	82,880	-	248,650	331,530
	<b>\$ 134,448</b>	<b>\$ 289,016</b>	<b>\$ 1,387,113</b>	<b>\$ 1,810,577</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 11,544	\$ 16,872	\$ 1,518	\$ 29,934
Total Liabilities	11,544	16,872	1,518	29,934
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes Revenue	82,880	-	248,650	331,530
Total Deferred Inflows of Resources	82,880	-	248,650	331,530
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenses	350	-	-	350
Restricted For:				
Emergency Reserves	2,800	-	-	2,800
Sales Tax Eligible Expenses	-	272,144	-	272,144
Debt Service Reserve Fund - Required Amount	-	-	356,545	356,545
Debt Service Surplus Fund - Required Amount	-	-	565,000	565,000
Future Debt Service	-	-	215,400	215,400
Unassigned:				
General Government	36,874	-	-	36,874
Total Fund Balances	40,024	272,144	1,136,945	1,449,113
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<b>\$ 134,448</b>	<b>\$ 289,016</b>	<b>\$ 1,387,113</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 492,090

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(11,850,000)
Accrued Interest Payable - Senior Bonds	(36,656)
Accrued Interest Payable - Subordinate Bonds	(1,711,161)
	<b>(13,637,817)</b>

Net Position of Governmental Activities	<b>\$ (11,656,614)</b>
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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, 2018**

	General	Special Revenue - Sales Tax	Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 84,194	\$ -	\$ 252,581	\$ 336,775
Specific Ownership Taxes	7,801	-	23,402	31,203
Sales Taxes	-	132,766	-	132,766
Net Investment Income	-	-	24,743	24,743
Public Improvement Fees	-	-	956,141	956,141
Total Revenues	<u>91,995</u>	<u>132,766</u>	<u>1,256,867</u>	<u>1,481,628</u>
<b>EXPENDITURES</b>				
General, Administrative and Operations:				
Accounting	22,170	10,919	-	33,089
Audit	4,500	-	-	4,500
County Treasurer's Fees	1,263	-	3,789	5,052
Directors' Fees	1,500	-	-	1,500
District Management	24,744	12,187	-	36,931
Dues and Memberships	2,926	-	-	2,926
Elections	1,486	-	-	1,486
Engineering	-	13,764	-	13,764
Insurance	498	-	-	498
Legal	15,959	7,861	-	23,820
Miscellaneous	2,733	-	1,068	3,801
PIF Compliance and Review	-	-	10,147	10,147
Website Maintenance	1,025	-	-	1,025
Sales Tax Administration	-	1,477	-	1,477
Landscaping	-	39,002	-	39,002
Snow Removal	-	21,833	-	21,833
Improved Surfaces - Utilities	-	292	-	292
Debt Service:				
Interest - Senior Bonds	-	-	463,163	463,163
Interest - Subordinate Bonds	-	-	340,000	340,000
Principal - Senior Bonds	-	-	240,000	240,000
Principal - Extraordinary - Senior Bonds	-	-	165,000	165,000
Paying Agent/Trustee Fees	-	-	4,500	4,500
Total Expenditures	<u>78,804</u>	<u>107,335</u>	<u>1,227,667</u>	<u>1,413,806</u>
<b>NET CHANGE IN FUND BALANCES</b>	13,191	25,431	29,200	67,822
Fund Balances - Beginning of Year	<u>26,833</u>	<u>246,713</u>	<u>1,107,745</u>	<u>1,381,291</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 40,024</u>	<u>\$ 272,144</u>	<u>\$ 1,136,945</u>	<u>\$ 1,449,113</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, 2018**

Net Change in Fund Balances - Governmental Funds	\$ 67,822
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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, 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.

Bond Principal Payment	405,000
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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 - Senior Bonds - Change in Liability	1,941
Accrued Interest Payable - Subordinate Bonds - Change in Liability	<u>88,000</u>

Change in Net Position of Governmental Activities	<u><u>\$ 562,763</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 84,249	\$ 84,194	\$ (55)
Specific Ownership Taxes	6,740	7,801	1,061
Total Revenues	<u>90,989</u>	<u>91,995</u>	<u>1,006</u>
<b>EXPENDITURES</b>			
Accounting	20,700	22,170	(1,470)
Audit	4,500	4,500	-
County Treasurer's Fees	1,263	1,263	-
Directors' Fees	2,500	1,500	1,000
District Management	20,700	24,744	(4,044)
Dues and Memberships	3,000	2,926	74
Elections	2,000	1,486	514
Insurance	260	498	(238)
Legal	20,700	15,959	4,741
Miscellaneous	2,877	2,733	144
Website Maintenance	500	1,025	(525)
Total Expenditures	<u>79,000</u>	<u>78,804</u>	<u>196</u>
<b>NET CHANGE IN FUND BALANCE</b>	11,989	13,191	1,202
Fund Balance - Beginning of Year	<u>20,581</u>	<u>26,833</u>	<u>6,252</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 32,570</u>	<u>\$ 40,024</u>	<u>\$ 7,454</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Sales Taxes	\$ 140,000	\$ 132,766	\$ (7,234)
Total Revenues	<u>140,000</u>	<u>132,766</u>	<u>(7,234)</u>
<b>EXPENDITURES</b>			
Accounting	10,300	10,919	(619)
District Management	10,300	12,187	(1,887)
Engineering	11,700	13,764	(2,064)
Legal	10,300	7,861	2,439
Sales Tax Administration	4,000	1,477	2,523
Signage	50,000	-	50,000
Landscaping	22,000	39,002	(17,002)
Snow Removal	60,000	21,833	38,167
Improved Surfaces - Utilities	400	292	108
Total Expenditures	<u>179,000</u>	<u>107,335</u>	<u>71,665</u>
<b>NET CHANGE IN FUND BALANCE</b>	(39,000)	25,431	64,431
Fund Balance - Beginning of Year	<u>212,131</u>	<u>246,713</u>	<u>34,582</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 173,131</u>	<u>\$ 272,144</u>	<u>\$ 99,013</u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2018**

	Enterprise Fund
<b>ASSETS</b>	
Cash and Investments - Unrestricted	\$ 211,911
Accounts Receivable	83,153
Prepaid Expenses	13,838
Capital Assets, Not Being Depreciated:	
Water Rights	360,591
Capital Assets, Net:	
Equipment	17,933
Water and Wastewater Facilities	3,554,445
Pipelines and Underground Infrastructure	600,018
Total Assets	4,841,889
<b>LIABILITIES</b>	
Accounts Payable	33,654
Total Liabilities	33,654
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,532,987
Unrestricted	275,248
Total Net Position	\$ 4,808,235

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, 2018**

	Enterprise Fund
<b>OPERATING REVENUES</b>	
Water Usage Fees	\$ 57,584
Sewer Usage Fees	109,475
Utility Flat Fees	190,107
Penalties and Late Fees	2,263
Total Operating Revenues	359,429
<b>OPERATING EXPENSES</b>	
Billing	13,607
Engineering	25,300
Insurance	12,883
Consultants - Water Rights	6,538
Painting Water & Wastewater Building	26,942
Chemical testing/sampling	4,592
Operation and Maintenance:	
Water Facilities	60,611
Sewer Facilities	89,458
Depreciation	230,246
Total Operating Expenses	470,177
<b>OPERATING INCOME (LOSS)</b>	(110,748)
<b>OTHER REVENUES AND EXPENDITURES</b>	
Other Income	609
Total Other Revenues and Expenditures	609
<b>CHANGE IN NET POSITION</b>	(110,139)
Net Position - Beginning of Year	4,918,374
<b>NET POSITION - END OF YEAR</b>	\$ 4,808,235

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers	\$ 308,946
Payments to Suppliers	<u>(240,551)</u>
Net Cash Provided (Required) by Operating Activities	68,395

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Other Income	<u>609</u>
Net Cash Provided (Required) by Noncapital Financing Activities	609

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

Capital Outlay	<u>(36,726)</u>
Net Cash Provided (Required) by Capital and Related Financing Activities	(36,726)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net Investment Income Received	<u>-</u>
Net Cash Provided (Required) by Investing Activities	-

**NET INCREASE (DECREASE) IN CASH AND INVESTMENTS**

32,278

Cash and Investments - Beginning of Year

179,633

**CASH AND INVESTMENTS - END OF YEAR**

\$ 211,911

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (REQUIRED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (110,748)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Required) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(50,483)
(Increase) Decrease in Prepaid Expenses	(955)
Increase (Decrease) in Accounts Payable	335
Depreciation	<u>230,246</u>
Net Cash Provided (Required) by Operating Activities	<u><u>\$ 68,395</u></u>

See accompanying Notes to Basic Financial Statements.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018**

**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, 2018**

**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, 2018.

**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, 2018**

**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.

**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.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Equity (Continued)**

**Fund Balance (Continued)**

*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.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Unrestricted	\$ 259,609
Cash and Investments - Restricted	1,273,852
Total Cash and Investments	\$ 1,533,461

Cash and investments as of December 31, 2018 consist of the following:

Deposits with Financial Institutions	529,312
Investments	1,004,149
Total Cash and Investments	\$ 1,533,461

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**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, 2018, the District's cash deposits had a bank and a carrying balance of \$529,312.

**Investments**

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

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

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

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

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

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Investments (Continued)**

As of December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	<u>\$ 1,004,149</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in the District's capital assets for the year ended December 31, 2018 follows:

	Balance - December 31, 2017	Additions/ Transfers	Retirements/ Transfers	Balance - December 31, 2018
<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	492,090	-	-	492,090
Governmental Capital Assets, Net	492,090	-	-	492,090

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

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

	Balance - December 31, 2017	Additions/ Transfers	Retirements/ Transfers	Balance - December 31, 2018
<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	26,807	782	-	27,589
Water and Wastewater Facilities	6,914,753	35,944	-	6,950,697
Pipelines and Underground Infrastructure	800,021	-	-	800,021
Total Capital Assets, Being Depreciated	<u>7,741,581</u>	<u>36,726</u>	<u>-</u>	<u>7,778,307</u>
Less accumulated depreciation for:				
Equipment	(6,417)	(3,239)	-	(9,656)
Water and Wastewater Facilities	(3,185,245)	(211,007)	-	(3,396,252)
Pipelines and Underground Infrastructure	(184,003)	(16,000)	-	(200,003)
Total Accumulated Depreciation	<u>(3,375,665)</u>	<u>(230,246)</u>	<u>-</u>	<u>(3,605,911)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,365,916</u>	<u>(193,520)</u>	<u>-</u>	<u>4,172,396</u>
Business-Type Capital Assets, Net	<u>4,726,507</u>	<u>(193,520)</u>	<u>-</u>	<u>4,532,987</u>
Total Capital Assets, Net	<u>\$ 5,218,597</u>	<u>\$ (193,520)</u>	<u>\$ -</u>	<u>\$ 5,025,077</u>

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

<b>Business-Type Activities:</b>	
Equipment	\$ 3,239
Water and Wastewater Facilities	211,007
Pipelines and Underground Infrastructure	16,000
Total Depreciation Expense	<u>\$ 230,246</u>

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018:

	Balance - December 31, 2017	Additions	Reductions	Balance at December 31, 2018	Due Within One Year
Public Improvement Fee/Limited Tax Supported Revenue Refunding Bonds Series 2012	\$ 8,055,000	\$ -	\$ 405,000	\$ 7,650,000	\$ 415,000
Subordinate Revenue Bonds Series 2007	3,700,000	-	-	3,700,000	-
Subordinate Revenue Bonds Series 2010	500,000	-	-	500,000	-
Total	<u>\$ 12,255,000</u>	<u>\$ -</u>	<u>\$ 405,000</u>	<u>\$ 11,850,000</u>	<u>\$ 415,000</u>

The details of the bonds outstanding at December 31, 2018, 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. The District paid the additional principal during 2018. This additional principal payment has also been budgeted to be paid in 2019, and is reflected in the table above under “Due Within One Year.”

The Series 2012 Refunding Bonds 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, 2018**

**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**

The rate of the Capital Levy shall be equal to the lesser of: (i) 50 mills; (ii) if the District is requiring a tax levy for operating and maintenance expenses, 45 mills; or (iii) the rate necessary to generate, in the following fiscal year, revenues equal to the PIF Revenue Shortfall, if any, projected for the following fiscal year, which PIF Revenue Shortfall shall be determined by the District no later than each December 5. PIF Revenue Shortfall means, with respect to any fiscal year, the amount equal to: 1) 110% of the debt service scheduled for such fiscal year, plus fees payable to the Collecting Agent during such fiscal year, plus the amount, if any, required to be deposited into the Debt Service Reserve Fund to restore such fund to the debt service reserve fund requirement; less 2) the amount of Pledged PIF Revenues, Dillon Guaranteed PIF Payments and Specific Ownership Tax Revenues received by the Trustee in the immediately preceding twelve month period.

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 administrative, 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.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**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 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 Reserve Fund and Surplus Fund**

The required Debt Service Reserve Fund related to the Series 2012 Public Improvement Fee/Limited Tax Supported Revenue Refunding Bonds is \$356,545. The Bond Indenture allows withdrawal from the Debt Service Reserve Fund but requires that it be replenished. As of December 31, 2018, the Debt Service Reserve Fund has a balance of \$357,222, comprised of \$356,545 bond proceeds (required amount) and \$677 interest income.

Additionally, a Surplus Fund in the amount of \$565,000 is required to be maintained. As of December 31, 2018, the Surplus Fund has a balance of \$566,086, comprised of \$565,000 bond proceeds (required amount) and \$1,086 interest income.

The District's Series 2012 Refunding Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 415,000	\$ 439,875	\$ 854,875
2020	430,000	416,013	846,013
2021	445,000	391,288	836,288
2022	465,000	365,700	830,700
2023	480,000	338,963	818,963
2024-2028	2,695,000	1,258,676	3,953,676
2029-2033	2,720,000	418,889	3,138,889
Total	<u>\$ 7,650,000</u>	<u>\$ 3,629,404</u>	<u>\$ 11,279,404</u>

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**\$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%. Interest on the Series 2007 Subordinate Bonds shall continue to accrue and shall be paid on the next Interest Payment Date when funds are available for such payment. Furthermore, 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.

The actual amounts of principal and interest payments to be made on the Series 2007 Subordinate Bonds in the future will depend on future pledged revenues and cannot be predicted with certainty.

During 2018, the District paid \$340,000 in interest on the Series 2007 Subordinate Bonds.

**\$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%. Interest on the Series 2010 Subordinate Bonds shall continue to accrue and shall be paid on the next Interest Payment Date when funds are available for such payment. Furthermore, 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.

The actual amounts of principal and interest payments to be made on the Series 2010 Subordinate Bonds in the future will depend on future pledged revenues and cannot be predicted with certainty.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**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, 2018, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

	Original Authorization	Authorization Used				Authorized But Unissued
		Series 2004 Bonds	Series 2007 Bonds	Series 2010 Bonds	Series 2012 Bonds	
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>

**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, 2018, 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	\$ 4,532,987
Current Portion of Bonds Payable	(15,995)	-
Noncurrent Portion of Bonds Payable	(440,734)	-
Unspent Bond Proceeds	35,519	-
Net Investment in Capital Assets	<u>\$ 70,880</u>	<u>\$ 4,532,987</u>

To finance the construction of public improvements (capital assets), the District issued and refunded bonds. While the bonds payable 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.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 NET POSITION (CONTINUED)**

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, 2018, as follows:

Restricted Net Position:	
Emergency (See Note 9)	\$ 2,800
Sales Tax Eligible Expenses	272,144
Total Restricted Net Position	<u>\$ 274,944</u>

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

**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.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

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

**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.

**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 a new owner, NewQuest Epic Investments. In November 2015, NewQuest Epic Investments sold the shopping center to a new owner, Aspen Park Station, LLC.

**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, 2018**

**NOTE 7 DISTRICT AGREEMENTS (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.

**NOTE 8 RELATED PARTY**

The majority property owner within the District which provides certain operations and maintenance services to properties and tenants located within the District is Aspen Park Station LLC ("APS"). One member of the Board of Directors of the District is an employee of APS and may have conflicts of interest in dealing with the District. All potential conflicts, if any, have been disclosed to the Board.

**ASPEN PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 252,756	\$ 252,756	\$ 252,581	\$ (175)
Specific Ownership Taxes	20,220	22,500	23,402	902
Net Investment Income	10,500	16,000	24,743	8,743
Public Improvement Fees	850,000	906,000	956,141	50,141
Total Revenues	<u>1,133,476</u>	<u>1,197,256</u>	<u>1,256,867</u>	<u>59,611</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	3,792	3,792	3,789	3
Miscellaneous	-	-	1,068	(1,068)
Contingency	4,545	48,545	-	48,545
PIF Compliance and Review	10,000	10,000	10,147	(147)
Debt Service:				
Interest - Senior Bonds	463,163	463,163	463,163	-
Interest - Subordinate Bonds	237,000	315,000	340,000	(25,000)
Principal - Senior Bonds	240,000	240,000	240,000	-
Principal - Extraordinary - Senior Bonds	165,000	165,000	165,000	-
Paying Agent/Trustee Fees	4,500	4,500	4,500	-
Total Expenditures	<u>1,128,000</u>	<u>1,250,000</u>	<u>1,227,667</u>	<u>22,333</u>
<b>NET CHANGE IN FUND BALANCE</b>	5,476	(52,744)	29,200	81,944
Fund Balance - Beginning of Year	<u>1,084,732</u>	<u>1,107,745</u>	<u>1,107,745</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,090,208</u>	<u>\$ 1,055,001</u>	<u>\$ 1,136,945</u>	<u>\$ 81,944</u>

**ASPEN PARK METROPOLITAN DISTRICT  
ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Water Usage Fees	\$ 58,000	\$ 57,584	\$ (416)
Sewer Usage Fees	106,000	109,475	3,475
Utility Flat Fees	190,000	190,107	107
Penalties and Late Fees	500	2,263	1,763
Other Income	-	609	609
Total Revenues	<u>354,500</u>	<u>360,038</u>	<u>5,538</u>
<b>EXPENDITURES</b>			
Billing	12,400	13,607	(1,207)
Engineering	23,300	25,300	(2,000)
Insurance	12,900	12,883	17
Miscellaneous	3,197	-	3,197
Capital Outlay:			
Consultants - Water Rights	20,000	6,538	13,462
Odor Control Replacement - Carbon Media	25,934	-	25,934
Meter Replacement	6,904	782	6,122
Aeration Blower Replacement	6,712	-	6,712
Wastewater Treatment Building PLC Equipment Replacement	13,831	25,544	(11,713)
Water Treatment Building PLC Equipment Replacement	13,628	-	13,628
Blow-off Valve Installation	17,594	10,400	7,194
Painting Water & Wastewater Building	-	26,942	(26,942)
Chemical Testing/Sampling	-	4,592	(4,592)
Operation and Maintenance:			
Water Facilities	77,000	60,611	16,389
Sewer Facilities	103,600	89,458	14,142
Stormwater Facilities	1,000	-	1,000
Retaining Wall	1,000	-	1,000
Total Expenditures	<u>339,000</u>	<u>276,657</u>	<u>62,343</u>
<b>EXCESS OF REVENUES OVER/UNDER EXPENDITURES</b>	15,500	83,381	67,881
Funds Available - Beginning	<u>132,099</u>	<u>191,867</u>	<u>59,768</u>
<b>Funds Available - Ending</b>	<u>\$ 147,599</u>	<u>\$ 275,248</u>	<u>\$ 127,649</u>
<b>ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS:</b>			
Excess of Revenue Over (Under) Expenditures (Budget Basis)		83,381	
Capital Outlay		36,726	
Depreciation		(230,246)	
<b>CHANGE IN NET POSITION</b>		<u>(110,139)</u>	
Net Position - Beginning of Year		<u>4,918,374</u>	
<b>NET POSITION - END OF YEAR</b>		<u>\$ 4,808,235</u>	

## **OTHER INFORMATION**

**ASPEN PARK METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2018**

**\$9,885,000 Public Improvement Fee /Limited Tax  
Supported Revenue Refunding Bonds, Series 2012  
Dated November 28, 2012  
Principal Due December 1,  
Interest Rate at 5.75%  
Payable June 1 and December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Extraordinary Redemption - Principal</u>	<u>Total Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	\$ 250,000	\$ 165,000	\$ 415,000	\$ 439,875	\$ 854,875
2020	265,000	165,000	430,000	416,013	846,013
2021	280,000	165,000	445,000	391,288	836,288
2022	300,000	165,000	465,000	365,700	830,700
2023	315,000	165,000	480,000	338,963	818,963
2024	335,000	165,000	500,000	311,363	811,363
2025	350,000	165,000	515,000	282,613	797,613
2026	375,000	165,000	540,000	253,000	793,000
2027	395,000	165,000	560,000	221,950	781,950
2028	415,000	165,000	580,000	189,750	769,750
2029	440,000	165,000	605,000	156,400	761,400
2030	465,000	165,000	630,000	121,613	751,613
2031	495,000	165,000	660,000	85,388	745,388
2032	520,000	165,000	685,000	47,438	732,438
2033	550,000	(410,000)	140,000	8,050	148,050
2034	580,000	(580,000)	-	-	-
2035	615,000	(615,000)	-	-	-
2036	650,000	(650,000)	-	-	-
2037	55,000	(55,000)	-	-	-
Total	<u>\$ 7,650,000</u>	<u>\$ -</u>	<u>\$ 7,650,000</u>	<u>\$ 3,629,404</u>	<u>\$ 11,279,404</u>

**ASPEN PARK METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2018**

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	
2013	\$ 5,283,648	5.000	45.000	\$ 264,181	\$ 264,181	100.00 %
2014	5,211,021	5.000	45.000	260,549	258,791	99.33
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
Estimated for the Year Ending December 31, 2019	\$ 5,525,555	15.000	45.000	\$ 331,530		