

**COMPARK BUSINESS CAMPUS
METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

| | |
|--|-----------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| 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 STATEMENTS 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 | 25 |
| CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 26 |
| SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY | 27 |
| SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED | 28 |
| CONTINUING DISCLOSURE OBLIGATION | 29 |

Independent Auditor's Report

Board of Directors
Compark Business Campus Metropolitan District
Douglas County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Compark Business Campus Metropolitan District (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Compark Business Campus Metropolitan District as of December 31, 2020, 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.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The continuing disclosure obligation information, as listed in the table of contents, has not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sincerely,



Wipfli LLP
Lakewood, Colorado

September 29, 2021

BASIC FINANCIAL STATEMENTS

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

| | Governmental Activities |
|---------------------------------------|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 163,983 |
| Cash and Investments - Restricted | 4,076,630 |
| Deposit with Town of Parker | 301,582 |
| Receivable - County Treasurer | 12,881 |
| Property Taxes Receivable | 2,327,302 |
| Prepaid Expenses | 7,185 |
| Accounts Receivable - Other | 43,181 |
| Capital Assets, Not Being Depreciated | 3,818,749 |
| Capital Assets, Net | 1,472,856 |
| Total Assets | 12,224,349 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Cost of Bond Refunding, Net | 3,010,295 |
| Total Deferred Outflows of Resources | 3,010,295 |
| LIABILITIES | |
| Accounts Payable | 597,207 |
| Retainage Payable | 31,483 |
| Accrued Interest Payable | 133,103 |
| Noncurrent Liabilities: | |
| Due Within One Year | 605,000 |
| Due in More Than One Year | 49,099,000 |
| Total Liabilities | 50,465,793 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Property Tax Revenue | 2,327,302 |
| Total Deferred Inflows of Resources | 2,327,302 |
| NET POSITION | |
| Net Investment in Capital Assets | 854,606 |
| Restricted For: | |
| Emergency Reserves | 11,400 |
| Debt Service | 173,401 |
| Unrestricted | (38,597,857) |
| Total Net Position | \$ (37,558,450) |

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

| | | Program Revenues | | | Net Revenue (Expense) and Change in Net Position |
|---|----------------------------|--|--|----------------------------|---|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| FUNCTIONS/PROGRAMS | | | | | |
| Primary Government: | | | | | |
| Government Activities: | | | | | |
| General Government | \$ 507,832 | \$ - | \$ 17,319 | \$ 172,455 | \$ (318,058) |
| Interest and Related Costs on Long-Term Debt | 3,175,637 | - | 95,317 | - | (3,080,320) |
| Total Government Activities | \$ 3,683,468 | \$ - | \$ 112,636 | \$ 172,455 | (3,398,377) |
| GENERAL REVENUES | | | | | |
| | | | | | 2,262,870 |
| | | | | | 196,070 |
| | | | | | 34,924 |
| | | | | | 110,968 |
| | | | | | 2,604,832 |
| CHANGE IN NET POSITION | | | | | (793,545) |
| | | | | | (36,764,905) |
| NET POSITION - END OF YEAR | | | | | \$ (37,558,450) |

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|-------------------|---------------------|---------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 163,983 | \$ - | \$ - | \$ 163,983 |
| Cash and Investments - Restricted | 10,900 | 2,196,913 | 1,868,817 | 4,076,630 |
| Deposit with Town of Parker | - | - | 301,582 | 301,582 |
| Receivable - County Treasurer | 1,849 | 11,032 | - | 12,881 |
| Property Taxes Receivable | 366,383 | 1,960,919 | - | 2,327,302 |
| Accounts Receivable - Other | - | - | 43,181 | 43,181 |
| Prepaid Expenses | 7,185 | - | - | 7,185 |
| | <u>\$ 550,300</u> | <u>\$ 4,168,864</u> | <u>\$ 2,213,580</u> | <u>\$ 6,932,744</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 52,104 | \$ - | \$ 545,103 | \$ 597,207 |
| Retainage Payable | - | - | 31,483 | 31,483 |
| Total Liabilities | <u>52,104</u> | <u>-</u> | <u>576,586</u> | <u>628,690</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Tax Revenue | 366,383 | 1,960,919 | - | 2,327,302 |
| Total Deferred Inflows of Resources | <u>366,383</u> | <u>1,960,919</u> | <u>-</u> | <u>2,327,302</u> |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Prepaid Expenses | 7,185 | - | - | 7,185 |
| Restricted for: | | | | |
| Emergency Reserves | 11,400 | - | - | 11,400 |
| Debt Service | - | 2,207,945 | - | 2,207,945 |
| Capital Projects | - | - | 500,000 | 500,000 |
| Committed | - | - | 1,136,994 | 1,136,994 |
| Unassigned | 113,228 | - | - | 113,228 |
| Total Fund Balances | <u>131,813</u> | <u>2,207,945</u> | <u>1,636,994</u> | <u>3,976,752</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 550,300</u> | <u>\$ 4,168,864</u> | <u>\$ 2,213,580</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. | | | | 5,291,605 |
| Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are expensed in the funds. | | | | 3,010,295 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | | (49,704,000) |
| Bonds Payable | | | | (133,103) |
| Accrued Bond Interest Payable | | | | <u>(133,103)</u> |
| Net Position of Governmental Activities | | | | <u>\$ (37,558,450)</u> |

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|-------------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Property Taxes | \$ 330,903 | \$ 1,931,967 | \$ - | \$ 2,262,870 |
| Specific Ownership Taxes | 28,678 | 167,392 | - | 196,070 |
| System Operations Fee | - | - | 172,455 | 172,455 |
| Net Investment Income | 1,114 | 18,081 | 15,729 | 34,924 |
| Reimbursed Expenditures | - | - | 110,968 | 110,968 |
| In-Lieu Fees (ECS) | 17,319 | 95,317 | - | 112,636 |
| Total Revenues | <u>378,014</u> | <u>2,212,757</u> | <u>299,152</u> | <u>2,889,923</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Accounting | 38,053 | - | - | 38,053 |
| Audit | 11,644 | - | - | 11,644 |
| County Treasurer's Fee | 4,969 | 29,008 | - | 33,977 |
| District Management | 33,190 | - | - | 33,190 |
| Dues and Memberships | 530 | - | - | 530 |
| Election Expense | 893 | - | - | 893 |
| Insurance | 6,931 | - | - | 6,931 |
| Landscape Maintenance | 214,308 | - | - | 214,308 |
| Legal | 22,420 | - | - | 22,420 |
| Miscellaneous | 2,080 | - | - | 2,080 |
| Repairs and Maintenance | 13,078 | - | - | 13,078 |
| ROW/Drainage Maintenance | 12,472 | - | - | 12,472 |
| Snow Removal | 11,025 | - | - | 11,025 |
| Utilities - Entrance Sign | 394 | - | - | 394 |
| Utilities - Irrigation | 5,758 | - | - | 5,758 |
| Utilities - Security Lights | 1,465 | - | - | 1,465 |
| Debt Service: | | | | |
| Bond/Loan Interest | - | 1,614,767 | - | 1,614,767 |
| Bond/Loan Principal | - | 475,000 | - | 475,000 |
| Loan Issue Costs | - | - | - | - |
| Paying Agent Fees | - | 8,400 | - | 8,400 |
| Capital Expenditures | - | - | 59,835 | 59,835 |
| Capital Outlay | - | - | 2,024,025 | 2,024,025 |
| Total Expenditures | <u>379,210</u> | <u>2,127,175</u> | <u>2,083,860</u> | <u>4,590,245</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,196) | 85,582 | (1,784,708) | (1,700,322) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (to)/from Other Funds | (85,704) | - | 85,704 | - |
| Total Other Financing Sources (Uses) | <u>(85,704)</u> | <u>-</u> | <u>85,704</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | (86,900) | 85,582 | (1,699,004) | (1,700,322) |
| Fund Balances - Beginning of Year | <u>218,713</u> | <u>2,122,363</u> | <u>3,335,998</u> | <u>5,677,074</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 131,813</u> | <u>\$ 2,207,945</u> | <u>\$ 1,636,994</u> | <u>\$ 3,976,752</u> |

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (1,700,322)

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.

| | |
|----------------------|-----------|
| Capital Outlay | 2,024,025 |
| Depreciation Expense | (68,787) |

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

This amount is the net effect of these differences in the treatment of long-term debt and related items as follows:

| | |
|-------------------------------------|-------------|
| Current Year Bond Principal Payment | 475,000 |
| Current Year Cost of Bond Refunding | (1,524,842) |

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 on Bonds - Change in Liability | 1,380 |
|---|-------|

| | |
|--|--------------|
| Changes in Net Position of Governmental Activities | \$ (793,545) |
|--|--------------|

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Budget | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 332,472 | 332,472 | \$ 330,903 | \$ (1,569) |
| Specific Ownership Taxes | 29,922 | 29,922 | 28,678 | (1,244) |
| Net Investment Income | 3,000 | 3,000 | 1,114 | (1,886) |
| In-Lieu Fees (ECS) | 55,607 | 55,607 | 17,319 | (38,288) |
| Total Revenues | <u>421,001</u> | <u>421,001</u> | <u>378,014</u> | <u>(42,987)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Accounting | 32,000 | 32,000 | 38,053 | (6,053) |
| Audit | 10,000 | 10,000 | 11,644 | (1,644) |
| County Treasurer's Fee | 4,987 | 4,987 | 4,969 | 18 |
| District Management | 35,000 | 35,000 | 33,190 | 1,810 |
| Dues and Memberships | 1,000 | 1,000 | 530 | 470 |
| Election Expense | 2,000 | 2,000 | 893 | 1,107 |
| Insurance | 7,400 | 7,400 | 6,931 | 469 |
| Landscape Maintenance | 140,000 | 220,000 | 214,308 | 5,692 |
| Legal | 25,000 | 25,000 | 22,420 | 2,580 |
| Miscellaneous | 2,500 | 2,500 | 2,080 | 420 |
| Contingency | - | 29,513 | - | 29,513 |
| Repairs and Maintenance | 15,000 | 30,000 | 13,078 | 16,922 |
| ROW/Drainage Maintenance | 5,000 | 5,000 | 12,472 | (7,472) |
| Snow Removal | 10,000 | 10,000 | 11,025 | (1,025) |
| Utilities - Entrance Sign | 300 | 300 | 394 | (94) |
| Utilities - Irrigation | 4,000 | 4,000 | 5,758 | (1,758) |
| Utilities - Security Lights | 1,300 | 1,300 | 1,465 | (165) |
| Total Expenditures | <u>295,487</u> | <u>420,000</u> | <u>379,210</u> | <u>40,790</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 125,514 | 1,001 | (1,196) | (2,197) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers to Other Funds | - | (85,704) | (85,704) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(85,704)</u> | <u>(85,704)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 125,514 | (84,703) | (86,900) | (2,197) |
| Fund Balances - Beginning of Year | <u>197,175</u> | <u>197,175</u> | <u>218,713</u> | <u>21,538</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 322,689</u> | <u>\$ 112,472</u> | <u>\$ 131,813</u> | <u>\$ 19,341</u> |

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Compark Business Campus Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 5, 1998, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within the Town of Parker and/or Douglas County, Colorado. The District was established as part of a master-planned commercial development known as Compark and is authorized to provide water and wastewater service, street and storm drainage construction, installation of safety control devices, construction and maintenance of parks and recreation facilities and public transportation.

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

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

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 taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term 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.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2020.

Pooled Cash and Investments

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

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

Capital Assets

Capital assets, which include plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the 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 component of the District's net position.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

| | |
|--------------------------|----------|
| Signage | 25 Years |
| Drainage Improvements | 30 Years |
| Landscaping / Irrigation | 25 Years |

Water Rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

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 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.

Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of bond refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow/Outflow of Resources (Continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

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

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

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.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position and Balance Sheet:

| | |
|-----------------------------------|----------------------------|
| Cash and Investments | \$ 163,983 |
| Cash and Investments - Restricted | <u>4,076,630</u> |
| Total Cash and Investments | <u><u>\$ 4,240,613</u></u> |

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

| | |
|--------------------------------------|----------------------------|
| Deposits with Financial Institutions | \$ 960,779 |
| Investments | <u>3,279,834</u> |
| Total Cash and Investments | <u><u>\$ 4,240,613</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, 2020, the District's cash deposits had a bank balance of \$1,124,763 and a carrying balance of \$960,779.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

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

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

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

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE which are recorded at amortized cost, and COLOTRUST which are recorded at net asset value.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2020, 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 | \$ 1,786,569 |
| Colorado Surplus Asset Fund Trust (CSAFE) | Weighted Average Under 60 Days | 1,493,265 |
| Total | | <u>\$ 3,279,834</u> |

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), 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 the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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. A designated custodial bank serves as custodian for the Trust'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 the Trust. COLOTRUST is rated AAAM by Standard & Poor's. 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 and there is no redemption notice period.

CSAFE

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

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

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

| | Balance - December 31, 2019 | Increases | Decreases | Balance - December 31, 2020 |
|--|-----------------------------------|---------------------|-------------|-----------------------------------|
| Capital Assets, Not Being Depreciated: | | | | |
| Water Rights | \$ 808,165 | \$ - | \$ - | \$ 808,165 |
| Landscaping | 436,730 | - | - | 436,730 |
| Construction in Progress: | | | | |
| Drainage Improvements | 60,675 | 577,492 | - | 638,167 |
| Sanitary Sewer Improvements | 477,309 | 831,779 | - | 1,309,088 |
| Water Line Improvements | 11,845 | 614,754 | - | 626,599 |
| Total Capital Assets, Not Being Depreciated | 1,794,724 | 2,024,025 | - | 3,818,749 |
| Capital Assets, Being Depreciated: | | | | |
| Drainage Improvements | 1,200,715 | - | - | 1,200,715 |
| Landscaping/Irrigation | 175,343 | - | - | 175,343 |
| Monument Sign | 543,722 | - | - | 543,722 |
| Total Capital Assets, Being Depreciated | 1,919,780 | - | - | 1,919,780 |
| Less Accumulated Depreciation For: | | | | |
| Drainage Improvements | (125,494) | (40,024) | - | (165,518) |
| Landscaping/Irrigation | (31,562) | (7,014) | - | (38,576) |
| Monument Sign | (221,081) | (21,749) | - | (242,830) |
| Total Accumulated Depreciation | (378,137) | (68,787) | - | (446,924) |
| Total Capital Assets, Being Depreciated, Net | 1,541,643 | (68,787) | - | 1,472,856 |
| Capital Assets, Net | <u>\$ 3,336,367</u> | <u>\$ 1,955,238</u> | <u>\$ -</u> | <u>\$ 5,291,605</u> |

The District will convey streets and safety control assets and transfer certain water, sewer and storm-drainage facilities constructed and financed by the District to other local government entities for maintenance by such local government entities after completion of a specified warranty period. Upon final conveyance/transfer and acceptance, they are removed from capital assets.

A depreciation expense of \$68,787 was charged to functions/programs of the general government activities.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations as of December 31, 2020:

| | Balance - January 1, 2020 | Additions | Reductions | Balance - December 31, 2020 | Due Within One Year |
|--|---------------------------------|-------------|-------------------|-----------------------------------|---------------------------|
| Notes From Direct Borrowings and Direct Placements: | | | | | |
| General Obligation Refunding Loan, Series 2017 | \$ 32,892,000 | \$ - | \$ 375,000 | \$ 32,517,000 | \$ 505,000 |
| General Obligation Refunding Loan, Series 2019 | 17,287,000 | - | 100,000 | 17,187,000 | 100,000 |
| | <u>\$ 50,179,000</u> | <u>\$ -</u> | <u>\$ 475,000</u> | <u>\$ 49,704,000</u> | <u>\$ 605,000</u> |

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

General Obligation Loan – Series 2017

\$33,512,000 General Obligation Refunding Loan, Series 2017, dated December 21, 2017 (2017 Loan), bearing interest of 2.95%, maturing on December 1, 2022. The loan was issued for the following purposes: to refund and pay \$35,135,000 of the outstanding portion of the District's General Obligation Refunding and Improvement Bonds, Series 2007A; to provide \$1,000,000 for public improvements; to provide cash flow relief to the District in the years 2018 to 2022 due to a reduction in the interest rate, and to pay for issuance costs. The 2017 Loan also used \$5,019,723 from the refunded Series 2007A bonds.

The 2017 Loan is secured by and payable from the 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 Refunded Bonds Mill Levy Revenue, (3) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (4) any other legally available monies which the District determines to be treated as Pledged Revenue. The 2017 Loan is also secured by amounts held by the Trustee in the 2017 Reserve Fund. 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, premium if any, and interest on the 2017 Loan as the same become due and payable and to make up any deficiencies in the Reserve Fund. The District is required to levy an ad valorem tax to pay the principal of, and interest on, the 2017 Loan without limitation as to rate and in an amount sufficient to pay the 2017 Loan when due. For collection year 2020, the District levied 35.090 mills for Debt Service.

The District's outstanding notes from direct borrowings and direct placements of \$32,517,000 contain a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Loan – Series 2017 (Continued)

The occurrence of any one or more of the following events or conditions will constitute an event of default unless remedied.

- (a) failure or refusal to impose the Required Mill Levy or apply the Pledged Revenue as required by the loan agreement;
- (b) failure to pay the principal, interest, or other amount payable to the Bank when due;
- (c) failure to observe or perform any of the covenants, agreements or conditions of the Loan agreement;
- (d) if any representation or warranty made by the District to the Bank proves to be materially untrue or incomplete;
- (e) nonperformance under the Custodial Agreement;
- (f) default in the payment of principal or interest when due beyond any grace period;
- (g) any judgment against the District for payment of money exceeding more than \$50,000 and the District fails to satisfy the judgement for 30 days;
- (h) the District's auditor delivers a qualified opinion with respect to the District's status as a going concern.

General Obligation Loan – Series 2019

\$17,387,000 General Obligation Refunding Loan, Series 2019, dated June 18, 2019 (2019 Loan), bearing interest of 3.60%, maturing on December 1, 2022. The 2019 Loan was issued for the following purposes: to refund and pay \$9,915,000 of the outstanding portion of the District's General Obligation Refunding Bonds, Series 2012A; to refund and pay \$5,045,000 of the outstanding portion of the District's Taxable General Obligation Refunding Bonds, Series 2012B; to provide \$500,000 for public improvements; and to provide cash flow relief to the District in the years 2020 to 2022 due to a reduction in the interest rate, and to pay for issuance costs.

The 2019 Loan is secured by and payable from the 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 portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The 2019 Loan also secured by amounts held by the Trustee in the 2019 Reserve Fund. 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, premium if any, and interest on the 2019 Loan as the same become due and payable and to make up any deficiencies in the Reserve Fund. The District is required to levy an ad valorem tax to pay the principal of, and interest on, the 2019 Loan as to rate and in an amount sufficient to pay the 2019 Loan when due, but not in excess of 99 mills less the amount of the Operations Mill Levy. For collection year 2020, the District levied 35.090 mills for Debt Service.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Loan – Series 2019 (Continued)

The District's outstanding notes from direct borrowings and direct placements of \$17,187,000 contain a provision that in an event of default, outstanding amounts become immediately due if the District is unable to make payment.

The occurrence of any one or more of the following events or conditions will constitute an event of default unless remedied.

- (a) failure or refusal to impose the Required Mill Levy or apply the Pledged Revenue as required by the loan agreement;
- (b) failure to pay the principal, interest, or other amount payable to the Bank when due;
- (c) failure to observe or perform any of the covenants, agreements or conditions of the Loan agreement;
- (d) if any representation or warranty made by the District to the Bank proves to be materially untrue or incomplete;
- (e) nonperformance under the Custodial Agreement;
- (f) default in the payment of principal or interest when due beyond any grace period;
- (g) any judgment against the District for payment of money exceeding more than \$50,000 and the District fails to satisfy the judgement for 30 days;
- (h) the District's auditor delivers a qualified opinion with respect to the District's status as a going concern.

Minimum annual principal and interest payments required to retire long-term debt are as follows:

| Years | Notes From Direct Borrowings and Direct Placements | | Total |
|-------|---|---------------------|----------------------|
| | Principal | Interest | |
| 2021 | \$ 605,000 | \$ 1,597,236 | \$ 2,202,236 |
| 2022 | 49,099,000 | 1,578,523 | 50,677,523 |
| Total | <u>\$ 49,704,000</u> | <u>\$ 3,175,759</u> | <u>\$ 52,879,759</u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 7, 2000, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$100,000,000 at an interest rate not to exceed 15% per annum. On November 6, 2001, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$1,000,000 at an interest rate not to exceed 15% per annum. On November 1, 2005, a majority of the qualified electors of the District who voted in the election authorized the issuance of additional indebtedness in an amount not to exceed \$20,000,000 at an interest rate not to exceed 15% per annum. At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

| | Original Authorized Amount for Debt | Authorization Used 2004 Bonds | Authorization Used 2007 Bonds | Authorization Used 2012 Bonds | Authorization Used 2017 Loan | Authorization Used 2019 Loan | Authorized But Unissued |
|-------------------------------|--|--|--|--|---------------------------------------|---------------------------------------|-------------------------------|
| Sanitation Sewer | \$ 14,090,000 | \$ 1,307,550 | \$ 1,950,000 | \$ - | \$ 1,000,000 | \$ 500,000 | \$ 9,332,450 |
| Streets | 15,805,000 | 504,056 | 5,000,000 | - | - | - | 10,300,944 |
| Safety | 1,535,000 | - | - | - | - | - | 1,535,000 |
| Water | 26,410,000 | 60,000 | 6,000,000 | - | - | - | 20,350,000 |
| Parks and Recreation | 3,025,000 | 274,994 | 2,500,000 | - | - | - | 250,006 |
| TV Relay and Transmission | 1,535,000 | - | - | - | - | - | 1,535,000 |
| Public Transportation | 7,600,000 | - | - | - | - | - | 7,600,000 |
| Refunding | 50,000,000 | 4,140,547 | 5,409,790 | 14,960,000 | - | 1,927,000 | 23,562,663 |
| Operations and Maintenance | 1,000,000 | - | - | - | - | - | 1,000,000 |
| Total | \$ 121,000,000 | \$ 6,287,147 | \$ 20,859,790 | \$ 14,960,000 | \$ 1,000,000 | \$ 2,427,000 | \$ 75,466,063 |

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$50,000,000.

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's service area.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 NET POSITION

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

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

| | Governmental Activities |
|--|----------------------------|
| Net Investment in Capital Assets: | |
| Capital Assets, Net | \$ 5,291,605 |
| Outstanding Bonds Payable | (5,166,336) |
| Discount Costs, and Cost of Refunding (Net of Accumulated Amortization) | 471,391 |
| Unspent Bond Proceeds | 257,946 |
| Net Investment in Capital Assets | \$ 854,606 |

Restricted net position includes 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, 2020, as follows:

| | Governmental Activities |
|----------------------------------|----------------------------|
| Restricted Net Position: | |
| Emergency Reserves | \$ 11,400 |
| Debt Service | 173,401 |
| Net Investment in Capital Assets | \$ 184,801 |

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 which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTY

The primary developer of land within the District is Compark South, LLC (Developer). All of the members of the Board of Directors are officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

Stonegate Village Metropolitan District Regional Facilities Agreement

During 1998, the District entered into a Regional Facilities Agreement with Stonegate Village Metropolitan District (Stonegate). Stonegate agreed to provide water and sanitation services to the property within the District and E-470 Potomac Metropolitan District (Potomac) boundaries in exchange for conveyance by the District of a minimum of 317-acre feet of water to Stonegate. The District agreed to finance its proportional share of all facilities which are necessary for Stonegate to provide water and sewer services to the District and Potomac properties as well as to pay Stonegate their current system access fee. At December 31, 2020, Stonegate's system access fee was \$2,976 per Single Family Equivalent (SFE). These facilities will be owned by Stonegate.

Town of Parker

The District and the Town of Parker (Town) have entered into an Intergovernmental Agreement dated as of February 5, 2007 (the Parker Agreement). The Parker Agreement provided for the annexation of approximately 203.7 acres (including the portion of the Trimark Exclusion recently re-included in the District) of the property in the District (the Annexed Property) into the Town; additional areas of the District may or may not be annexed into the Town in the future. The Parker Agreement imposes limitations on the District that are not included in the Service Plan and the District agrees to be limited in spite of the powers granted to it by the Service Plan or the Special District Act. For instance, in the Parker Agreement, the District agrees that with respect to the Annexed Property, it will plan for, design, acquire, construct, install, replace, relocate, redevelop, repair, and finance only the Public Improvements as defined in the Parker Agreement and no others. The District is required to dedicate all Public Improvements to the Town unless otherwise specified in the Parker Agreement; however, all Public Improvements are required to be operated and maintained by the District.

**IGA Regarding Funding and Reimbursement of Public Improvement Costs -
(Outfall Sewer and Water Line Bore)**

On August 20, 2020, the District entered into an IGA with Belford North Metropolitan District (Belford North) and Belford South Metropolitan District (Belford South) (Belford Districts) in order to facilitate the construction of the Outfall Sewer and Water Line Bore public improvement projects (Projects) needed to provide the Belford Districts with water and sanitary sewer services.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

**IGA Regarding Funding and Reimbursement of Public Improvement Costs -
(Outfall Sewer and Water Line Bore) (Continued)**

The District will fund and complete the Projects with the understanding that the Belford Districts will reimburse the District under the terms of the agreement. None of the amounts to be reimbursed will accrue interest. Allocation of the project costs is as follows:

| <u>Project</u> | <u>Cost Share</u> | <u>Project Cost at December 31, 2020</u> |
|------------------|-------------------|--|
| Outfall Sewer: | | |
| Compark | 40.0% | \$ 523,348 |
| Belford North | 26.4% | 345,410 |
| Belford South | 33.6% | 439,613 |
| Total | | <u>\$ 1,308,371</u> |
| Water Line Bore: | | |
| Belford North | 44.0% | \$ 277,244 |
| Belford South | 56.0% | 352,855 |
| Total | | <u>\$ 630,099</u> |

The Belford Districts will be invoiced upon completion of the Projects.

NOTE 9 COMMITMENTS

Assignment of Water & Wastewater Service SFE – Belford South 200

On August 1, 2020, the District entered into an agreement with Stonegate and Belford South Metropolitan District (Belford South) whereas 200 SFEs of the District's excess wastewater service capacity will be transferred to Belford South. Belford South shall not sell, pledge, assign, encumber, or alienate any assigned SFEs for use outside of its boundaries without the prior consent of both Stonegate and the District. This assignment will stay effective until all assigned SFE's have been connected to and are being served by Stonegate's Water System and Wastewater System or until all unused assigned SFE's revert back to the District. Stonegate shall provide water and wastewater service to Belford's service area in the amount of Belford's water and wastewater service ratio portion.

Construction Commitments

As of December 31, 2020, the District had unexpended construction related contract commitments of approximately \$152,571.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 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, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 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.

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.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR or the 5.5% limitation of CRS 29-1-301.

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

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | <u>Original And Final Budget</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------------|--|----------------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 1,940,600 | \$ 1,931,967 | \$ (8,633) |
| Specific Ownership Tax | 174,654 | 167,392 | (7,262) |
| Net Investment Income | 70,000 | 18,081 | (51,919) |
| In-Lieu Fees | 277,594 | 95,317 | (182,277) |
| Total Revenues | <u>2,462,848</u> | <u>2,212,757</u> | <u>(250,091)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| County Treasurer's Fees | 29,109 | 29,008 | 101 |
| Debt Service: | | | |
| Bond/Loan Interest | 1,613,799 | 1,614,767 | (968) |
| Bond/Loan Principal | 475,000 | 475,000 | - |
| Paying Agent Fees | 10,000 | 8,400 | 1,600 |
| Total Expenditures | <u>2,127,908</u> | <u>2,127,175</u> | <u>733</u> |
| NET CHANGE IN FUND BALANCES | 334,940 | 85,582 | 249,358 |
| Fund Balances - Beginning of Year | <u>1,977,090</u> | <u>2,122,363</u> | <u>145,273</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 2,312,030</u></u> | <u><u>\$ 2,207,945</u></u> | <u><u>\$ (104,085)</u></u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Budget | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| System Development Fees | \$ 200,000 | \$ 200,000 | \$ - | \$ (200,000) |
| System Operations Fee | 175,000 | 175,000 | 172,455 | (2,545) |
| Net Investment Income | 50,000 | 50,000 | 15,729 | (34,271) |
| Reimbursed Expenditures | 528,000 | 528,000 | 110,968 | (417,032) |
| Tap Fees | 295,275 | 295,275 | - | (295,275) |
| Total Revenues | <u>1,248,275</u> | <u>1,248,275</u> | <u>299,152</u> | <u>(949,123)</u> |
| EXPENDITURES | | | | |
| Capital Expenditures: | | | | |
| Accounting | 4,000 | 4,000 | 2,109 | 1,891 |
| District Management | 35,000 | 35,000 | 15,206 | 19,794 |
| Engineering | 20,000 | 20,000 | 14,581 | 5,419 |
| Legal | 25,000 | 25,000 | 2,698 | 22,302 |
| Detention - Filing 5 | - | - | 2,700 | (2,700) |
| Detention - Filing 7 | - | - | 3,120 | (3,120) |
| Detention - Filing 11 | 30,000 | 30,000 | 2,005 | 27,995 |
| Green Acres Tributary Improvements | - | - | 17,416 | (17,416) |
| Capital Outlay: | | | | |
| Compark Village South (Water Bore) | 525,000 | 525,000 | 614,754 | (89,754) |
| Detention - Filing 8 | - | - | 577,492 | (577,492) |
| Sanitary Sewer Improvements - CV8 | 450,000 | 450,000 | 831,779 | (381,779) |
| Contingency | 50,000 | 1,011,000 | - | 1,011,000 |
| Total Expenditures | <u>1,139,000</u> | <u>2,100,000</u> | <u>2,083,860</u> | <u>16,140</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 109,275 | (851,725) | (1,784,708) | (932,983) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer From Debt Service Fund | - | - | 85,704 | 85,704 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>85,704</u> | <u>85,704</u> |
| NET CHANGE IN FUND BALANCES | 109,275 | (851,725) | (1,699,004) | (847,279) |
| Fund Balances - Beginning of Year | <u>3,416,380</u> | <u>3,416,380</u> | <u>3,335,998</u> | <u>(80,382)</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 3,525,655</u> | <u>\$ 2,564,655</u> | <u>\$ 1,636,994</u> | <u>\$ (927,661)</u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

\$33,512,000 General Obligation

Refunding Loan - Series 2017

Dated: December 21, 2017

Interest Rate: 2.95%

Interest Payable June 1 and December 1

Principal Payable December 1

\$17,387,000 General Obligation

Refunding Loan - Series 2019

Dated: June 18, 2019

Interest Rate: 3.60%

Interest Payable June 1 and December 1

Principal Payable December 1

| Year Ending December 31, | Principal Payable December 1 | | | Principal Payable December 1 | | |
|-----------------------------|------------------------------|---------------------|----------------------|------------------------------|---------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2021 | \$ 505,000 | \$ 969,910 | \$ 1,474,910 | \$ 100,000 | \$ 627,326 | \$ 727,326 |
| 2022 | 32,012,000 | 954,847 | 32,966,847 | 17,087,000 | 623,676 | 17,710,676 |
| Total | <u>\$ 32,517,000</u> | <u>\$ 1,924,757</u> | <u>\$ 34,441,757</u> | <u>\$ 17,187,000</u> | <u>\$ 1,251,002</u> | <u>\$ 18,438,002</u> |

| Year Ending December 31, | Totals | | |
|-----------------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2021 | \$ 605,000 | \$ 1,597,236 | \$ 2,202,236 |
| 2022 | 49,099,000 | 1,578,523 | 50,677,523 |
| Total | <u>\$ 49,704,000</u> | <u>\$ 3,175,759</u> | <u>\$ 52,879,759</u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

History of Assessed Valuations for the District

| <u>Levy/ Collection Year</u> | <u>Property Within the District</u> | <u>First Exclusion Property</u> | <u>Second Exclusion Property</u> | <u>Total Assessed Value</u> | <u>Percent Change</u> |
|--------------------------------------|---|---|--|-------------------------------------|---------------------------|
| 2016/2017 | \$ 41,781,480 | \$ 3,647,270 | \$ 1,163,730 | \$ 46,592,480 | 1.10 % |
| 2017/2018 | 49,195,660 | 4,111,910 | 1,246,280 | 54,553,850 | 17.09 |
| 2018/2019 | 47,630,150 | 4,112,510 | 1,246,380 | 52,989,040 | (2.87) |
| 2019/2020 | 52,762,580 | 4,905,050 | 1,419,900 | 59,087,530 | 11.51 |
| 2020/2021 | 52,191,330 | 4,933,950 | 1,424,690 | 58,549,970 | (0.91) |

History of Mill Levies for the District

| <u>Levy/ Collection Year</u> | <u>Property Within the District</u> | | | <u>Total</u> | <u>First Exclusion</u> | <u>Second Exclusion</u> |
|--------------------------------------|-------------------------------------|----------------------------------|-------------------------------|--------------|----------------------------|-----------------------------|
| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Refund / Abatement</u> | | <u>Debt Service</u> | <u>Debt Service</u> |
| 2016/2017 | 7.000 | 35.000 | 0.201 | 42.201 | 18.810 | 16.190 |
| 2017/2018 | 7.018 | 35.090 | 0.065 | 42.173 | 20.778 | 17.891 |
| 2018/2019 | 7.018 | 35.090 | 0.167 | 42.275 | 20.778 | 17.891 |
| 2019/2020 | 6.114 | 33.650 | 1.218 | 40.982 | 18.070 | 15.580 |
| 2020/2021 | 7.020 | 35.102 | 0.000 | 42.122 | 20.923 | 18.015 |

Property Tax Collections for the District

| <u>Levy/ Collection Year</u> | <u>Total Property Taxes</u> | | <u>Percent Collected to Levied</u> |
|--------------------------------------|-----------------------------|------------------|--|
| | <u>Levied</u> | <u>Collected</u> | |
| 2016/2017 | \$ 1,850,666 | \$ 1,847,527 | 99.83 % |
| 2017/2018 | 2,182,463 | 2,169,864 | 99.42 |
| 2018/2019 | 2,121,313 | 2,049,666 | 96.62 |
| 2019/2020 | 2,273,072 | 2,262,870 | 99.55 |

CONTINUING DISCLOSURE OBLIGATION

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

**2020 AND 2021 BUDGET SUMMARY AND COMPARISON
GENERAL FUND
(UNAUDITED)**

| | Final 2020 Budget | 2020 Actual | Variance | 2021 Budget |
|---|-------------------------|-------------------|------------------|-------------------|
| REVENUES | | | | |
| Property Taxes | \$ 332,472 | \$ 330,903 | \$ (1,569) | \$ 366,383 |
| Specific Ownership Taxes | 29,922 | 28,678 | (1,244) | 29,310 |
| Net Investment Income | 3,000 | 1,114 | (1,886) | 1,750 |
| In-Lieu Fees (ECS) | 55,607 | 17,319 | (38,288) | 18,800 |
| Total Revenues | <u>421,001</u> | <u>378,014</u> | <u>(42,987)</u> | <u>416,243</u> |
| EXPENDITURES | | | | |
| Accounting and Audit | 42,000 | 49,697 | (7,697) | 43,600 |
| County Treasurer's fee | 4,987 | 4,969 | 18 | 5,495 |
| District Management | 35,000 | 33,190 | 1,810 | 35,000 |
| Dues and Memberships | 1,000 | 530 | 470 | 750 |
| Election Expense | 2,000 | 893 | 1,107 | - |
| Insurance | 7,400 | 6,931 | 469 | 7,400 |
| Landscape Maintenance | 220,000 | 214,308 | 5,692 | 147,000 |
| Legal | 25,000 | 22,420 | 2,580 | 25,000 |
| Miscellaneous | 2,500 | 2,080 | 420 | 2,500 |
| Repairs and Maintenance | 30,000 | 13,078 | 16,922 | 15,750 |
| ROW/Drainage Maintenance | 5,000 | 12,472 | (7,472) | 5,250 |
| Snow Removal | 10,000 | 11,025 | (1,025) | 10,500 |
| Utilities - Entrance sign | 300 | 394 | (94) | 315 |
| Utilities - Irrigation | 4,000 | 5,758 | (1,758) | 4,200 |
| Utilities - Security Lights | 1,300 | 1,465 | (165) | 1,365 |
| Contingency | 29,513 | - | 29,513 | - |
| Total Expenditures | <u>420,000</u> | <u>379,210</u> | <u>40,790</u> | <u>304,125</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 1,001 | (1,196) | (2,197) | 112,118 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer to Capital Fund | (85,704) | (85,704) | - | - |
| Total Other Financing Sources (Uses) | <u>(85,704)</u> | <u>(85,704)</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | (84,703) | (86,900) | (2,197) | 112,118 |
| Fund Balances - January 1 | <u>197,175</u> | <u>218,713</u> | <u>21,538</u> | <u>233,971</u> |
| FUND BALANCES - DECEMBER 31 | <u>\$ 112,472</u> | <u>\$ 131,813</u> | <u>\$ 19,341</u> | <u>\$ 346,089</u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

**2020 AND 2021 BUDGET SUMMARY AND COMPARISON
DEBT SERVICE FUND
(UNAUDITED)**

| | Final 2020 Budget | 2020 Actual | Variance | 2021 Budget |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| REVENUES | | | | |
| Property Taxes | \$ 1,940,600 | \$ 1,931,967 | \$ (8,633) | \$ 1,960,919 |
| Specific Ownership Taxes | 174,654 | 167,392 | (7,262) | 156,873 |
| Net Investment Income | 70,000 | 18,081 | (51,919) | 11,000 |
| In-Lieu Fees (ECS) | 277,594 | 95,317 | (182,277) | 93,700 |
| Total Revenues | <u>2,462,848</u> | <u>2,212,757</u> | <u>(250,091)</u> | <u>2,222,492</u> |
| EXPENDITURES | | | | |
| County Treasurer's Fees | 29,109 | 29,008 | 101 | 29,413 |
| Bond/Loan Interest | 1,613,799 | 1,614,767 | (968) | 1,597,236 |
| Bond/Loan Principal | 475,000 | 475,000 | - | 605,000 |
| Paying Agent Fees | 10,000 | 8,400 | 8,400 | 10,000 |
| Total Expenditures | <u>2,127,908</u> | <u>2,127,175</u> | <u>7,533</u> | <u>2,241,649</u> |
| NET CHANGE IN FUND BALANCES | 334,940 | 85,582 | (249,358) | (19,157) |
| Fund Balances - January 1 | <u>1,977,090</u> | <u>2,122,363</u> | <u>145,273</u> | <u>2,252,101</u> |
| FUND BALANCES - DECEMBER 31 | <u><u>\$ 2,312,030</u></u> | <u><u>\$ 2,207,945</u></u> | <u><u>\$ (104,085)</u></u> | <u><u>\$ 2,232,944</u></u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

**2020 AND 2021 BUDGET SUMMARY AND COMPARISON
CAPITAL PROJECTS FUND
(UNAUDITED)**

| | 2020 Budget | 2020 Actual | Variance | 2021 Budget |
|---|---------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | |
| System Development Fees | \$ 200,000 | \$ - | \$ (200,000) | \$ 200,000 |
| System Operations Fee | 175,000 | 172,455 | (2,545) | 175,000 |
| Tap Fees | 295,275 | - | (295,275) | 295,275 |
| Miscellaneous Income | 528,000 | - | (528,000) | - |
| Reimbursed Expenditures | - | 110,968 | 110,968 | 23,500 |
| Net Investment Income | 50,000 | 15,729 | (34,271) | 13,000 |
| Total Revenues | <u>1,248,275</u> | <u>299,152</u> | <u>(949,123)</u> | <u>706,775</u> |
| EXPENDITURES | | | | |
| Accounting | 4,000 | 2,109 | 1,891 | 4,200 |
| District Management | 35,000 | 15,206 | 19,794 | 35,000 |
| Engineering Expense | 20,000 | 14,581 | 5,419 | 21,000 |
| Legal | 25,000 | 2,698 | 22,302 | 25,000 |
| Miscellaneous | - | - | - | - |
| Contingency | 1,011,000 | - | 1,011,000 | 40,000 |
| Capital Expenditures | <u>1,005,000</u> | <u>2,049,266</u> | <u>(1,044,266)</u> | <u>941,500</u> |
| Total Expenditures | <u>2,100,000</u> | <u>2,083,860</u> | <u>16,140</u> | <u>1,066,700</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (851,725) | (1,784,708) | (932,983) | (359,925) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer from General Fund | - | 85,704 | 85,704 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>85,704</u> | <u>85,704</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | (851,725) | (1,699,004) | (847,279) | (359,925) |
| Fund Balances - January 1 | <u>3,416,380</u> | <u>3,335,998</u> | <u>(80,382)</u> | <u>2,713,202</u> |
| FUND BALANCES - DECEMBER 31 | <u>\$ 2,564,655</u> | <u>\$ 1,636,994</u> | <u>\$ (927,661)</u> | <u>\$ 2,353,277</u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

**GENERAL FUND – HISTORY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
(UNAUDITED)**

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------------|-------------------|------------------|-------------------|-------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 289,125 | \$ 293,347 | \$ 343,688 | \$ 323,653 | \$ 330,903 |
| Specific Ownership Taxes | 26,732 | 32,190 | 36,539 | 33,660 | 28,678 |
| Reimbursed Expenditure | - | - | - | 3,844 | - |
| Net Investment Income | 812 | 2,090 | 6,458 | 282 | 1,114 |
| Miscellaneous | - | 35,377 | 14,104 | - | - |
| In-Lieu Fees (ECS) | - | - | - | 36,203 | 17,319 |
| Total Revenues | 316,669 | 363,004 | 400,789 | 397,642 | 378,014 |
| EXPENDITURES | | | | | |
| Accounting and Audit | 27,894 | 38,786 | 46,588 | 40,784 | 49,697 |
| County Treasurer's Fees | 4,338 | 4,403 | 5,160 | 4,858 | 4,969 |
| District Management | 30,759 | 33,578 | 36,917 | 28,695 | 33,190 |
| Dues and Memberships | 584 | 1,092 | 912 | 923 | 530 |
| Elections | 550 | - | 666 | - | 893 |
| Insurance and Bonds | 6,248 | 6,443 | 6,718 | 7,183 | 6,931 |
| Landscape Maintenance | 116,467 | 127,274 | 163,376 | 153,138 | 214,308 |
| Legal | 19,961 | 22,524 | 20,300 | 19,036 | 22,420 |
| Miscellaneous | 740 | 900 | 7,679 | 2,667 | 2,080 |
| Repairs and Maintenance | 33,307 | 34,205 | 3,390 | 3,235 | 13,078 |
| ROW/Drainage Maintenance | - | - | - | - | 12,472 |
| Snow Removal | 9,050 | 8,750 | 8,750 | 8,750 | 11,025 |
| Utilities - Entrance Sign | 132 | 48 | 322 | 244 | 394 |
| Utilities - Irrigation | 5,703 | 5,678 | 4,072 | 3,318 | 5,758 |
| Utilities - Street Lights | 1,134 | 1,122 | 1,323 | 851 | 1,465 |
| Total Expenditures | 256,867 | 284,803 | 306,173 | 273,682 | 379,210 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 59,802 | 78,201 | 94,616 | 123,960 | (1,196) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Repay Developer Advance | - | - | (165,952) | - | - |
| Transfer to Capital Fund | - | - | - | - | (85,704) |
| Total Other Financing Sources (Uses) | - | - | (165,952) | - | (85,704) |
| NET CHANGE IN FUND BALANCES | 59,802 | 78,201 | (71,336) | 123,960 | (86,900) |
| Fund Balances - January 1 | 28,086 | 87,888 | 166,089 | 94,753 | 218,713 |
| FUND BALANCES - DECEMBER 31 | \$ 87,888 | \$ 166,089 | \$ 94,753 | \$ 218,713 | \$ 131,813 |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

**DEBT SERVICE FUND – HISTORY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
(UNAUDITED)**

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| REVENUES | | | | | |
| Property Taxes | \$ 1,531,691 | \$ 1,554,180 | \$ 1,826,176 | \$ 1,726,013 | \$ 1,931,967 |
| Specific Ownership Taxes | 141,580 | 170,527 | 194,086 | 179,108 | 167,392 |
| Intergovernmental Revenue | 256,348 | 260,517 | 316,177 | - | - |
| Net Investment Income | 270,517 | 238,719 | 76,297 | 70,798 | 18,081 |
| In-Lieu Fees (ECS) | - | - | - | 181,013 | 95,317 |
| Total Revenues | <u>2,200,136</u> | <u>2,223,943</u> | <u>2,412,736</u> | <u>2,156,932</u> | <u>2,212,757</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| County Treasurer's Fees | 22,982 | 23,329 | 27,418 | 25,907 | 29,008 |
| Interest Expense - Tax Abatements | - | - | - | - | - |
| Debt Service: | | | | | |
| Bond/Loan Interest | 1,447,938 | 2,589,158 | 2,101,442 | 1,853,035 | 1,614,767 |
| Bond/Loan Principal | - | 1,015,000 | 375,000 | 345,000 | 475,000 |
| Bond Issue Costs | - | 718,379 | 10,000 | 371,062 | - |
| Paying Agent Fees | 6,500 | 9,250 | 8,468 | 7,321 | 8,400 |
| Contingency | - | - | - | - | - |
| Total Expenditures | <u>1,477,420</u> | <u>4,355,116</u> | <u>2,522,328</u> | <u>2,602,325</u> | <u>2,127,175</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 722,716 | (2,131,173) | (109,592) | (445,393) | 85,582 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond/Loan Issuance | - | 33,512,000 | - | 17,387,000 | - |
| Payment to Escrow Agent | - | (35,326,907) | - | (17,925,998) | - |
| Transfers Out | - | (1,000,000) | - | (500,000) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(2,814,907)</u> | <u>-</u> | <u>(1,038,998)</u> | <u>-</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | | | | | |
| NET CHANGE IN FUND BALANCES | 722,716 | (4,946,080) | (109,592) | (1,484,391) | 85,582 |
| Fund Balances - January 1 | <u>7,939,710</u> | <u>8,662,426</u> | <u>3,716,346</u> | <u>3,606,754</u> | <u>2,122,363</u> |
| FUND BALANCES - DECEMBER 31 | <u><u>\$ 8,662,426</u></u> | <u><u>\$ 3,716,346</u></u> | <u><u>\$ 3,606,754</u></u> | <u><u>\$ 2,122,363</u></u> | <u><u>\$ 2,207,945</u></u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

**CAPITAL PROJECTS FUND – HISTORY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
(UNAUDITED)**

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | | |
| System Development Fees | \$ 140,000 | \$ - | \$ - | \$ 160,000 | \$ - |
| System Operations Fee | 158,932 | 163,073 | 170,721 | 171,921 | 172,455 |
| Tap Fees | 208,793 | - | - | 238,620 | - |
| Miscellaneous Income | 2,527 | 162,000 | 4,656 | - | - |
| Net Investment Income | 10,012 | 23,033 | 54,766 | 63,570 | 15,729 |
| Total Revenues | <u>520,264</u> | <u>348,106</u> | <u>230,143</u> | <u>634,111</u> | <u>188,184</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Accounting and Auditing | 1,547 | 1,039 | 1,269 | 1,084 | 2,109 |
| District Management | 28,061 | 20,168 | 18,520 | 11,883 | 15,206 |
| Engineering Expense | 21,426 | 40,467 | 16,510 | 10,705 | 14,581 |
| Legal | 5,683 | 5,020 | 14,230 | 20,248 | 2,698 |
| Median Landscaping | - | 33,692 | - | - | - |
| Contingency | - | 4,550 | - | - | - |
| Capital Outlay/Expenditures | 458,954 | 51,572 | 445,284 | 984,700 | 2,049,266 |
| Total Expenditures | <u>515,671</u> | <u>156,508</u> | <u>495,813</u> | <u>1,028,620</u> | <u>2,083,860</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 4,593 | 191,598 | (265,670) | (394,509) | (1,895,676) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | - | 1,000,000 | - | - | - |
| Transfers Out | - | - | - | 500,000 | 85,704 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>1,000,000</u> | <u>-</u> | <u>500,000</u> | <u>85,704</u> |
| NET CHANGE IN FUND BALANCES | 4,593 | 1,191,598 | (265,670) | 105,491 | (1,809,972) |
| Fund Balances - January 1 | <u>2,299,986</u> | <u>2,304,579</u> | <u>3,496,177</u> | <u>3,230,507</u> | <u>3,335,998</u> |
| FUND BALANCES - DECEMBER 31 | <u>\$ 2,304,579</u> | <u>\$ 3,496,177</u> | <u>\$ 3,230,507</u> | <u>\$ 3,335,998</u> | <u>\$ 1,526,026</u> |

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

**HISTORY OF ASSESSED VALUATION AND MILL LEVIES
(UNAUDITED)**

| Levy/ Collection Year | Assessed Valuation | | | | Mill Levy | | |
|-----------------------------|--|--------------------------------------|---------------------------------|----------------------------|-------------------|--|------------------------|
| | Property Tax Within the District | Trimark Exclusion Property (1) | Second Exclusion Property | Total Assessed Value | Percent Change | Property Tax Within the District | Excluded Properties |
| 2015/2016 | \$ 41,350,960 | \$ 3,594,970 | \$ 1,139,130 | \$ 46,085,060 | 24.48 % | 42.160 | 35.000 |
| 2016/2017 | 41,781,480 | 3,647,270 | 1,163,730 | 46,592,480 | 1.10 | 42.201 | 35.000 |
| 2017/2018 | 49,195,660 | 4,111,910 | 1,246,280 | 54,553,850 | 17.09 | 42.173 | 38.669 |
| 2018/2019 | 47,630,150 | 4,112,510 | 1,246,380 | 52,989,040 | (2.87) | 42.275 | 38.669 |
| 2019/2020 | 52,762,580 | 4,905,050 | 1,419,900 | 59,087,530 | 11.51 | 40.982 | 33.650 |
| 2020/2021 | 52,191,330 | 4,933,950 | 1,424,690 | 58,549,970 | (0.91) | 42.122 | 38.938 |

(1) The Trimark Exclusion property currently is subject to the District's debt service mill levy for the purpose of paying a portion of the debt service on the 2007 Bonds (i.e., the 1999 Bonds refunded by the 2007 Bonds). The District re-included a portion of the Trimark Exclusion property back into the District. The re-included property will be subject to taxation for the payment of debt service on the 2007 Bonds. However, the Excluded Property remaining after the re-inclusion will not be subject to taxation to pay debt service on all of the Bonds; the Bonds attributable to the Improvement Project and a portion of the Bonds used to refund the 2004 Bonds cannot be paid from property taxes levied on the Excluded Property.

2020 Assessed Valuation of Classes of Property in the District

| Class | Total Assessed Value (a) | Percent of Total Assessed Valuation |
|-------------------|--------------------------------|--|
| Commercial | \$ 18,192,660 | 31.07 % |
| Personal | 8,677,160 | 14.82 |
| Industrial | 22,202,760 | 37.92 |
| Vacant | 1,671,010 | 2.85 |
| Residential | 7,648,700 | 13.06 |
| State assessed | 156,500 | 0.27 |
| Agricultural | 1,120 | 0.01 |
| Natural resources | 60 | 0.01 |
| | <u>\$ 58,549,970</u> | <u>100.00 %</u> |

(a) Includes the assessed valuation attributable to the Trimark Exclusion.

Largest Taxpayers in the District for 2020

| Taxpayer Name | 2020 Assessed Valuation | Percentage of Total Assessed Valuation |
|------------------------------|-------------------------------|--|
| GIG CW Compark LLC | \$ 8,216,380 | 14.03 % |
| American Furniture Warehouse | 7,196,630 | 12.29 |
| Azul Holdings LLC | 6,632,960 | 11.33 |
| Denver Springs LLC | 4,806,270 | 8.21 |
| Spectrum Grasslands LLC | 3,225,240 | 5.51 |
| Woodspear Prairie Trail LLC | 3,029,990 | 5.18 |
| Charter Communications Inc | 2,531,450 | 4.32 |
| Abmar Grasslands LLC | 2,451,110 | 4.19 |
| M&P Enterprises LLC | 1,911,680 | 3.27 |
| 12364 Osborne Holdings LLC | 1,718,580 | 2.94 |
| | <u>\$ 41,720,290</u> | <u>71.27 %</u> |