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Accountant's Compilation Report

Board of Directors
Aspen Park Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances/funds available of Aspen Park Metropolitan District for the year ending December 31, 2019, including the estimate of comparative information for the year ended December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Aspen Park Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 28, 2019



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**ASPEN PARK METRO DISTRICT
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 1,333,315	\$ 1,573,158	\$ 1,655,999
REVENUES			
Property taxes	322,951	337,005	331,530
Specific ownership taxes	31,551	30,000	19,950
Interest income	13,605	16,000	16,000
Public Improvement Fees	846,582	906,000	933,000
Sales taxes	139,856	135,000	139,000
Water usage fees	55,684	58,000	60,900
Sewer usage fees	106,259	106,000	111,300
Utility flat fees	182,814	190,000	199,500
Penalties and fees	595	600	500
Other income	770	608	-
Water tap fees	-	-	73,000
Wastewater pollutant surcharge	-	2,000	-
Total revenues	<u>1,700,667</u>	<u>1,781,213</u>	<u>1,884,680</u>
TRANSFERS IN	<u>166,031</u>	<u>-</u>	<u>-</u>
Total funds available	<u>3,200,013</u>	<u>3,354,371</u>	<u>3,540,679</u>
EXPENDITURES			
General Fund	62,936	75,000	77,000
Debt Service Fund	1,122,654	1,226,455	1,207,000
Special Revenue Fund	59,174	85,250	167,000
Enterprise Fund	216,060	311,667	366,600
Total expenditures	<u>1,460,824</u>	<u>1,698,372</u>	<u>1,817,600</u>
TRANSFERS OUT	<u>166,031</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,626,855</u>	<u>1,698,372</u>	<u>1,817,600</u>
ENDING FUND BALANCES	<u>\$ 1,573,158</u>	<u>\$ 1,655,999</u>	<u>\$ 1,723,079</u>
EMERGENCY RESERVE	\$ 2,700	\$ 2,800	\$ 2,600
DEBT SERVICE RESERVE REQUIREMENT	356,545	356,545	356,545
DEBT SERVICE SURPLUS REQUIREMENT	565,000	565,000	565,000
RESTRICTED SALES TAX FUNDS	246,713	296,463	268,463
TOTAL RESERVE	<u>\$ 1,170,958</u>	<u>\$ 1,220,808</u>	<u>\$ 1,192,608</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ASPEN PARK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/19

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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ASSESSED VALUATION - JEFFERSON COUNTY

Commercial	\$ 5,261,628	\$ 5,452,256	\$ 5,360,565
State assessed	11,663	13,015	13,450
Vacant land	109,214	151,337	151,337
Bossman property AV/Debt only	203	203	203
	<u>5,382,708</u>	<u>5,616,811</u>	<u>5,525,555</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 5,382,708</u>	<u>\$ 5,616,811</u>	<u>\$ 5,525,555</u>

MILL LEVY

General	15.000	15.000	15.000
Debt Service	45.000	45.000	45.000
Total mill levy	<u>60.000</u>	<u>60.000</u>	<u>60.000</u>

PROPERTY TAXES

General	\$ 80,738	\$ 84,249	\$ 82,880
Debt Service	242,222	252,756	248,650
Levied property taxes	<u>322,959</u>	<u>337,005</u>	<u>331,530</u>
Adjustments to actual/rounding	(9)	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 322,950</u>	<u>\$ 337,005</u>	<u>\$ 331,530</u>

BUDGETED PROPERTY TAXES

General	\$ 80,738	\$ 84,249	\$ 82,880
Debt Service	242,213	252,756	248,650
	<u>\$ 322,950</u>	<u>\$ 337,005</u>	<u>\$ 331,530</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ASPEN PARK METROPOLITAN DISTRICT
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 167,166	\$ 26,833	\$ 43,582
REVENUES			
Property taxes	80,738	84,249	82,880
Specific ownership taxes	7,888	7,500	5,000
Interest income	8	-	-
Total revenues	<u>88,634</u>	<u>91,749</u>	<u>87,880</u>
Total funds available	<u>255,800</u>	<u>118,582</u>	<u>131,462</u>
EXPENDITURES			
General and administrative			
Accounting	19,856	20,700	20,700
Audit	4,300	4,500	4,500
County Treasurer's fee	1,211	1,263	1,243
Directors' fees	1,500	1,600	2,500
Dues and membership	3,028	2,642	3,000
Election	-	1,486	-
Insurance	243	243	350
District management	18,994	20,700	20,700
Legal	11,036	18,700	20,700
Website maintenance	-	500	500
Miscellaneous	2,768	2,666	2,807
Total expenditures	<u>62,936</u>	<u>75,000</u>	<u>77,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>166,031</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>228,967</u>	<u>75,000</u>	<u>77,000</u>
ENDING FUND BALANCE	<u>\$ 26,833</u>	<u>\$ 43,582</u>	<u>\$ 54,462</u>
EMERGENCY RESERVE	<u>\$ 2,700</u>	<u>\$ 2,800</u>	<u>\$ 2,600</u>
TOTAL RESERVE	<u>\$ 2,700</u>	<u>\$ 2,800</u>	<u>\$ 2,600</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ASPEN PARK METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ 246,713	\$ 296,463
REVENUES			
Sales taxes	139,856	135,000	139,000
Total revenues	<u>139,856</u>	<u>135,000</u>	<u>139,000</u>
TRANSFERS IN			
Transfers from other funds	<u>166,031</u>	<u>-</u>	<u>-</u>
Total funds available	<u>305,887</u>	<u>381,713</u>	<u>435,463</u>
EXPENDITURES			
General and administrative			
Accounting	9,599	10,300	10,300
District management	9,536	10,300	10,300
Legal	5,436	10,300	10,300
Sales tax administration	1,312	2,000	4,000
Engineering	8,150	12,000	11,700
Operations and maintenance			
Landscaping	2,760	10,000	10,000
Curb repairs	-	-	50,000
Snow removal	22,043	30,000	60,000
Improved surfaces - utilities	338	350	400
Total expenditures	<u>59,174</u>	<u>85,250</u>	<u>167,000</u>
Total expenditures and transfers out requiring appropriation	<u>59,174</u>	<u>85,250</u>	<u>167,000</u>
ENDING FUND BALANCE	<u>\$ 246,713</u>	<u>\$ 296,463</u>	<u>\$ 268,463</u>
RESTRICTED SALES TAX FUNDS	<u>\$ 246,713</u>	<u>\$ 296,463</u>	<u>\$ 268,463</u>
TOTAL RESERVE	<u>\$ 246,713</u>	<u>\$ 296,463</u>	<u>\$ 268,463</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ASPEN PARK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 1,104,344	\$ 1,107,745	\$ 1,078,546
REVENUES			
Property taxes	242,213	252,756	248,650
Specific ownership taxes	23,663	22,500	14,950
Public improvement fees	846,582	906,000	933,000
Interest income	13,597	16,000	16,000
Total revenues	<u>1,126,055</u>	<u>1,197,256</u>	<u>1,212,600</u>
Total funds available	<u>2,230,399</u>	<u>2,305,001</u>	<u>2,291,146</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,634	3,792	3,730
PIF compliance/review	4,932	10,000	10,000
Contingency	-	-	4,895
Debt Service			
Paying agent fees	4,500	4,500	4,500
Bond interest - Senior Bonds	485,588	463,163	439,875
Bond interest - Subordinate Bonds	234,000	340,000	329,000
Bond principal - Senior Bonds	225,000	240,000	250,000
Bond principal - extraordinary - Senior Bonds	165,000	165,000	165,000
Total expenditures	<u>1,122,654</u>	<u>1,226,455</u>	<u>1,207,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,122,654</u>	<u>1,226,455</u>	<u>1,207,000</u>
ENDING FUND BALANCE	<u>\$ 1,107,745</u>	<u>\$ 1,078,546</u>	<u>\$ 1,084,146</u>
DEBT SERVICE RESERVE REQUIREMENT	\$ 356,545	\$ 356,545	\$ 356,545
DEBT SERVICE SURPLUS REQUIREMENT	565,000	565,000	565,000
TOTAL RESERVE	<u>\$ 921,545</u>	<u>\$ 921,545</u>	<u>\$ 921,545</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ASPEN PARK METROPOLITAN DISTRICT
ENTERPRISE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUNDS AVAILABLE	\$ 61,805	\$ 191,867	\$ 237,408
REVENUES			
Water usage fees	55,684	58,000	60,900
Sewer usage fees	106,259	106,000	111,300
Utility flat fees	182,814	190,000	199,500
Penalties and fees	595	600	500
Other income	770	608	-
Water tap fees	-	-	73,000
Wastewater pollutant surcharge	-	2,000	-
Total revenues	<u>346,122</u>	<u>357,208</u>	<u>445,200</u>
Total funds available	<u>407,927</u>	<u>549,075</u>	<u>682,608</u>
EXPENDITURES			
General and administrative			
Billing	10,117	13,000	12,400
Insurance	11,726	12,883	13,900
Miscellaneous	-	-	3,000
Bad debt expense	1,375	-	-
Engineering	16,547	23,300	23,300
Water	64,233	67,500	79,500
Sewer	77,657	101,000	103,000
Stormwater	-	-	1,000
Retainwall fascia	-	-	1,000
Capital Projects			
Consultants - water rights	8,773	7,000	20,000
Aeration basin diffusers replacement	4,282	-	-
Chemical testing/sampling	-	10,000	-
Odor control replacement - carbon media	2,889	-	-
Meter replacement	16,111	6,904	-
Security camera	2,350	-	-
Wastewater Treatment Building PLC Equipment Replacement	-	25,544	25,000
Water Treatment Building PLC Equipment Replacement	-	-	25,000
Blow-off valve installation	-	17,594	-
Painting Water & Wastewater Building	-	26,942	-
Screen auger lift replacement	-	-	37,300
Equalization basin mixer & grinder pump replacement	-	-	22,200
Total expenditures	<u>216,060</u>	<u>311,667</u>	<u>366,600</u>
Total expenditures and transfers out requiring appropriation	<u>216,060</u>	<u>311,667</u>	<u>366,600</u>
ENDING FUNDS AVAILABLE	<u>\$ 191,867</u>	<u>\$ 237,408</u>	<u>\$ 316,008</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ASPEN PARK METROPOLITAN DISTRICT
ENTERPRISE FUND EXPENDITURE DETAILS
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
Water			
Water - repairs and maintenance	\$ 6,464	\$ 6,000	\$ 20,000
Water - operations	32,324	32,000	30,000
Water - chemicals and supplies	5,880	7,500	7,500
Water - utilities	18,015	20,000	20,000
Water - testing	1,550	2,000	2,000
Total Water	\$ 64,233	\$ 67,500	\$ 79,500
Sewer			
Sewer - repairs and maintenance	\$ 14,682	\$ 25,000	\$ 25,000
Sewer - operations	22,574	22,000	20,000
Sewer - chemicals and supplies	7,800	10,000	15,000
Sewer - utilities	18,015	20,000	20,000
Sewer - sludge and waste disposal	7,750	16,000	16,000
Sewer - testing	6,836	8,000	7,000
Total Sewer	\$ 77,657	\$ 101,000	\$ 103,000
Stormwater			
Stormwater - repairs and maintenance	\$ -	\$ -	\$ 1,000
Total Stormwater	\$ -	\$ -	\$ 1,000
Retaining wall fascia			
Retaining wall	\$ -	\$ -	\$ 1,000
Total expenditures	\$ -	\$ -	\$ 1,000

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ASPEN PARK METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized on November 5, 2002 to provide construction, installation, financing, and operation and maintenance of public improvements, including streets, storm water facilities, traffic and safety controls, park and recreation facilities, water and wastewater facilities, primarily for commercial development within the District. The District's service area is located entirely within Jefferson County, Colorado.

The District's voters approved general obligation indebtedness of \$2,500,000 for street improvements, \$1,000,000 for traffic and safety controls, \$5,000,000 for water supply system, \$23,000,000 for refinancing of District debt, \$23,000,000 for reimbursement of obligation to private entities, \$10,000,000 for sanitary sewer systems, \$3,000,000 for parks and recreation, \$500,000 for public transportation, \$500,000 for television relay and translation system, \$500,000 for mosquito control and \$5,000,000 for general operations and maintenance.

Further, the District's voters approved authorization to increase property taxes by up to \$500,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Additionally, the voters allowed the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

**ASPEN PARK METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Interest Income

Interest to be earned on the District's debt service funds has been estimated based on an average interest rate of approximately 1.50%.

Service Fees

The District charges customers for water, sewer and storm water services. The District is increasing these fees by 5% starting on January 01, 2019.

Public Improvement Fees

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under 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 and 2% for all other locations, payable in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District, and remitted to the District within 20 days after month end.

Sales Taxes

The District imposes a 0.50% sales tax on all taxable sales within the District.

Expenditures

General, Administrative and Operating Expenditures

General, administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the estimated costs of operating water and sewer facilities, maintaining streets and retaining walls, and the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting, and other administrative expenditures.

Debt Service

Principal and interest payments in 2019 are provided based on the debt amortization schedule from the Series 2012 Refunding Bonds (discussed under Debt and Leases).

Debt and Leases

On June 22, 2004, the District issued \$10,000,000 of Public Improvement Fee/Limited Tax Supported Revenue Bonds, Series 2004. The 2004 Bonds were used to establish a debt service reserve account and a capitalized interest account, to pay for the costs of issuance of the bonds, and to provide funding for the purchase and construction of public infrastructure and related costs.

On November 28, 2012, the District issued \$9,885,000 of 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%.

**ASPEN PARK METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

On March 21, 2007, the District's Board of Directors approved a Master Bond Resolution authorizing the issuance of subordinate revenue bonds of up to \$4,200,000. On July 18, 2007, the District issued \$3,700,000 Subordinate Revenue Bonds, Series 2007, to acquire certain public improvements constructed by the Developer. On April 20, 2010, the District issued an additional \$500,000 Subordinate Revenue Bonds, Series 2010, to repay Developer advances for capital improvements. The principal and interest on these Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue on a basis subordinate to the Senior Bonds. Interest on these 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 these Subordinate Bonds on December 1, 2037, such amounts shall be discharged and no further amounts shall be due on these Subordinate Bonds. The District anticipates a payment of interest on the Subordinate Bonds in 2019, as detailed on page 6 of the budget.

The District has no outstanding operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2019 as defined under TABOR.

Debt Service Reserve

The Debt Service Reserve in the amount of \$356,545 is required to be maintained on the Series 2012 Refunding Bonds. In addition, a required Surplus Fund in the amount of \$565,000 is also being maintained.

Restricted Sales Tax Revenue

The District's sales tax revenue is restricted to be used for certain types of expenditures such as landscaping, snow removal, streets maintenance, and related administrative costs.

This information is an integral part of the accompanying budget.

**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</u> <u>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)	-	-	-
	<u>\$ 7,650,000</u>	<u>\$ -</u>	<u>\$ 7,650,000</u>	<u>\$ 3,629,404</u>	<u>\$ 11,279,404</u>

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