

PARK 70 METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**PARK 70 METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITOR’S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	23
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	24
OTHER INFORMATION	
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY	26
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	29

Independent Auditors' Report

Board of Directors
Park 70 Metropolitan District
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Park 70 Metropolitan District (the "District") as of and for the year ended December 31, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general 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 ("GAAS"). 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 GAAS 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 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 GAAS, 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.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Simmons & Wheeler P.C." in a cursive, flowing script.

Englewood, CO
September 27, 2024

BASIC FINANCIAL STATEMENTS

**PARK 70 METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,864,169
Cash and Investments - Restricted	6,488,678
Prepaid Insurance	8,221
Property Tax Receivable	5,485,310
Capital Assets:	
Capital Assets Net of Depreciation	<u>8,593,967</u>
Total Assets	<u>23,440,345</u>
LIABILITIES	
Accounts Payable	22,583
ARTA Payable	107,655
Due to County Treasurer	59,575
Accrued Interest	125,451
Noncurrent Liabilities:	
Due Within One Year	637,329
Due in More Than One Year	<u>34,166,366</u>
Total Liabilities	<u>35,118,959</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>5,485,310</u>
Total Deferred Inflows of Resources	<u>5,485,310</u>
NET POSITION	
Net Investment in Capital Assets	(4,067,868)
Restricted for:	
Emergency Reserve	22,100
Debt Service	4,606,722
Unrestricted	<u>(17,724,878)</u>
Total Net Position	<u><u>\$ (17,163,924)</u></u>

See accompanying Notes to Basic Financial Statements.

**PARK 70 METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS	<u>Expenses</u>				
Primary Government:					
Governmental Activities:					
General Government	\$ 783,944	\$ -	\$ -	\$ -	\$ (783,944)
Interest on Long-Term Debt and Related Costs	<u>1,570,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,570,618)</u>
Total Governmental Activities	<u>\$ 2,354,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(2,354,562)
GENERAL REVENUES					
Property Taxes					3,333,563
Property Taxes - ARTA					109,297
Specific Ownership Taxes					248,298
Interest Income					471,005
Other Revenue					<u>8,545</u>
Total General Revenues and Transfers					<u>4,170,708</u>
CHANGES IN NET POSITION					1,816,146
Net Position - Beginning of Year					<u>(18,980,070)</u>
NET POSITION - END OF YEAR					<u>\$ (17,163,924)</u>

See accompanying Notes to Basic Financial Statements.

**PARK 70 METROPOLITAN DISTRICT
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 2,864,169	\$ -	\$ -	\$ 2,864,169
Cash and Investments - Restricted	22,100	4,892,966	1,573,612	6,488,678
Due from Other Funds	2,370	-	-	2,370
Prepaid Insurance	8,221	-	-	8,221
Property Tax Receivable	869,608	4,615,702	-	5,485,310
Total Assets	<u>\$ 3,766,468</u>	<u>\$ 9,508,668</u>	<u>\$ 1,573,612</u>	<u>\$ 14,848,748</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 22,583	\$ -	\$ -	\$ 22,583
ARTA Payable	-	107,655	-	107,655
Due to Other Funds	-	-	2,370	2,370
Due to County Treasurer	9,456	50,119	-	59,575
Total Liabilities	<u>32,039</u>	<u>157,774</u>	<u>2,370</u>	<u>192,183</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	869,608	4,615,702	-	5,485,310
Total Deferred Inflows of Resources	<u>869,608</u>	<u>4,615,702</u>	<u>-</u>	<u>5,485,310</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	8,221	-	-	8,221
Restricted for:				
Emergency Reserves	22,100	-	-	22,100
Debt Service	-	4,735,192	-	4,735,192
Capital Projects	-	-	1,571,242	1,571,242
Unassigned	2,834,500	-	-	2,834,500
Total Fund Balances	<u>2,864,821</u>	<u>4,735,192</u>	<u>1,571,242</u>	<u>9,171,255</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,766,468</u>	<u>\$ 9,508,668</u>	<u>\$ 1,573,612</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.

8,593,967

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

(33,105,000)

Bond Premium (Net of Amortization)

(1,698,695)

Accrued Interest

(125,451)

Net Position of Governmental Activities

\$ (17,163,924)

See accompanying Notes to Basic Financial Statements.

PARK 70 METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 546,486	\$ 2,787,077	\$ -	\$ 3,333,563
Property Taxes - ARTA	-	109,297	-	109,297
Specific Ownership Taxes	39,413	208,885	-	248,298
Interest Income	140,956	255,323	74,726	471,005
Other Revenue	8,545	-	-	8,545
Total Revenues	735,400	3,360,582	74,726	4,170,708
EXPENDITURES				
Current:				
Accounting	34,049	-	-	34,049
ARTA Reimbursement	-	107,655	-	107,655
Auditing	5,000	-	-	5,000
Banking Fees	68	-	-	68
Bond Interest - Series 2016	-	751,250	-	751,250
Bond Interest - Series 2019	-	775,113	-	775,113
Bond Principal - Series 2016	-	235,000	-	235,000
Bond Principal - Series 2019	-	230,000	-	230,000
County Treasurer's Fee	8,211	41,877	-	50,088
County Treasurer's Fee - ARTA	-	1,642	-	1,642
District Management	17,419	-	-	17,419
Dues And Membership	591	-	-	591
Election	1,079	-	-	1,079
Engineering	-	-	2,370	2,370
Insurance	7,572	-	-	7,572
Landscaping	53,261	-	-	53,261
Landscaping Maintenance	154	-	-	154
Landscaping Maintenance - Floral	3,914	-	-	3,914
Legal	25,601	-	-	25,601
Locates	3,719	-	-	3,719
Miscellaneous	217	-	-	217
Snow Removal	4,609	-	-	4,609
Tree Replacement & Care	21,715	-	-	21,715
Utilities	11,328	-	-	11,328
Paying Agent Fees	-	6,500	-	6,500
Total Expenditures	198,507	2,149,037	2,370	2,349,914
NET CHANGE IN FUND BALANCES	536,893	1,211,545	72,356	1,820,794
Fund Balances - Beginning of Year	2,327,928	3,523,647	1,498,886	7,350,461
FUND BALANCES - END OF YEAR	<u>\$ 2,864,821</u>	<u>\$ 4,735,192</u>	<u>\$ 1,571,242</u>	<u>\$ 9,171,255</u>

See accompanying Notes to Basic Financial Statements.

**PARK 70 METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 1,820,794
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Depreciation Expense	(585,437)
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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 government funds. Neither transaction, however, has any effect on net position.

Bond Principal - Series 2016	235,000
Bond Principal - Series 2019	230,000
Amortization of Bond Premium	114,043

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.

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	1,746
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Changes in Net Position of Governmental Activities	<u><u>\$ 1,816,146</u></u>
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**PARK 70 METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 578,068	\$ 546,486	\$ (31,582)
Specific Ownership Taxes	40,465	39,413	(1,052)
Interest Income	5,507	140,956	135,449
Other Revenue	-	8,545	8,545
Total Revenues	624,040	735,400	111,360
EXPENDITURES			
Accounting	32,000	34,049	(2,049)
Auditing	5,500	5,000	500
Banking Fees	250	68	182
Contingency	18,579	-	18,579
County Treasurer's Fee	8,671	8,211	460
Detention Pond Maintenance	15,000	-	15,000
District Management	30,400	17,419	12,981
Dues And Membership	600	591	9
Election	3,000	1,079	1,921
Insurance	8,000	7,572	428
Landscaping	52,000	53,261	(1,261)
Landscaping Maintenance	1,000	154	846
Landscaping Maintenance - Floral	6,000	3,914	2,086
Legal	28,000	25,601	2,399
Locates	2,500	3,719	(1,219)
Miscellaneous	2,500	217	2,283
Pest Control	6,000	-	6,000
Repairs And Maintenance	5,000	-	5,000
Security	50,000	-	50,000
Signage	1,000	-	1,000
Snow Removal	15,000	4,609	10,391
Tree Replacement & Care	35,000	21,715	13,285
Utilities	75,000	11,328	63,672
Total Expenditures	401,000	198,507	202,493
NET CHANGE IN FUND BALANCE	223,040	536,893	313,853
Fund Balance - Beginning of Year	2,202,623	2,327,928	125,305
FUND BALANCE - END OF YEAR	<u>\$ 2,425,663</u>	<u>\$ 2,864,821</u>	<u>\$ 439,158</u>

See accompanying Notes to Basic Financial Statements.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Park 70 Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by court order and decree of the District Court in and for Adams County on January 8, 2004, and recorded with the Adams County Clerk and Recorder on January 27, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the Amended and Restated Service Plan approved by the City of Aurora on February 17, 2006, as amended by that First Amendment approved by the City of Aurora on January 25, 2016 (collectively, the Amended Service Plan). The District's service area is located entirely within the City of Aurora in Adams County, Colorado. The District was established to provide financing for the planning, design, acquisition, construction, installation, relocation and redevelopment of certain public improvements, including but not limited to, the powers described in Colorado statutes and the Colorado Constitution, except for certain limitations pursuant to the Service Plan including fire protection, television relay and translation, and golf course construction.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District 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. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation 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 Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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.

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 and investments.

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 sales 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 property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Monumentation	20 Years
Streetlights	20 Years
Traffic and Safety Controls	20 Years
Water Improvements	20 Years
Sanitation Improvements	20 Years
Stormwater Drainage	20 Years
Parks and Recreation	20 Years
Transportation	20 Years

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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 balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 2,864,169
Cash and Investments - Restricted	<u>6,488,678</u>
Total Cash and Investments	<u><u>\$ 9,352,847</u></u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with Financial Institutions	\$ 22,300
Investments	<u>9,330,547</u>
Total Cash and Investments	<u><u>\$ 9,352,847</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. 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, 2023, the District's cash deposits had a bank balance and a carrying balance of \$22,300.

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.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 3,413,862
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	5,916,685
	Total	<u>\$ 9,330,547</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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE CASH FUND may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. 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.

COLOTRUST

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Being Depreciated:				
Parks and Recreation	\$ 1,199,744	\$ -	\$ -	\$ 1,199,744
Monumentation	312,633	-	-	312,633
Stormwater Drainage	10,196,355	-	-	10,196,355
Total Capital Assets, Being Depreciated	11,708,732	-	-	11,708,732
Less Accumulated Depreciation for:				
Parks and Recreation	239,948	59,987	-	299,935
Monumentation	250,108	15,632	-	265,740
Stormwater Drainage	2,039,272	509,818	-	2,549,090
Total Accumulated Depreciation	2,529,328	585,437	-	3,114,765
 Total Capital Assets, Being Depreciated, Net	 9,179,404	 (585,437)	 -	 8,593,967
 Governmental Activities Capital Assets, Net	 \$ 9,179,404	 \$ (585,437)	 \$ -	 \$ 8,593,967

Depreciation expense for 2023 was charged to the General Government function/program.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Governmental Activities					
Bonds Payable:					
General Obligation Refunding and Improvement Bonds					
Series 2016	\$ 15,025,000	\$ -	\$ 235,000	\$ 14,790,000	\$ 270,000
Series 2019	18,545,000	-	230,000	18,315,000	255,000
Subtotal Bonds Payable	33,570,000	-	465,000	33,105,000	525,000
Bond Premium/Discount:					
Unamortized Bond Premium	1,812,738	-	114,043	1,698,695	112,329
Subtotal Bond Premium / Discount	1,812,738	-	114,043	1,698,695	112,329
 Total Long-Term Obligations	 \$ 35,382,738	 \$ -	 \$ 579,043	 \$ 34,803,695	 \$ 637,329

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$16,260,000 General Obligation Refunding and Improvement Bonds, Series 2016

On September 28, 2016, the District issued its General Obligation Refunding and Improvement Bonds Series 2016 Bonds in the principal amount of \$16,260,000. The Series 2016 Bonds have an interest rate of 2%-5%. Interest is payable semi-annually on June 1 and December 1, and principal is payable annually on December 1. The Series 2016 Bonds were issued at a premium of \$2,106,411 which is being amortized over the life of the bonds. The Series 2016 Bonds were issued for the purpose of (i) paying the Project Costs; (ii) prepaying and cancelling in full the Series 2013 Loan as evidenced by the Promissory Note in the original principal amount of \$10,950,000; and (iii) paying other costs in connection with the issuance of the Bonds and the prepayment of the Loan and the Note.

The Series 2016 Bonds maturing on or after December 1, 2036 are subject to optional redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest. The Series 2016 Bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption, in part, by lot, starting on December 1, 2026, and on each December 1 thereafter prior to the maturity date of such Series 2016 Bonds, upon payment of par and accrued interest, without redemption premium. The Series 2016 Bonds maturing on December 1, 2046, also are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2037, and on each December 1 thereafter prior to the maturity date of such Series 2016 Bonds, upon payment of par and accrued interest, without redemption premium.

The Series 2016 Bonds are secured by and payable from monies derived by the District from the following sources, net of any collection costs: 1) all Property Tax Revenues, 2) all Specific Ownership Tax Revenues, and 3) any other legally available monies which the District determines, in its absolute discretion, to credit to the Bond Fund. The Bonds are secured by amounts on deposit in a surplus fund, which was initially funded using \$1,040,597 of funds on hand with the District.

\$19,300,000 General Obligation Bonds, Series 2019

On January 30, 2019, the District issued its \$19,300,000 Series 2019 General Obligation Bonds (the Series 2019 Bonds). The Bonds were issued on a parity with the Series 2016 Bonds, with final maturity on December 1, 2048. The proceeds from the Series 2019 Bonds were used for a) paying the Project costs, and b) paying other costs in connection with the issuance of the Series 2019 Bonds.

The Series 2019 Bonds bear interest at a rate of 3.5%-5% per annum, with interest payable semi-annually from Pledged Revenue on June 1 and December 1, beginning on June 1, 2019, and principle payable annually from Pledged Revenue on December 1, beginning December 1, 2019. Pledged revenue consists of the following, net of costs of collection: a) all Property Tax Revenues; b) all Specific Ownership Tax Revenues, and c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$19,300,000 General Obligation Bonds, Series 2019 (Continued)

The Bonds maturing on and after December 1, 2029 are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 2028, and on any date thereafter, upon payment of par plus accrued interest, without redemption premium.

In 2023, the District levied 5.0 mills for general operating expenses, 25.5 mills for debt service and 1.0 mill pursuant to the Intergovernmental Agreement with the City of Aurora for funding of the Aurora Regional Improvements (ARI Mill Levy).

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 525,000	\$ 1,505,413	\$ 2,030,413
2025	550,000	1,479,163	2,029,163
2026	615,000	1,454,363	2,069,363
2027	645,000	1,423,613	2,068,613
2028	720,000	1,391,363	2,111,363
2029-2033	4,435,000	6,365,063	10,800,063
2034-2038	6,220,000	5,132,463	11,352,463
2039-2043	8,335,000	3,556,050	11,891,050
2044-2048	11,060,000	1,443,500	12,503,500
Total	<u>\$ 33,105,000</u>	<u>\$ 23,750,988</u>	<u>\$ 56,855,988</u>

Authorized Debt

On November 4, 2003 and May 2, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$67,050,000 and \$1,000,000,000, respectively, for general obligation bonds at an interest rate not to exceed 18% per annum. As of December 31, 2023, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

	<u>Amount Authorized 2003</u>	<u>Amount Authorized 2006</u>	<u>Authorization Used, Series 2008 Bonds</u>	<u>Authorization Used, Series 2013 Loan</u>	<u>Authorization Used, Series 2016 Bonds</u>	<u>Authorization Used, Series 2019 Bonds</u>	<u>Authorized but Unissued</u>
Water	\$ 5,300,000	\$ 90,000,000	\$ 3,489,000	\$ -	\$ 2,208,539	\$ 1,265,985	\$ 88,336,496
Sanitary Sewer and Storm Drainage	4,800,000	90,000,000	2,284,000	-	1,473,340	9,647,803	81,394,857
Streets	22,606,250	90,000,000	5,894,000	-	3,680,609	7,038,237	95,993,404
Transportation	-	90,000,000	-	-	-	325,844	89,674,156
Park and Recreation Facilities	631,250	90,000,000	508,000	-	-	1,022,151	89,101,099
Mosquito Control	-	90,000,000	-	-	-	-	90,000,000
Safety Protection	-	90,000,000	-	-	-	-	90,000,000
Fire Protection and Emergency Medical	-	90,000,000	-	-	-	-	90,000,000
Television Relay	-	90,000,000	-	-	-	-	90,000,000
Operations	375,000	10,000,000	-	-	-	-	10,375,000
Intergovernmental Agreements	-	90,000,000	-	-	-	-	90,000,000
Refunding	33,337,500	90,000,000	-	10,950,000	-	-	112,387,500
Total	<u>\$ 67,050,000</u>	<u>\$ 1,000,000,000</u>	<u>\$ 12,175,000</u>	<u>\$ 10,950,000</u>	<u>\$ 7,362,488</u>	<u>\$ 19,300,000</u>	<u>\$ 1,017,262,512</u>

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the Amended Service Plan, the District is permitted to issue bond indebtedness of up to \$90,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District service area; however, as of the date of this audit, the amount and timing of any debt issuance is not determinable.

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 balance of bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:

Capital Assets, Net	\$ 4,067,868
Net Investment in Capital Assets	<u>\$ 4,067,868</u>

Restricted 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 a restricted net position as of December 31, 2023 as follows:

Restricted Net Position:

Emergencies	\$ 22,100
Debt Service Reserve	<u>4,606,722</u>
Total Restricted Net Position	<u>\$ 4,628,822</u>

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

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 RELATED PARTIES

The primary developer of the property within the District is ProLogis Corporation, a Maryland real estate investment trust, or its subsidiaries (Developer). The majority of the property within the District is owned by several limited liability companies which are owned and controlled by the Developer and Prudential Real Estate Investors, which is a real estate investment management business of Prudential Insurance. All of the members of the Board of Directors of the District are employees or consultants of the Developer.

Developer Advances

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

Operations Funding Agreement

The District has entered into Operation Funding Agreements with ProLogis, a Maryland real estate investment trust (Developer), each year from 2004 through 2007, as may be amended from time to time. The District anticipated it would not have sufficient funds to make the payment of its operations and maintenance expenses from 2004 through 2007; therefore, the Developer advanced funds pursuant to these agreements. The advances prior to January 1, 2007, accrued interest at the rate of 300 basis points above the 20 year "AAA" Municipal Market Data rate from the date the debt is incurred by the District. Per the 2007 Operations Funding Agreement, beginning January 1, 2007, the operating advances made under the 2007 Operation Funding Agreement shall accrue simple interest until paid, at the rate of 8%. Per Amendments to the 2004, 2005, and 2006 Operations Funding Agreements, beginning January 2008, the operating advances made under the 2004, 2005, and 2006 agreements shall accrue simple interest until paid at a rate of 7.5%. As of December 31, 2023, no balance is outstanding under this agreement.

Facilities Acquisition Agreement

On November 9, 2015, the District executed the Assignment and Assumption of Facilities Funding and Acquisition Agreement, assigning the terms of the Facilities Funding and Acquisition Agreement between Eastgate Commercial Metropolitan District and the Developer to the District. Under the terms of the agreement, the District agreed to reimburse costs advanced by the Developer, together with interest at 300 basis points above the 20-year AAA Municipal Market Data Rate. As of December 31, 2023, the District has no amounts outstanding under this agreement.

2020-2023 Facilities Acquisition Agreement

On October 28, 2020, the District entered into 2020-2023 Facilities Acquisition Agreement with the Developer. The Developer has agreed to design, construct, and complete certain infrastructure improvements within the District in an amount not to exceed \$1,500,000. Simple interest shall accrue on amounts reimbursable to the Developer under the agreement, until paid, at the rate of 8% per annum. As of December 31, 2023, no balance is outstanding under this agreement.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 AGREEMENTS AND COMMITMENTS

Intergovernmental Agreement with the City of Aurora

The District entered into the Amended and Restated Service Plan Intergovernmental Agreement (IGA) between the City and the District dated July 27, 2006, as Amended by that First Amendment dated January 25, 2016. The IGA defines and clarifies the services which the District may provide, as well as those services which the District is prohibited from providing. Pursuant to the Service Plan and IGA, the District is required to impose the Aurora Regional Improvement (ARI) Mill Levy upon all of the property within the District. This mill levy is 1.000 mill for the first 20 years of the District, which for this purpose begins the first year that the District certifies a debt service mill levy. The levy increases to 1.500 mills from the 21st year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements. For the five years subsequent to the period where the 1.500 mills are imposed, the ARI mill levy shall be the lessor of 20.000 mills or a mill levy equal to the average debt service mill levy imposed by the District for the previous 10 years.

Aurora Regional Transportation Authority

The District entered into the Aurora Regional Transportation Authority (ARTA) Establishment Agreement as amended, with other metropolitan districts within Aurora. ARTA will plan, design, acquire, construct, relocate, redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are a party to the Agreement, using the ARI revenue from each of the districts. In accordance with the IGA, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board but as of December 31, 2023, had not exercised this right. In 2023, \$107,655 was collected to be remitted under this agreement.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability 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.

**PARK 70 METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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 which 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 May 2, 2006, a majority of the District's electors authorized the District to collect and spend or retain all revenue of the District and authorized tax levies to produce taxes of \$1,000,000 annually for operations and maintenance 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

**PARK 70 METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,948,148	\$ 2,787,077	\$ (161,071)
Property Taxes - ARTA	115,614	109,297	(6,317)
Specific Ownership Taxes	214,463	208,885	(5,578)
Interest Income	30,000	255,323	225,323
Total Revenues	3,308,225	3,360,582	52,357
EXPENDITURES			
Arta Reimbursement	113,880	107,655	6,225
County Treasurer's Fee	44,222	41,877	2,345
County Treasurer's Fee - ARTA	1,734	1,642	92
Paying Agent Fees	6,500	6,500	-
Bond Interest - Series 2016	751,250	751,250	-
Bond Interest - Series 2019	775,113	775,113	-
Bond Principal - Series 2016	235,000	235,000	-
Bond Principal - Series 2019	230,000	230,000	-
Contingency	2,874	-	2,874
Total Expenditures	2,160,573	2,149,037	11,536
NET CHANGE IN FUND BALANCE	1,147,652	1,211,545	63,893
Fund Balance - Beginning of Year	3,472,220	3,523,647	51,427
FUND BALANCE - END OF YEAR	<u>\$ 4,619,872</u>	<u>\$ 4,735,192</u>	<u>\$ 115,320</u>

**PARK 70 METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 8,000	\$ 74,726	\$ 66,726
Total Revenues	8,000	74,726	66,726
EXPENDITURES			
Construction Management Fees	974,481	-	974,481
Engineering	15,000	2,370	12,630
Monuments	500,000	-	500,000
Total Expenditures	1,489,481	2,370	1,487,111
NET CHANGE IN FUND BALANCE	(1,481,481)	72,356	1,553,837
Fund Balance - Beginning of Year	1,481,481	1,498,886	17,405
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,571,242</u>	<u>\$ 1,571,242</u>

OTHER INFORMATION

**PARK 70 METROPOLITAN DISTRICT
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

\$16,260,000			
General Obligation Refunding and Improvement Bonds, Series 2016			
Dated September 28, 2016			
Principal Due December 1			
Interest Due June 1 and December 1			
Interest at 2.00% - 5.00%			
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 270,000	\$ 739,500	\$ 1,009,500
2025	280,000	726,000	1,006,000
2026	315,000	712,000	1,027,000
2027	330,000	696,250	1,026,250
2028	370,000	679,750	1,049,750
2029	385,000	661,250	1,046,250
2030	425,000	642,000	1,067,000
2031	450,000	620,750	1,070,750
2032	490,000	598,250	1,088,250
2033	515,000	573,750	1,088,750
2034	565,000	548,000	1,113,000
2035	590,000	519,750	1,109,750
2036	645,000	490,250	1,135,250
2037	675,000	458,000	1,133,000
2038	730,000	424,250	1,154,250
2039	770,000	387,750	1,157,750
2040	830,000	349,250	1,179,250
2041	870,000	307,750	1,177,750
2042	940,000	264,250	1,204,250
2043	985,000	217,250	1,202,250
2044	1,060,000	168,000	1,228,000
2045	1,110,000	115,000	1,225,000
2046	1,190,000	59,500	1,249,500
2047	-	-	-
2048	-	-	-
Total	<u>\$ 14,790,000</u>	<u>\$ 10,958,500</u>	<u>\$ 25,748,500</u>

PARK 70 METROPOLITAN DISTRICT
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023

\$19,300,000			
General Obligation Bonds, Series 2019			
Dated January 30, 2019			
Principal Due December 1			
Interest Due June 1 and December 1			
Interest at 3.50-5.00%			
Year Ending December 31,	Principal	Interest	Total
2024	\$ 255,000	\$ 765,913	\$ 1,020,913
2025	270,000	753,163	1,023,163
2026	300,000	742,363	1,042,363
2027	315,000	727,363	1,042,363
2028	350,000	711,613	1,061,613
2029	370,000	694,113	1,064,113
2030	410,000	675,613	1,085,613
2031	425,000	655,113	1,080,113
2032	470,000	633,863	1,103,863
2033	495,000	610,363	1,105,363
2034	535,000	585,613	1,120,613
2035	570,000	558,863	1,128,863
2036	605,000	538,913	1,143,913
2037	630,000	516,225	1,146,225
2038	675,000	492,600	1,167,600
2039	700,000	465,600	1,165,600
2040	750,000	437,600	1,187,600
2041	785,000	407,600	1,192,600
2042	835,000	376,200	1,211,200
2043	870,000	342,800	1,212,800
2044	925,000	308,000	1,233,000
2045	965,000	271,000	1,236,000
2046	1,030,000	232,400	1,262,400
2047	2,320,000	191,200	2,511,200
2048	2,460,000	98,400	2,558,400
Total	<u>\$ 18,315,000</u>	<u>\$ 12,792,488</u>	<u>\$ 31,107,488</u>

**PARK 70 METROPOLITAN DISTRICT
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023**

<u>Year Ending December 31,</u>	Total Debt Service Requirements to Maturity Series 2016 and Series 2019 Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 525,000	\$ 1,505,413	\$ 2,030,413
2025	550,000	1,479,163	2,029,163
2026	615,000	1,454,363	2,069,363
2027	645,000	1,423,613	2,068,613
2028	720,000	1,391,363	2,111,363
2029	755,000	1,355,363	2,110,363
2030	835,000	1,317,613	2,152,613
2031	875,000	1,275,863	2,150,863
2032	960,000	1,232,113	2,192,113
2033	1,010,000	1,184,113	2,194,113
2034	1,100,000	1,133,613	2,233,613
2035	1,160,000	1,078,613	2,238,613
2036	1,250,000	1,029,163	2,279,163
2037	1,305,000	974,225	2,279,225
2038	1,405,000	916,850	2,321,850
2039	1,470,000	853,350	2,323,350
2040	1,580,000	786,850	2,366,850
2041	1,655,000	715,350	2,370,350
2042	1,775,000	640,450	2,415,450
2043	1,855,000	560,050	2,415,050
2044	1,985,000	476,000	2,461,000
2045	2,075,000	386,000	2,461,000
2046	2,220,000	291,900	2,511,900
2047	2,320,000	191,200	2,511,200
2048	2,460,000	98,400	2,558,400
Total	<u>\$ 33,105,000</u>	<u>\$ 23,750,988</u>	<u>\$ 56,855,988</u>

**PARK 70 METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied				Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Special Abatement	Total	Levied	Collected	
2018/2019	\$ 70,831,650	0.0%	7.500	\$ 28.500	\$ 1.000	\$ 37.000	\$ 2,620,771	\$ 2,548,447	97.24 %
2019/2020	73,730,300	4.1%	10.500	25.500	1.000	37.000	2,728,021	2,710,544	99.36 %
2020/2021	94,820,100	28.6%	5.000	25.500	1.000	31.500	2,986,834	2,984,436	99.92 %
2021/2022	106,020,800	11.8%	5.000	25.500	1.000	31.500	3,339,655	3,327,074	99.62 %
2022/2023	115,613,630	9.0%	5.000	25.500	1.000	31.500	3,641,830	3,442,859	94.54 %
Estimated for Year Ending December 31, 2024	\$ 173,921,500	50.4%	5.000	25.500	1.039	31.539	5,485,310		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements of valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment

Source: Adams County Assessor and Treasurer.