

**ASPEN HILLS METROPOLITAN DISTRICT
ANNUAL REPORT
TO
THE CITY OF COMMERCE CITY**

FISCAL YEAR ENDING DECEMBER 31, 2019

Pursuant to the Aspen Hills Metropolitan District Service Plan, the District is required to provide an annual report to the City of Commerce City within one hundred twenty (120) days after conclusion of the District's fiscal year beginning December 31, 2005. Such annual report shall include information concerning the following matters:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements entered into or proposed.
- C. Changes or proposed changes in the District's policies.
- D. Changes or proposed changes in the District's operations.
- E. Any significant changes in the financial status of the District including revenue projections or operating costs.
- F. A summary of any litigation involving the District.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of the construction of public improvements.
- I. The current assessed valuation in the District.

For the year ending December 31, 2019, the District makes the following report:

A. Boundary changes made or proposed.

No boundary changes were made in 2019.

B. Intergovernmental Agreements entered into or proposed.

The District did not enter into any new IGAs in 2019.

C. Changes or proposed changes in the District's policies.

There have been no changes in the District's policies.

D. Changes or proposed changes in the District's operations.

There were no changes in the District's operations.

E. Any changes in the financial status of the District including revenue projections or operating costs.

The current financial status of the District is reflected in the 2020 budget attached as Exhibit A.

F. Summary of any litigation which involves the District.

There is no litigation, of which we are aware, currently pending or anticipated against the District.

G. Proposed plans for the year 2020.

There are no proposed plans for 2020.

H. Status of District's public improvement construction schedule.

The District is considering the acquisition of constructed water line improvements in 2020 or 2021.

I. Summary of the current assessed valuation in the District.

The District has received a certification of valuation from the Adams County Assessor that reports a taxable assessed valuation for the District for 2019 of \$2,063,700 for collection in 2020. The District has certified a mill levy of 79.000 mills to be assessed against the property within the District.

**EXHIBIT A
2020 BUDGET**



CliftonLarsonAllen

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Accountant's Compilation Report

Board of Directors
Aspen Hills Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Aspen Hills Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, 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 Hills Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 31, 2019



An independent member of Nexia International

**ASPEN HILLS METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/19

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|-----------------|-------------------|-----------------|
| BEGINNING FUND BALANCES | \$ (14,808) | \$ 4,151 | \$ 3,578 |
| REVENUES | | | |
| Property taxes | 118,722 | 113,013 | 163,860 |
| Specific ownership tax | 10,219 | 9,000 | 13,100 |
| Interest income | 681 | 870 | 1,100 |
| Facilities fees | 8,000 | 10,000 | 34,500 |
| Developer advance | 10,000 | - | - |
| Total revenues | <u>147,622</u> | <u>132,883</u> | <u>212,560</u> |
| Total funds available | <u>132,814</u> | <u>137,034</u> | <u>216,138</u> |
| EXPENDITURES | | | |
| General Fund | 22,401 | 21,000 | 30,500 |
| Debt Service Fund | 106,262 | 112,456 | 183,000 |
| Total expenditures | <u>128,663</u> | <u>133,456</u> | <u>213,500</u> |
| Total expenditures and transfers out requiring appropriation | <u>128,663</u> | <u>133,456</u> | <u>213,500</u> |
| ENDING FUND BALANCES | <u>\$ 4,151</u> | <u>\$ 3,578</u> | <u>\$ 2,638</u> |

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

**ASPEN HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/19

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|--------------------------------|--------------------------|--------------------------|--------------------------|
| ASSESSED VALUATION | | | |
| Residential | \$ 1,201,510 | \$ 1,201,510 | \$ 1,856,930 |
| Vacant land | 210,600 | 210,580 | 167,730 |
| Personal property | 18,190 | 18,390 | 38,130 |
| Other | 80 | 70 | 910 |
| Certified Assessed Value | <u>\$ 1,430,380</u> | <u>\$ 1,430,550</u> | <u>\$ 2,063,700</u> |
| MILL LEVY | | | |
| General | 19.464 | 15.464 | 15.014 |
| Debt Service | 63.536 | 63.536 | 63.986 |
| Total mill levy | <u>83.000</u> | <u>79.000</u> | <u>79.000</u> |
| PROPERTY TAXES | | | |
| General | \$ 27,841 | \$ 22,122 | \$ 30,984 |
| Debt Service | 90,881 | 90,891 | 132,048 |
| Levied property taxes | <u>118,722</u> | <u>113,013</u> | <u>163,032</u> |
| Budgeted property taxes | <u>\$ 118,722</u> | <u>\$ 113,013</u> | <u>\$ 163,032</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ 27,841 | \$ 22,122 | \$ 30,984 |
| Debt Service | 90,881 | 90,891 | 132,048 |
| | <u>\$ 118,722</u> | <u>\$ 113,013</u> | <u>\$ 163,032</u> |

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

**ASPEN HILLS METROPOLITAN DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/19

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCE | \$ (15,643) | \$ (111) | \$ 1,161 |
| REVENUES | | | |
| Property taxes | 27,841 | 22,122 | 31,142 |
| Interest income | 92 | 150 | 200 |
| Developer advance | 10,000 | - | - |
| Total revenues | <u>37,933</u> | <u>22,272</u> | <u>31,342</u> |
| Total funds available | <u>22,290</u> | <u>22,161</u> | <u>32,503</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 12,307 | 11,000 | 12,000 |
| County Treasurer's fee | 418 | 332 | 467 |
| Directors' fees | - | - | 1,500 |
| Dues and licenses | 263 | 258 | 300 |
| Insurance and bonds | 2,251 | 2,358 | 2,500 |
| Legal services | 6,574 | 6,000 | 8,000 |
| Payroll taxes | - | - | 115 |
| Repay developer advance | - | - | 3,000 |
| Contingency | - | 1,052 | 2,618 |
| Total expenditures | <u>22,401</u> | <u>21,000</u> | <u>30,500</u> |
| Total expenditures and transfers out requiring appropriation | <u>22,401</u> | <u>21,000</u> | <u>30,500</u> |
| ENDING FUND BALANCE | <u>\$ (111)</u> | <u>\$ 1,161</u> | <u>\$ 2,003</u> |
| EMERGENCY RESERVE | <u>\$ 840</u> | <u>\$ 700</u> | <u>\$ 900</u> |
| TOTAL RESERVE | <u><u>\$ 840</u></u> | <u><u>\$ 700</u></u> | <u><u>\$ 900</u></u> |

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

**ASPEN HILLS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/19

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|-----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ 835 | \$ 4,262 | \$ 2,417 |
| REVENUES | | | |
| Property taxes | 90,881 | 90,891 | 132,718 |
| Specific ownership tax | 10,219 | 9,000 | 13,100 |
| Interest income | 589 | 720 | 900 |
| Facilities fees | 8,000 | 10,000 | 34,500 |
| Total revenues | <u>109,689</u> | <u>110,611</u> | <u>181,218</u> |
| Total funds available | <u>110,524</u> | <u>114,873</u> | <u>183,635</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 1,365 | 1,363 | 1,991 |
| Paying agent fees | 1,150 | 1,150 | 1,150 |
| Contingency | - | - | 786 |
| Debt Service | | | |
| Bond interest | 103,747 | 109,943 | 110,073 |
| Bond principal Senior Bonds | - | - | 69,000 |
| Total expenditures | <u>106,262</u> | <u>112,456</u> | <u>183,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>106,262</u> | <u>112,456</u> | <u>183,000</u> |
| ENDING FUND BALANCE | <u>\$ 4,262</u> | <u>\$ 2,417</u> | <u>\$ 635</u> |

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

**ASPEN HILLS METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for design, acquisition, construction and installation of streets, traffic and safety controls, water facilities, sanitary sewer, storm drainage, parks and recreation, transportation, television relay and translator, and mosquito control and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the City of Commerce City in Adams County, Colorado.

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.

The budget is in accordance with the TABOR Amendment limitations that were modified by voters in an election held in November 2002. District voters approved authorization to increase property tax up to \$50,000 annually to pay for the operations and maintenance expenditures of the District. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

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 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.

The calculation of the taxes levied is displayed on page 3 of the Budget at the adopted mill levy of 79.000 mills, with 15.014 mills for operations and 63.986 mills for debt service.

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 8% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 1.5%.

**ASPEN HILLS METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Facilities Fees

The District imposes a facilities fee of \$500 for each residential constructed within the District, which is due at the time of sale of a residential unit to a purchaser. Facilities fees are pledged revenue for the payment of the Series 2004 bonds (see below).

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, election, accounting, insurance, banking, and meeting costs.

Debt Service

Debt service payments are provided based on the debt amortization schedule from the General Obligation Bond Series 2004 on page 5 of the budget and in supplemental information.

In prior years, pledged revenue of the District was not sufficient to pay when due the debt service requirements with respect to the Bonds. For so long as the District levies the Maximum Required Mill Levy, the inability of the District to pay the debt service requirements with respect to the Bonds when they come due does not constitute an event of default. To the extent principal of any Bond is not paid when due, such principal will remain outstanding until paid, and to the extent interest on any Bond is not paid when due, such interest will compound semiannually on each interest payment date at the interest rate borne by such Bond. It is anticipated that during 2020, the District will become current on its interest payments and begin to make principal payments on the Bonds.

Debt and Leases

General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2004, dated June 1, 2004, with interest at the rate of 6.90%, payable semi-annually on each June 1 and December 1, consist of term bonds issued in the original amount of \$1,100,000. Annual mandatory sinking fund principal payments are due on December 1. The Bonds mature on December 1, 2024. The Bonds are also subject to redemption prior to maturity, at the option of the District, on December 1, 2014, and on any date thereafter, without redemption premium.

The Bonds are secured by and payable solely from Pledged Revenue, consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy; (2) the Facilities Fee; (3) the Specific Ownership Tax; and (4) any other legally available monies which the District determines to be treated as Pledged Revenue. Under certain circumstances, moneys on deposit in the Surplus Fund, if any, will be used to pay the Bonds. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal and interest on the Bonds as the same become due and payable. The minimum and maximum Required Mill Levies are 26.970 mills and 50.000 mills, respectively, adjusted for changes in

**ASPEN HILLS METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

the ratio of actual value to assessed value of property after September 16, 2002. As of December 31, 2018, the adjusted minimum and maximum mill levies are 34.514 mills and 63.986 mills, respectively.

Once the ratio derived by dividing the District's total then-outstanding general obligation debt by the assessed valuation of all taxable property of the District (Debt to Assessed Ratio) is equal to or less than 50%, the Required Mill Levy is no longer subject to such limitations and is required to be imposed at a level sufficient to pay the Bonds when due, without limitation of rate; provided however, the maximum mill levy in 2023 for collection in 2024 cannot exceed 50.000 mills, as adjusted.

Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$110,000. At such times as the Debt to Assessed Ratio is equal to or less than 50%, the Surplus Fund will be terminated and any moneys therein applied to any legal purpose of the District.

At December 31, 2019, the debt to assessed ratio was 51.3%,

In prior years, the District has obtained a Waiver and Consent from the current owners of the bonds. A Waiver and Consent for the budget year 2020 has been obtained from the bond owners. For the period from January 1, 2020, through December 31, 2020, certain continuing disclosure reporting requirements are waived, in exchange for providing the bond owner with monthly information on property tax receipts and deposits to the Debt Service Fund. Additionally, the District will provide the current year's unaudited financial statements and the subsequent year's budget not less than 45 days after January 1, 2020.

The District has no operating or capital leases.

Reserve Funds

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2020, as defined under TABOR.

This information is an integral part of the accompanying budget.

ASPEN HILLS METROPOLITAN DISTRICT

SCHEDULE of BOND DEBT SERVICE REQUIREMENTS

AS OF DECEMBER 31, 2011 AND THROUGH THE CALENDAR YEARS ENDING THROUGH 2024

| Series 2004 Bond Issue | | | | | | | | | | | | |
|-------------------------------|------------------------|---------------------|---------------------------|-----------------------|----------------------|------------------|-----------------|-----------------------------|-----------------------|----------------------------|------------------------|-----------|
| Dated: | | June 1, 2004 | | \$1,100,000 | | | | | | | | |
| Issued: | | June 1, 2004 | | | | | | | | | | |
| Interest Rates: | | 6.90% | | | | | | | | | | |
| Year | Scheduled Debt Service | | Adjusted Interest Payment | Actual Principal Paid | Actual Interest Paid | Unpaid Principal | Unpaid Interest | Interest on Unpaid Interest | Total Unpaid Interest | Bond Principal Outstanding | Total Debt Outstanding | Year |
| | Principal | Interest | | | | | | | | | | |
| 12/1/2011 | | | | - | | | | | | 1,065,000.00 | 1,065,000.00 | 12/1/2011 |
| 6/1/2012 | | 36,742.50 | 36,742.50 | - | 36,742.50 | | | | | 1,065,000.00 | 1,065,000.00 | 6/1/2012 |
| 12/1/2012 | 15,000.00 | 36,742.50 | 36,742.50 | - | 22,816.72 | 15,000.00 | 13,925.78 | - | 13,925.78 | 1,065,000.00 | 1,078,925.78 | 12/1/2012 |
| 6/1/2013 | | 36,225.00 | 36,742.50 | - | 25,269.00 | | 11,473.50 | 480.44 | 25,879.72 | 1,065,000.00 | 1,090,879.72 | 6/1/2013 |
| 12/1/2013 | 15,000.00 | 36,225.00 | 36,742.50 | - | 22,618.00 | 15,000.00 | 14,124.50 | 892.85 | 40,897.07 | 1,065,000.00 | 1,105,897.07 | 12/1/2013 |
| 6/1/2014 | | 35,707.50 | 36,742.50 | - | 40,150.00 | | (3,407.50) | 1,410.95 | 38,900.52 | 1,065,000.00 | 1,103,900.52 | 6/1/2014 |
| 12/1/2014 | 15,000.00 | 35,707.50 | 36,742.50 | - | 29,410.56 | 15,000.00 | 7,331.94 | 1,342.07 | 47,574.53 | 1,065,000.00 | 1,112,574.53 | 12/1/2014 |
| 6/1/2015 | | 35,190.00 | 36,742.50 | - | 26,677.97 | | 10,064.53 | 1,641.32 | 59,280.38 | 1,065,000.00 | 1,124,280.38 | 6/1/2015 |
| 12/1/2015 | 20,000.00 | 35,190.00 | 36,742.50 | - | 15,835.08 | 20,000.00 | 20,907.42 | 2,045.17 | 82,232.97 | 1,065,000.00 | 1,147,232.97 | 12/1/2015 |
| 6/1/2016 | | 34,500.00 | 36,742.50 | - | 29,461.00 | | 7,281.50 | 2,837.04 | 92,351.51 | 1,065,000.00 | 1,157,351.51 | 6/1/2016 |
| 12/1/2016 | 20,000.00 | 34,500.00 | 36,742.50 | - | 42,281.82 | 20,000.00 | (5,539.32) | 3,186.13 | 89,998.32 | 1,065,000.00 | 1,154,998.32 | 12/1/2016 |
| 6/1/2017 | | 33,810.00 | 36,742.50 | - | 40,186.89 | | (3,444.39) | 3,104.94 | 89,658.87 | 1,065,000.00 | 1,154,658.87 | 6/1/2017 |
| 12/1/2017 | 25,000.00 | 33,810.00 | 36,742.50 | - | 36,880.58 | 25,000.00 | (138.08) | 3,093.23 | 92,614.02 | 1,065,000.00 | 1,157,614.02 | 12/1/2017 |
| 6/1/2018 | | 32,947.50 | 36,742.50 | - | 62,224.00 | | (25,481.50) | 3,195.18 | 70,327.70 | 1,065,000.00 | 1,135,327.70 | 6/1/2018 |
| 12/1/2018 | 25,000.00 | 32,947.50 | 36,742.50 | - | 41,523.26 | 25,000.00 | (4,780.76) | 2,426.31 | 67,973.25 | 1,065,000.00 | 1,132,973.25 | 12/1/2018 |
| 6/1/2019 | | 32,085.00 | 36,742.50 | - | 66,689.00 | | (29,946.50) | 2,345.08 | 40,371.82 | 1,065,000.00 | 1,105,371.82 | 6/1/2019 |
| 12/1/2019 | 30,000.00 | 32,085.00 | 36,742.50 | - | 43,254.00 | 30,000.00 | (6,511.50) | 1,392.83 | 35,253.15 | 1,065,000.00 | 1,100,253.15 | 12/1/2019 |
| 6/1/2020 | | 31,050.00 | 36,742.50 | - | 69,770.00 | | (33,027.50) | 1,216.23 | 3,441.89 | 1,065,000.00 | 1,068,441.89 | 6/1/2020 |
| 12/1/2020 | 30,000.00 | 31,050.00 | 36,742.50 | 69,000.00 | 40,303.13 | 30,000.00 | (3,560.63) | 118.75 | 0.00 | 996,000.00 | 996,000.00 | 12/1/2020 |
| 6/1/2021 | | 30,015.00 | | | | | | | | | | 6/1/2021 |
| 12/1/2021 | 35,000.00 | 30,015.00 | | | | | | | | | | 12/1/2021 |
| 6/1/2022 | | 28,807.50 | | | | | | | | | | 6/1/2022 |
| 12/1/2022 | 40,000.00 | 28,807.50 | | | | | | | | | | 12/1/2022 |
| 6/1/2023 | | 27,427.50 | | | | | | | | | | 6/1/2023 |
| 12/1/2023 | 40,000.00 | 27,427.50 | | | | | | | | | | 12/1/2023 |
| 6/1/2024 | | 26,047.50 | | | | | | | | | | 6/1/2024 |
| 12/1/2024 | 755,000.00 | 26,047.50 | | | | | | | | | | 12/1/2024 |
| | 1,065,000.00 | 841,110.00 | | | | 195,000.00 | (30,728.51) | 30,728.51 | | | | |

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