

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

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Independent Auditor's Report

Board of Directors
Fitzsimons Village Metropolitan District No. 1
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Fitzsimons Village Metropolitan District No. 1 (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 general 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 Fitzsimons Village Metropolitan District No. 1 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the net position as of December 31, 2019 has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 other information, as listed in the table of contents, has not been subjected 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 21, 2021

BASIC FINANCIAL STATEMENTS

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and Investments	\$ 47,717
Cash and Investments - Restricted	748,772
Receivable - County Treasurer	1,653
Receivable - Other	10,807
Due from Fitzsimons Village No. 2	3,144
Due from Fitzsimons Village No. 3	10,445
Prepaid Expenses	17,254
Property Taxes Receivable	33,892
Capital Assets, Net of Accumulated Depreciation	7,403,133
Total Assets	8,276,817
LIABILITIES	
Accounts Payable	79,537
Due to ARTA	12,424
Due to Fitzsimons No. 2	1,348
Accrued Interest Payable - Bonds	4,241,864
Noncurrent Liabilities:	
Due Within One Year	10,000
Due in More Than One Year	28,126,711
Total Liabilities	32,471,884
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	33,892
Total Deferred Inflows of Resources	33,892
NET POSITION	
Net Investment in Capital Assets	(4,734,381)
Restricted for:	
Emergency Reserves	8,800
Unrestricted	(19,503,378)
Total Net Position	\$ (24,228,959)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 747,612	\$ 81,402	\$ 189,930	\$ -	\$ (476,280)
Interest and Related Costs on Long-Term Debt	10,047,569	-	-	2,274,850	(7,772,719)
Total Governmental Activities	\$ 10,795,181	\$ 81,402	\$ 189,930	\$ 2,274,850	(8,248,999)
 GENERAL REVENUES					
					34,635
					23,946
					57,180
					10,262
					126,023
 CHANGE IN NET POSITION					
					(8,122,976)
					(16,105,983)
					\$ (24,228,959)

See accompanying Notes to Basic Financial Statements.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service 2010/2020 Bonds	Debt Service 2014/2020 A&B Bonds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 47,717	\$ -	\$ -	\$ 47,717
Cash and Investments - Restricted	8,800	153,225	586,747	748,772
Receivable - County Treasurer	-	-	1,653	1,653
Receivable - Other	10,807	-	-	10,807
Due from Fitzsimons Village No. 2	460	2,684	-	3,144
Due from Fitzsimons Village No. 3	-	-	10,445	10,445
Prepaid Insurance	17,254	-	-	17,254
Property Taxes Receivable	665	-	33,227	33,892
	<u>\$ 85,703</u>	<u>\$ 155,909</u>	<u>\$ 632,072</u>	<u>\$ 873,684</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 75,537	\$ 2,000	\$ 2,000	\$ 79,537
Due to ARTA	12,424	-	-	12,424
Due to Fitzsimons Village No. 2	1,348	-	-	1,348
Total Liabilities	<u>89,309</u>	<u>2,000</u>	<u>2,000</u>	<u>93,309</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	665	-	33,227	33,892
Total Deferred Inflows of Resources	<u>665</u>	<u>-</u>	<u>33,227</u>	<u>33,892</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	17,254	-	-	17,254
Restricted for:				
Emergency Reserves	8,800	-	-	8,800
Debt Service	-	153,909	596,845	750,754
Unassigned	(30,325)	-	-	(30,325)
Total Fund Balances	<u>(4,271)</u>	<u>153,909</u>	<u>596,845</u>	<u>746,483</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 85,703</u>	<u>\$ 155,909</u>	<u>\$ 632,072</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.

Capital Assets, Net of Accumulated Depreciation

7,403,133

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

Bonds Payable

(21,817,036)

Accrued Interest Payable - Bonds

(4,241,864)

Developer Advance Payable

(3,706,080)

Accrued Interest Payable - Developer Advances

(2,613,595)

Net Position of Governmental Activities

\$ (24,228,959)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Debt Service 2010/2020 Bonds	Debt Service 2014/2020 A&B Bonds	Total Governmental Funds
REVENUES				
AURA Funding - Lodger Tax	\$ -	\$ 265,764	\$ -	\$ 265,764
AURA Funding - Property Tax	-	1,654,435	-	1,654,435
AURA Funding - Sales Tax	-	62,484	-	62,484
AURA Funding - Use Tax	-	-	-	-
Interest Income	32	54,765	2,383	57,180
Operations and Maintenance Fees	78,581	-	-	78,581
Other Revenue	10,262	-	-	10,262
Parking Revenue	2,821	-	-	2,821
Public Improvement Fees - Debt Service	-	3,151	-	3,151
Public Improvement Fees - Excess Collection Fee	25,339	-	-	25,339
Public Improvement Fees - Operations and Maintenance	45,235	-	-	45,235
Property Taxes	9,147	-	25,488	34,635
Property Taxes - TIF	58,777	-	87,906	146,683
Specific Ownership Taxes	-	-	23,946	23,946
Transfer from Fitzsimons Village No. 2 - Taxes	13,400	86,027	-	99,427
Transfer from Fitzsimons Village No. 3 - Excess Funds	-	-	20,845	20,845
Transfer from Fitzsimons Village No. 3 - O&M Fee	47,179	-	-	47,179
Transfer from Fitzsimons Village No. 3 - Public Improvement Fees	-	-	85,321	85,321
Total Revenues	290,773	2,126,626	245,889	2,663,288
EXPENDITURES				
General and Administrative:				
Accounting	56,500	-	-	56,500
Accounting - Unbudgeted	926	-	-	926
ARI Payment	669	-	-	669
Audit	4,400	-	-	4,400
County Treasurer's Fee	137	-	382	519
District Management	12,600	-	-	12,600
District Management - Unbudgeted	9,248	-	-	9,248
Election	4,844	-	-	4,844
Insurance and Dues	13,216	-	-	13,216
Legal	18,860	-	-	18,860
Legal - Unbudgeted	5,467	-	-	5,467
Legal - Special Counsel - TIF	515	-	-	515
Miscellaneous	1,800	-	-	1,800
Transfer to Fitzsimons No. 3 - Taxes	-	-	2,011	2,011
Operations and Maintenance:				
Parking Enforcement	34,230	-	-	34,230
Repairs and Maintenance	72,929	-	-	72,929
Snow Removal	69,030	-	-	69,030
Transfer to Fitzsimons Village No. 3 - O&M Fee Pledge	47,179	-	-	47,179
Utilities	24,376	-	-	24,376
Debt Service:				
Bond Interest - 2010 Senior Bonds	-	523,313	-	523,313
Bond Interest - 2020A Senior Bonds	-	-	226,236	226,236
Bond Interest - 2020 Bonds	-	216,026	-	216,026
Bond Interest - Junior Bonds	-	882,814	-	882,814
Bond Issue Costs	-	316,073	510,812	826,885
Bond Principal - 2010 Senior Bonds	-	680,000	-	680,000
Paying Agent/Trustee Fees	-	4,000	-	4,000
Payment to Refunding Escrow	-	13,510,078	-	13,510,078
Transfer to Fitzsimons Village No. 3 - Refunding Escrow	-	-	6,820,556	6,820,556
Total Expenditures	376,926	16,132,304	7,559,997	24,069,227
DEFICIT OF REVENUES UNDER EXPENDITURES	(86,153)	(14,005,678)	(7,314,108)	(21,405,939)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Debt Service 2010/2020 Bonds	Debt Service 2014/2020 A&B Bonds	Governmental Funds
OTHER FINANCING SOURCES (USES)				
Bond Issuance	\$ -	\$ 10,915,000	\$ 7,487,000	\$ 18,402,000
Bond Premium	-	-	423,953	423,953
Developer Advance - Corporex	186,268	-	-	186,268
Redemption Payment Escrow - Adjustment Amount	-	(460,769)	-	(460,769)
Redemption Payment Escrow - Release	-	(6,970,685)	-	(6,970,685)
Use Restriction Extension Payment	-	521,570	-	521,570
Total Other Financing Sources (Uses)	<u>186,268</u>	<u>4,005,116</u>	<u>7,910,953</u>	<u>12,102,337</u>
NET CHANGE IN FUND BALANCES	100,115	(10,000,562)	596,845	(9,303,602)
Fund Balances - Beginning of Year	<u>(104,386)</u>	<u>10,154,471</u>	<u>-</u>	<u>10,050,085</u>
FUND BALANCES - END OF YEAR	<u>\$ (4,271)</u>	<u>\$ 153,909</u>	<u>\$ 596,845</u>	<u>\$ 746,483</u>

See accompanying Notes to Basic Financial Statements.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (9,303,602)

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

Governmental funds report capital outlay 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.

Depreciation (370,686)

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

Bond Premium	(423,953)
Bond Principal Payment - 2010 Senior Bonds	680,000
Bond Issuance	(18,402,000)
Payment to Refunding Escrow	13,510,078
Use Restriction Payment Held	7,396,071
Developer Advances	(186,268)

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 on Bonds - Change in Liability	(740,910)
Accrued Interest on Developer Advances - Change in Liability	(290,623)
Amortization of Bond Premium	8,917
	8,917

Change in Net Position of Governmental Activities \$ (8,122,976)

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 100	\$ 32	\$ (68)
Other Revenue	-	10,262	10,262
Operations and Maintenance Fees	78,581	78,581	-
Parking Revenue	17,000	2,821	(14,179)
Property Taxes	69,710	67,924	(1,786)
Public Improvement Fees - Excess Collection Fee	32,000	25,339	(6,661)
Public Improvement Fees - Operations and Maintenance	102,690	45,235	(57,455)
Transfer from Fitzsimons Village No. 2 - Taxes	20,564	13,400	(7,164)
Transfer from Fitzsimons Village No. 3 - O&M Fee	19,105	47,179	28,074
Total Revenues	339,750	290,773	(48,977)
EXPENDITURES			
General and Administrative:			
Accounting	56,500	56,500	-
Accounting - Unbudgeted	-	926	(926)
ARI Payment	12,174	669	11,505
Audit	4,400	4,400	-
County Treasurer's Fee	10	137	(127)
District Management	12,600	12,600	-
District Management - Unbudgeted	-	9,248	(9,248)
Election	3,000	4,844	(1,844)
Insurance and Dues	13,800	13,216	584
Legal	18,860	18,860	-
Legal - Unbudgeted	-	5,467	(5,467)
Legal - Special Counsel - TIF	-	515	(515)
Miscellaneous	2,477	1,800	677
Operations and Maintenance:			
Contingency	5,500	-	5,500
Parking Enforcement	36,000	34,230	1,770
Property Management	10,000	-	10,000
Repairs and Maintenance	104,500	72,929	31,571
Snow Removal	75,000	69,030	5,970
Utilities	18,000	24,376	(6,376)
Transfer to Fitzsimons Village No. 3 - O&M Fee Pledge	47,179	47,179	-
Total Expenditures	420,000	376,926	43,074
DEFICIT OF REVENUES UNDER EXPENDITURES	(80,250)	(86,153)	(5,903)
OTHER FINANCING SOURCES			
Developer Advance - Corporex	79,408	186,268	106,860
Total Other Financing Sources	79,408	186,268	106,860
NET CHANGE IN FUND BALANCE	(842)	100,115	100,957
Fund Balance - Beginning of Year	10,742	(104,386)	(115,128)
FUND BALANCE - END OF YEAR	\$ 9,900	\$ (4,271)	\$ (14,171)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF REPORTING ENTITY

Fitzsimons Village Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized in July 2006 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 City of Aurora (the City), Arapahoe County, Colorado. The District was organized to provide financing for the design, acquisition, construction, and installation of public improvements and related operations and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sewer, transportation, mosquito control, limited fire protection, and television relay and translation facilities and services. When appropriate, these improvements will be dedicated to the City, Arapahoe County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District (the Operating District) was organized in conjunction with two other related districts, Fitzsimons Village Metropolitan District No. 2 and Fitzsimons Village Metropolitan District No. 3 (the Taxing Districts).

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.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
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 expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, public improvement fees, and intergovernmental revenues. 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 – 2010/2020 Bonds accounts for the resources accumulated and payments made for principal and interest on the Series 2010 Bonds and Series 2020 Bonds issued by the District.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Debt Service Fund – 2014/2020 A&B Bonds accounts for the resources accumulated and transferred to Fitzsimons Village Metropolitan District No. 3 (District No. 3) pursuant to a certain Capital Pledge Agreement, to pay for principal and interest on the Series 2014 Bonds issued by District No. 3. It also accounts for the resources accumulated and payments made for principal and interest on the Series 2020 A&B Bonds issued by the District.

Budgets

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

The District has amended its annual budget for the year ended December 31, 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported 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. 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 following estimated economic useful lives:

Colfax Avenue Pedestrian Bridge	30 Years
Streets	30 Years
Parking Meters	8 Years

Deferred Inflows of Resources

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

Amortization

Original Issue Premium

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

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

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.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur.

Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficit

The General Fund reported a deficit in the fund financial statements as of December 31, 2020. The deficit was eliminated with developer advances received in 2021.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS

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

Cash and Investments	\$ 47,717
Cash and Investments - Restricted	<u>748,772</u>
Total Cash and Investments	<u><u>\$ 796,489</u></u>

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

Deposits with Financial Institutions	\$ 53,598
Investments	<u>742,891</u>
Total Cash and Investments	<u><u>\$ 796,489</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 and a carrying balance of \$53,598.

Investments

The District has adopted a policy authorizing investments in accordance with state statutes.

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.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

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

As of December 31, 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	<u>\$ 742,891</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.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
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 at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
Capital Assets, Being Depreciated:				
Streets	\$ 7,069,167	\$ -	\$ -	\$ 7,069,167
Bridge and Improvements	3,830,625	-	-	3,830,625
Equipment (Parking Meters)	58,876	-	-	58,876
Total Capital Assets, Being Depreciated	<u>10,958,668</u>	<u>-</u>	<u>-</u>	<u>10,958,668</u>
Less Accumulated Depreciation For:				
Streets	(2,061,840)	(235,639)	-	(2,297,479)
Bridge and Improvements	(1,078,852)	(127,687)	-	(1,206,539)
Equipment (Parking Meters)	(44,157)	(7,360)	-	(51,517)
Total Accumulated Depreciation	<u>(3,184,849)</u>	<u>(370,686)</u>	<u>-</u>	<u>(3,555,535)</u>
 Total Capital Assets, Net	 <u>7,773,819</u>	 <u>(370,686)</u>	 <u>-</u>	 <u>7,403,133</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 7,773,819</u>	 <u>\$ (370,686)</u>	 <u>\$ -</u>	 <u>\$ 7,403,133</u>

Depreciation costs of the assets owned by the District totaling \$370,686 were charged to general government function of the District for the year ended December 31, 2020.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
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 for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Tax Increment/PIF					
Supported:					
Revenue Bonds,					
Series 2010A	\$ 13,955,000	\$ -	\$ 13,955,000	\$ -	\$ -
Junior Bonds (Fill-Up),					
Series 2010B	3,000,000	-	-	3,000,000	-
Refunding Tax Increment/ PIF Supported:					
Revenue Bonds,					
Series 2020	-	10,915,000	-	10,915,000	10,000
Limited Tax G.O. and Special Revenue Refunding Bonds,					
Series 2020A	-	6,265,000	-	6,265,000	-
Subordinate Limited Tax G.O. and Special Revenue Refunding Bonds Series 2020B	-	1,222,000	-	1,222,000	-
Bond Premium - Series 2020A	-	423,953	8,917	415,036	
Subtotal Bonds Payable	16,955,000	18,825,953	13,963,917	21,817,036	10,000
Other Debts:					
Developer Advances - Operating	393,179	186,268	-	579,447	-
Developer Advances - Capital	3,126,633	-	-	3,126,633	-
Accrued Interest on Developer Advances - Operating	177,924	40,452	-	218,376	-
Accrued Interest on Developer Advances - Capital	2,145,048	250,171	-	2,395,219	-
Use Restriction Redemption Payment Total	7,396,071	-	7,396,071	-	-
Subtotal Other Debts	13,238,855	476,891	7,396,071	6,319,675	-
 Total Long-Term Obligations	 \$ 30,193,855	 \$ 19,302,844	 \$ 21,359,988	 \$ 28,136,711	 \$ 10,000

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

\$16,820,000 Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2010A

On April 29, 2010, the District issued \$16,820,000 in Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2010A (Bonds). The Bonds are special limited revenue obligations of the District, payable solely from Pledged Revenues consisting of: (a) all Pledged PIF Revenue, (b) during the Pledged TIF Revenue Term, all Pledged TIF Revenue, (c) all Facilities Fees, (d) during the Pledged TIF Revenue Term, the base Capital Levy Revenue, and after the Term, all Capital Levy Revenue, (e) Specific Ownership Taxes, (f) Payments in Lieu of Taxes, if any, (g) Use Tax Payments in Lieu, if any, (h) Completion Guaranty Payments, if any, (i) Extension Payments, if any, (j) Redemption Payments on deposit with the Trustee, if any, (k) any other legally available monies, and (l) investment income derived from all Pledged Revenue.

The Bonds are also secured by amounts on deposit in the Reserve Fund which is to be funded from proceeds of the Bonds in the amount of the Reserve Requirement amounting to \$1,597,774. The Bonds are due March 1, 2040, with an interest rate of 7.50%, paid semiannually on March 1 and September 1, commencing on September 1, 2010. To the extent principal is not paid when due, such principal shall remain outstanding until paid. To the extent interest is not paid when due, such interest shall compound semiannually on each September 1 and March 1. The Bonds are subject to redemption prior to maturity at the option of the District on and after March 1, 2020, on any date, in whole or in part, at a redemption price equal to 100% of the principal amount so redeemed, plus interest accrued to the redemption date. The Bonds are subject to mandatory sinking fund redemption at a price equal to the principal amount plus accrued interest to the redemption date.

The proceeds from the Bonds were used to finance certain public improvements, fund the Reserve Fund, fund capitalized interest for payment of a portion of the bond interest, and pay the costs of issuing the Bonds.

The Bonds were refunded in May 2020 with the issuance of the District's 2020 Bonds (discussed below).

Up to \$3,000,000 Tax Increment/Public Improvement Fee Supported Junior Revenue Bonds, Series 2010B

On April 29, 2010, the District also issued Series 2010B or Junior Revenue Bonds as "fill up" bonds (Junior Bonds, and together with the Bonds, the Series 2010 Bonds) for the purpose of representing the District's obligation to reimburse advances made by CPX Aurora, as later defined, to the District to pay the costs of certain capital improvements. The initial principal amount of the Junior Bonds was zero with a maximum principal amount permitted of \$3,000,000.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Up to \$3,000,000 Tax Increment/Public Improvement Fee Supported Junior Revenue Bonds, Series 2010B (Continued)

CPX Aurora submitted requests for reimbursement and the District accepted and approved the requests, thereby increasing the outstanding balance of the Junior Bonds. Interest on the Junior Bonds accrues at a rate of 10.5% payable annually on March 1, beginning on March 1, 2011. To the extent interest is not paid when due, such interest will compound annually on each March 1. Principal and interest on the Junior Bonds are payable annually on March 1 to the extent of Pledged Revenues available after the payment of principal and interest on the Bonds. The Junior Bonds mature on March 1, 2040. As of December 31, 2020, the outstanding balances of the Junior Bonds are principal in the amount of \$3,000,000 and accrued interest totaling \$3,097,748.

Pursuant to the Capital Pledge Agreement (Agreement) among the District, Fitzsimons Village Metropolitan District No. 2 (District No. 2) and UMB Bank, n.a. (Trustee), the District, as the Operating District, is required to determine the rate of District No. 2's debt service mill levy in order to generate property tax revenues that, when combined with other Pledged Revenues, will be sufficient to pay amounts owing on the Bonds and Junior Bonds, but at a rate not exceeding the mill levy limitations set forth in the Agreement. For tax collection year 2020, the District directed District No. 2 to not increase its debt service mill levy, which resulted in the District's inability to make full payments on the Junior Bonds. The current holder of the Junior Bonds did not object to the District's determination to direct District No. 2 to not increase its debt service mill levy.

\$10,915,000 Refunding Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2020

On May 26, 2020, the District issued Refunding Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2020 (the 2020 Bonds) in the amount of \$10,915,000. Proceeds from the sale of the 2020 Bonds, along with other District funds, were used to pay and cancel the entire outstanding balance of the District's 2010A Bonds, which were then outstanding in the par amount of \$13,275,000, and to pay costs of issuance of the 2020 Bonds. The 2020 Bonds are secured by and payable from Pledged Revenue. Pledged Revenue generally consists of the moneys derived by the District from the following sources, net of any costs of collection; (a) funding received from AURA, (b) property taxes received from the District No. 2 debt service mill levy, and (c) the portion of PIF revenue received from Fitzsimons Village Public Improvement Corporation allocated to debt service.

The 2020 Bonds bear interest at 7.50%, payable semiannually on March 1 and September 1, beginning on September 1, 2020, to the extent of available Pledged Revenue. Annual mandatory sinking fund principal payments are due on March 1, beginning on March 1, 2024. The 2020 Bonds mature on March 1, 2049. As of December 31, 2020, the outstanding balances of the 2020 Bonds are principal in the amount of \$10,915,000 and accrued interest totaling \$272,875.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$6,265,000 Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A

On March 11, 2020, the District issued Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A (the 2020A Bonds) in the amount of \$6,265,000. Proceeds from the sale of the 2020A Bonds were used for the purposes of (i) currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014A and the Tax Increment/Public Improvement Fee Supported Subordinate Revenue Bonds, Series 2014B, previously issued by District No. 3; (ii) funding the Senior Reserve Fund; and (iii) paying costs incurred in connection with the issuance of the 2020A Bonds. The 2020A Bonds are secured by and payable from Senior Pledged Revenue, consisting of District Pledged Revenue and District No. 3 Pledged Revenue. The District Pledged Revenue generally consists of the moneys derived by the District from the following sources, net of any costs of collection; (a) Senior Property Tax Revenues, (b) the portion of Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy and, during the TIF Revenues Term, the District No. 1 Debt Service Mill Levy; and (c) the PIF Revenues.

The Senior Property Tax Revenues, as more particularly described herein, generally consist of: (i) during the TIF Revenues Term, ad valorem property tax revenue derived from 15 mills imposed on both the "base" and "incremental" assessed valuation of TIF Area I and ad valorem property tax revenue derived from 0.35 mills imposed on the "base" assessed valuation of TIF Area I; and (ii) after the TIF Revenues Term, ad valorem property tax revenue derived from 50 mills imposed on the total assessed valuation of the District. District No. 3 Pledged Revenue generally consists of the following revenues pledged pursuant to the Pledge Agreement: (a) any and all amounts received by District No. 3 under the AURA Agreement which constitute Senior Property Tax Revenues under the Senior Indenture; and (b) PIF Revenues. The 2020A Bonds will also be secured by amounts on deposit in the Senior Reserve Fund, which will be funded with proceeds of the 2020A Bonds in the amount of \$579,585 and, by moneys accumulated in the Surplus Fund, if any. The 2020A Bonds bear interest at 5.00%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The 2020A Bonds mature on December 1, 2049. As of December 31, 2020, the outstanding balances of the 2020A Bonds are principal in the amount of \$6,265,000 and accrued interest totaling \$26,104.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$6,265,000 Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A (Continued)

The 2020A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest.

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

\$1,222,000 Subordinate Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020B

On March 11, 2020, the District also issued Subordinate Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020B (the "2020B Bonds") in the amount of \$1,222,000. Proceeds from the sale of the 2020B Bonds were used for the purposes of currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014B, previously issued by District No. 3. The 2020B Bonds are "cash flow" obligations of the District secured by and payable from the Subordinate Pledged Revenue, consisting of the Subordinate District Pledged Revenue and, to the extent remaining after application to debt service on the 2020A Bonds and certain other requirements set forth in the Senior Indenture, the District No. 3 Pledged Revenue. The 2020B Bonds were issued at the rate of 7.00% payable annually to the extent of Subordinate Pledged Revenue available on December 15, commencing December 15, 2020. The 2020B Bonds are structured as "cash flow" bonds meaning that there are no regularly scheduled payments of principal prior to their maturity. The 2020B Bonds mature on December 15, 2049. As of December 31, 2020, the outstanding balances of the 2020B Bonds are principal in the amount of \$1,222,000 and accrued interest totaling \$65,105.

The District's 2020 Bonds and 2020A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 10,000	\$ 1,131,875	\$ 1,141,875
2022	15,000	1,131,375	1,146,375
2023	20,000	1,130,625	1,150,625
2024	585,000	1,108,625	1,693,625
2025	880,000	1,054,313	1,934,313
2026-2030	2,090,000	4,518,875	6,608,875
2031-2035	1,180,000	4,178,125	5,358,125
2036-2040	2,240,000	3,648,625	5,888,625
2041-2045	4,480,000	2,597,500	7,077,500
2046-2049	5,680,000	858,750	6,538,750
Total	<u>\$ 17,180,000</u>	<u>\$ 21,358,688</u>	<u>\$ 38,538,688</u>

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On May 2, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$4,211,840,000. At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

Note 5 - Long-Term Obligations

	Amount Authorized on May 2, 2006	Authorization Used for Series 2010A Bonds	Authorization Used for Series 2010B Bonds	Authorization Used for Capital Pledge Agreement with District No. 3	Authorized But Unissued
Streets	\$ 382,440,000	\$ 11,003,209	\$ 2,197,672	\$ -	\$ 369,239,119
Water	382,440,000	527,275	96,077	-	381,816,648
Sanitary Sewer	382,440,000	4,291,336	706,251	-	377,442,413
Parks and Recreation	382,440,000	998,180	-	-	381,441,820
Traffic and Safety	382,440,000	-	-	-	382,440,000
Mosquito Control	382,440,000	-	-	-	382,440,000
Public Transportation	382,440,000	-	-	-	382,440,000
Fire Protection	382,440,000	-	-	-	382,440,000
Television Relay and Translation	382,440,000	-	-	-	382,440,000
Operations and Maintenance	5,000,000	-	-	-	5,000,000
Debt Refunding	382,440,000	-	-	-	382,440,000
Intergovernmental Contracts	382,440,000	-	-	7,155,000	375,285,000
Total	<u>\$ 4,211,840,000</u>	<u>\$ 16,820,000</u>	<u>\$ 3,000,000</u>	<u>\$ 7,155,000</u>	<u>\$ 4,184,865,000</u>

The District's Service Plan limits total debt issuance to not exceed \$382,440,000. 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 services area, however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

Developer Advances

The District has entered into the following Funding Agreements:

**2008 Facilities Funding and Reimbursement Agreement dated December 10, 2007
(2008 FFA)**

The 2008 FFA is between the District and BWAB-Fitzsimmons LLC (General Developer). Subject to certain provisions in the 2010 FAA, the District is obligated to reimburse the General Developer under the 2008 FFA for costs of public improvements, as verified by the District's Engineer, in an amount not to exceed \$2,735,000 plus accrued interest. Interest will continue to accrue on all unpaid amounts at the rate of 8.0% per annum. The obligation to reimburse the General Developer under the 2008 FFA is fully subordinate to, among other things, the obligation to reimburse the Office Developer and the Hotel Developer under the 2010 FAA. In 2011, the District acquired and recorded a total of \$2,718,948 of public improvements under the 2008 FFA. As of December 31, 2020, outstanding advances under the 2008 FFA totaled \$2,767,209 (comprised of \$48,261 cash advances and \$2,718,948 public improvements) and accrued interest totaled \$2,145,002.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

2010 Facilities Acquisition Agreement dated April 29, 2010 (2010 FAA)

The 2010 FAA is between the District and the General Developer, CPX Aurora Hotel, LLC (Hotel Developer) and CPX Aurora Office, LLC (Office Developer). Under the 2010 FAA, the Hotel Developer and the Office Developer (collectively CPX Aurora) will provide the District Engineer with copies of contracts related to the construction of District Development Work. The District Engineer will issue a Cost Verification Letter or Engineer's Certificate confirming that the costs are both reasonable and subject to reimbursement. Upon receipt of the Engineer's Certificate by the District, CPX Aurora has the right to draw on the funds maintained in escrow accounts, subject to the provisions of the Escrow Agreement with UMB Bank, n.a. (the Escrow Agent). To the extent advances made are not reimbursed from bond proceeds, interest shall accrue from the date the costs were incurred by CPX Aurora until paid at a rate of 8% per annum. On June 9, 2011, the District entered into the First Amendment to Facilities Acquisition Agreement to modify certain payment obligation priorities and document the amount due and owing to the General Developer. As of December 31, 2020, outstanding advances under the 2010 FAA totaled \$300,548 and accrued interest totaled \$212,369.

In 2014, the District recorded an additional liability to CPX Aurora for parking meters installed by the Developer in 2012 on behalf of the District. As of December 31, 2020, outstanding advances totaled \$58,876 and accrued interest totaled \$37,848.

On February 22, 2019, the District entered into the Second Amendment to Facilities Acquisition Agreement to set forth obligations of the Office Developer to cause a Redemption Extension Payment in the amount of \$48,214 and Use Restriction Redemption Payment in the amount of \$7,714,270 as both defined in the Series 2010 Indenture. On February 27, 2019, Children's Hospital Association exercised its option to purchase the office building. Pursuant to the Use Restrictions Agreement, and because the Adjusted Debt Service Coverage Ratio was less than 1.35x, on the day of the closing, the Office Developer remitted a Restriction Redemption Payment as well as a Restriction Extension Payment to the Trustee. The Use Redemption Payment was placed in escrow. The balance required to be maintained in the escrow account is adjusted semiannually. The Adjustment Amount of \$452,834 was released from the escrow and was paid to the Office Developer in January 2020. The entire balance of \$7,396,071 was released in May 2020.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

2010 Operation Funding Agreement and Termination of Prior Operation Funding Agreements dated April 29, 2010 (2010 OFA), 2013 Operation Funding Agreement (2013 OFA), 2014 Operation Funding Agreement (2014 OFA), and 2016 Operation Funding Agreement (2016 OFA)

The 2010 OFA is between the District, the General Developer and CPX Aurora. The 2010 OFA terminates the District's Prior Operation Funding Agreements with the General Developer and replaces those Prior Operation Funding Agreements with the 2010 OFA. The parties agree that Prior Advances made by the General Developer under the Prior Operation Funding Agreements, including accrued interest, will remain outstanding and continue to accrue interest at the rate of 8% per annum until paid. CPX Aurora shall advance funds if needed going forward under annual Operation Funding Agreements. Interest on advances under such agreements shall be 8% per annum. In 2011 and 2012, the District and CPX Aurora entered into Operation Funding Agreements effective January 1, 2011 and 2012 (the 2011 OFA and the 2012 OFA), respectively, setting forth substantially the same terms set forth in the 2010 OFA with respect to providing funds to cover certain shortfalls.

On November 8, 2012 (effective January 1, 2013), the District entered into the 2013 OFA with CPX Aurora. The 2013 OFA prioritizes the repayment of the Prior Advances, the outstanding funds advanced under the 2010 OFA, the 2011 OFA, the 2012 OFA, and the 2013 OFA as well as setting forth the rights, obligations and procedures for CPX Aurora to advance funds and for the District to reimburse CPX Aurora for the advances made. The 2013 OFA expires on December 31, 2053, unless terminated earlier by mutual agreement of all parties. Any obligation of CPX Aurora to advance funds under the 2013 OFA expired on March 31, 2014. Any obligation of the District to reimburse CPX Aurora expires on December 31, 2053. In the event the District has not reimbursed CPX Aurora for any Developer Advance made pursuant to the 2013 OFA on or before December 31, 2053, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Any obligation of the District to reimburse the General Developer expires on December 31, 2046.

On November 27, 2013 (effective January 1, 2014), the District entered into the 2014 OFA with CPX Aurora. The 2014 OFA prioritizes the repayment of the Prior Advances, the outstanding funds advanced under the 2010 OFA, the 2011 OFA, the 2012 OFA, the 2013 OFA, and the 2014 OFA as well as setting forth the rights, obligations and procedures for CPX Aurora to advance funds and for the District to reimburse CPX Aurora for the advances made. The 2014 OFA expires on December 31, 2054, unless terminated earlier by mutual agreement of all parties. Any obligation of CPX Aurora to advance funds under the 2014 OFA expired on March 31, 2015. Any obligation of the District to reimburse CPX Aurora expires on December 31, 2054. In the event the District has not reimbursed CPX Aurora for any Developer Advance made pursuant to the 2014 OFA on or before December 31, 2054, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Any obligation of the District to reimburse the General Developer expires on December 31, 2046.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

On December 7, 2015 (effective January 1, 2016), the District entered into the 2016 OFA with CPX Aurora, as amended on November 10, 2017 to extend the term and increase the Shortfall Amount (as defined in the 2016 OFA). The 2016 OFA prioritizes the repayment of the Prior Advances, the outstanding funds advances under the 2010 OFA, the 2011 OFA, the 2012 OFA, the 2013 OFA, the 2014 OFA, and the 2016 OFA as well as setting forth the rights, obligations and procedures for CPX Aurora to advance funds and for the District to reimburse CPX Aurora for the advances made. The 2016 OFA expires on December 31, 2058, unless terminated earlier by the mutual agreement of all parties. Any obligations of CPX Aurora to advance funds under the 2016 OFA expires upon advance to the District of amounts sufficient to pay expenses incurred in 2016, 2017 and 2018, not to exceed the Shortfall Amount (as defined in the 2016 OFA). Any obligation of the District to reimburse CPX Aurora expires on December 31, 2058. In the event the District has not reimbursed CPX Aurora for any Developer Advance made pursuant to the 2016 OFA on or before December 31, 2058, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Any obligation of the District to reimburse the General Developer expires on December 31, 2046. As of December 31, 2020, outstanding advances for operations totaled \$579,447 and accrued interest totaled \$218,376.

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, as follows:

Capital Assets, Net	\$ 7,403,133
Current Portion of Long-Term Debt Applicable to Capital Assets	(6,757)
Noncurrent Portion of Long-Term Debt Applicable to Capital Assets	(9,395,756)
Unspent Bond Proceeds Applicable to Capital Assets	391,632
Outstanding Developer Advances Related to Capital Assets	(3,126,633)
Net Investment in Capital Assets	<u>\$ (4,734,381)</u>

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 NET POSITION (CONTINUED)

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020, as follows:

Restricted Net Position:
Emergency Reserves

\$ 8,800

The District has a deficit in unrestricted net position. This deficit amount is primarily a result of the District being responsible for the repayment of bonds issued, and accrued interest, for the construction of public improvements conveyed to other governments.

NOTE 7 AGREEMENTS

City IGA

On June 30, 2008, the District, District No. 2 and Fitzsimons Village Metropolitan District No. 3 (District No. 3, and collectively, the Districts) executed intergovernmental agreements with the City (collectively, the City IGA), pursuant to which the Districts agreed to retain ownership or dedicate public improvements to the City or other appropriate jurisdiction or owners association. The City IGA also reaffirms certain requirements and restrictions set forth in the Service Plan, including District No. 2's obligation to impose the ARI Mill Levy and convey the revenue from the ARI Mill Levy to the Aurora Regional Transportation Authority for the provision of regional improvements which includes the planning, design, acquisition, construction, installation and redevelopment of street and transportation related improvements.

FFCO Agreement

On April 29, 2010, the Districts entered into the Facilities Funding, Construction and Operations Agreement, as amended on August 21, 2014, by a First Amendment to Facilities Funding, Construction and Operations Agreement (as so amended, the FFCO Agreement). The FFCO Agreement establishes certain expectations as to the financing, construction, operation, and maintenance of improvements contemplated in the Service Plan for the purpose of providing, in a timely and coordinated manner, essential services in the community to be served by the Districts. The FFCO Agreement anticipates that the Districts will, from time to time, enter into intergovernmental agreements whereby one or more of the Districts will act as an issuing district and/or an operating district to finance certain public improvements and one or more of the Districts will act as a taxing district to pledge revenues for the financing, operations and maintenance of the public improvements.

As anticipated by the FFCO Agreement, the District (as Issuing District) entered into the 2010 Pledge Agreement with District No. 2 related to the Series 2010 Bonds. The District (as Taxing District) also entered into the 2014 Pledge Agreement with District No. 3 related to the Series 2014 Bonds.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 AGREEMENTS (CONTINUED)

Capital Pledge Agreements

As contemplated in the FFCO Agreement, on April 1, 2010, the District (Issuing District), District No. 2 (Taxing District) and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the 2010 Pledge Agreement) to secure a portion of the payment of the Series 2010 Bonds issued by the District on April 29, 2010, to finance public infrastructure. Pursuant to the 2010 Pledge Agreement, the Taxing District has made certain covenants and pledged certain revenues to the District for payment of the Series 2010 Bonds. The portions of the Pledged Revenue pledged to the District under the 2010 Pledge Agreement include the following revenues generated within the boundaries of the Taxing District: Taxing District Base Tax Revenues and TIF Revenues (prior to termination of the Public Finance and Redevelopment Agreement), revenues generated from imposition of the Capital Levy (on and after the date of termination of the Public Finance and Redevelopment Agreement), Specific Ownership Taxes attributable to the Capital Levy, Facilities Fees and, to the extent received by the Taxing District, all Payments in Lieu of Taxes (PILOTs) and Use Tax Payments in Lieu. The "Capital Levy" is defined as the ad valorem debt service mill levy imposed on all taxable properties within the Taxing District's boundaries. In no event shall the Capital Levy be less than 35 mills prior to termination of the Public Finance and Redevelopment Agreement or, until the debt to assessed value ratio is equal to or less than 50%, no more than 50 mills. Such minimum and maximum mill levies are subject to adjustment due to changes in the method of calculating assessed valuation.

Also, as contemplated in the FFCO Agreement, on August 1, 2014, the District, District No. 3, and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the 2014 Pledge Agreement) to secure a portion of the payment of the Series 2014 Bonds issued by District No. 3 on August 21, 2014, to finance certain public infrastructure.

Pursuant to the 2014 Pledge Agreement, the District has made certain covenants and pledged certain revenues to District No. 3 for payment of the Series 2014 Bonds. The portions of the Pledged Revenue pledged to District No. 3 under the 2014 Pledge Agreement include the following revenues generated within the boundaries of the District: Taxing District Base Tax Revenues and TIF Revenues (prior to termination of the AURA Intergovernmental Agreement), revenues generated by imposition of the Capital Levy (after the date of termination of the AURA Intergovernmental Agreement), Specific Ownership Taxes attributable to the Capital Levy, and the Facilities Fee. The "Capital Levy" is defined as the ad valorem mill levy imposed on all taxable properties within the Taxing District's boundaries. Commencing in levy year 2014 for collection in 2015, the Capital Levy shall be no less than 15 mills. Commencing in levy year 2039 for collection in 2040, the Capital Levy shall be no less than 50 mills. The maximum Capital Levy shall be the maximum mill levy the Taxing District is authorized to impose pursuant to its Service Plan less the number of mills certified in connection with its Mill Levy Pledged to AURA. Such minimum and maximum mill levies are subject to adjustment due to changes in the method of calculating assessed valuation.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 AGREEMENTS (CONTINUED)

Capital Pledge Agreements (Continued)

On March 11, 2020, the District (Issuing District), District No. 3 (Taxing District) and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the 2020 Capital Pledge Agreement) to secure payment of the District's Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A issued by the District on March 11, 2020, for purposes of (i) currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014A and the Tax Increment/Public Improvement Fee Supported Subordinate Revenue Bonds, Series 2014B, previously issued by District No. 3; (ii) funding the Senior Reserve Fund, and (iii) paying costs incurred in connection with the issuance of the Bonds. Pursuant to the 2020 Pledge Agreement, District No. 3 has pledged certain property tax revenues received under the Intergovernmental Agreement more specifically described and defined herein as the District No. 3 Pledged Revenue, the PIF revenues and other revenues to the District for the payment of the Bonds. District No. 3 Pledged Revenue generally consists of the following revenues pledged pursuant to the Pledge Agreement: (a) any and all amounts received by District No. 3 under the AURA Agreement which constitute Senior Property Tax Revenues under the Senior Indenture; and (b) PIF Revenues.

Operations Financing IGAs

As contemplated in the FFCO Agreement, on April 29, 2010, the District (as Operating District) entered into an Operations Financing IGA (District 2 OF IGA) with District No. 2 (as Taxing District). Pursuant to the District 2 OF IGA, District No. 2 agrees to pledge revenues received from the imposition of its O&M Mill Levy, along with certain specific ownership taxes associated with such mill levy, for payment of administration expenditures and the operation and maintenance of District-owned improvements.

As contemplated in the FFCO Agreement, on August 21, 2014, the District (as Taxing District) entered into an Operations Financing IGA (District 3 OF IGA) with District No. 2 (as Taxing District) and District No. 3 (as Operating District). Pursuant to the District 3 OF IGA, the District agreed to pledge revenues received from the imposition of its O&M Fee and its Operations Mill Levy, along with certain specific ownership taxes associated with such mill levy, for payment of operation and maintenance costs associated with District No. 3 Improvements (as defined in the District 3 OF IGA).

Use Restrictions Agreement

On April 29, 2010, the District entered into the Use Restrictions Agreement (Agreement) with the Office Developer, the General Developer, and The Children's Hospital Association (Children's). The Agreement sets forth certain payment obligations which will arise if Children's elects to exercise one or more of its purchase options granted in the Children's Office Lease and in the Amended and Restated Purchase Rights Agreement between the Office Developer and Children's dated as of March 30, 2010 (Purchase Rights Agreement). Pursuant to the Children's Office Lease, Children's has certain rights and options to acquire the office building and the parking garage to be constructed and owned by the Office Developer during Phase 1 of the development.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 AGREEMENTS (CONTINUED)

Use Restrictions Agreement (Continued)

Further, the Purchase Rights Agreement provides that Children's has an option to acquire Lot 1, Block 1, Fitzsimons Village Subdivision Filing No. 2. The public infrastructure on the properties by which Children's has options to acquire were financed with bonds issued by the District on April 29, 2010. Accordingly, the parties have agreed that in the event that Children's acquires any or all of the properties, various payments in lieu of taxes which would otherwise be due from Children's but for its tax-exempt status are to be paid to the District or the Trustee and will be applied to the payment of the bonds and to payment of operations and maintenance expenses.

Maintenance Agreement

On April 29, 2010, the District entered into the Maintenance Agreement (Agreement) with Children's, the General Developer and CPX Aurora. The Agreement provides for the coordinated and cost effective management and maintenance of certain public infrastructure within the District, either by the District or by a third-party commercial management company (Manager). The Manager will provide maintenance and repair services, enforce the Rules and Regulations and perform additional services, if needed. The Manager is entitled to charge a management fee.

Fee Assignment and Servicing Agreement

On April 29, 2010, the District entered into the Fee Assignment and Servicing Agreement (FASA) with Fitzsimons Village Public Improvement Corporation (PIC), a Colorado nonprofit corporation, and UMB Bank, n.a. (Trustee). The FASA sets forth the terms and conditions for the PIC, either directly or through the engagement of a PIF Collecting Agent, to administer the collection of Sales PIF and Lodging PIF and distribution of such revenue. Effective January 1, 2012, CliftonLarsonAllen LLP is the PIF collecting Agent for Fitzsimons Village PIC.

On October 31, 2013, the District entered into the First Amendment to the FASA with the PIC (First Amendment). The First Amendment provides for PIF revenues to be received by the District on a time schedule that is more closely tied to incurrence of costs by each entity.

Aurora Urban Renewal Authority IGA

On August 21, 2014, the District and District No. 3 entered into an Intergovernmental Agreement with the Aurora Urban Renewal Authority (AURA) (the AURA IGA). Pursuant to the AURA IGA, the parties agree to cooperate to assure that ad valorem property taxes levied by the District and District No. 3 and other Pledged Revenues are made available to the District and District No. 3 by AURA for purposes of financing public improvements necessary to develop a hotel, conference center, structured parking facility, and related amenities within the 3.822 acre Project Area (Project).

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 AGREEMENTS (CONTINUED)

Aurora Urban Renewal Authority IGA (Continued)

Following District No. 3's issuance of the Series 2014 Bonds, AURA agreed to make annual disbursements of Pledged Revenues from the Pledged Revenue Fund to District No. 3 or its designee, which revenues consist of the following: 1/3 of the Excess Revenues available for the fiscal year, 100% of the Tax Increment generated by the imposition of the District's Debt Service Mill Levy within the Project Area in excess of 35 mills, and 100% of the Tax Increment generated by the District's Operating Mill Levy and ARI Mill Levy within the Project Area.

Aurora Regional Transportation Authority Establishment Agreement

On February 20, 2008, the District and the Taxing Districts, along with other metropolitan districts within the City, entered into the Aurora Regional Transportation Authority (ARTA) Establishment Agreement (ARTA Agreement). The ARTA Agreement, originally dated August 22, 2006, was amended on August 14, 2007, February 20, 2008, July 21, 2008, June 11, 2009, and June 6, 2013, to add additional metropolitan district members. ARTA will plan, design, acquire, construct, relocate, redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are parties to the ARTA Agreement using the revenue from the ARI Mill Levy of each of the districts. In accordance with the ARTA Agreement, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board, but since 2014, had not exercised this right. For collection year 2020, District No. 2 imposed 1.000 mill as required by its Service Plan for Aurora Regional Improvements (ARI Mill Levy).

Joint Facilities Fee Resolutions

On April 19, 2010, the Boards of Directors of the District and District No. 2 adopted a Joint Resolution of Fitzsimons Village Metropolitan District Nos. 1 and 2 regarding the Imposition of Facilities Fees (District Nos. 1 & 2 Facilities Fee Resolution), which Resolution was recorded on April 28, 2010. The District Nos. 1 & 2 Facilities Fee Resolution imposes a one-time facilities fee in the amount of \$1.00 per gross square foot on commercial property located within the boundaries of the District and District No. 2 (Commercial Facilities Fee). The Commercial Facilities Fee is imposed on any building intended for nonresidential use and for which a building permit is required by the City, which includes buildings used as office, retail, hotel and other commercial uses, but excludes parking structures associated with buildings for which a separate building permit is obtained. The District Nos. 1 & 2 Facilities Fee Resolution also imposes a one-time facilities fee in the amount of \$1,500 per residential unit for any residential building consisting of one self-contained living unit, whether attached or detached (Residential Facilities Fee). Nonprofit homeowners' associations, governmental entities, and utility providers are exempt from the obligation to pay facilities fees. Facilities fees are due and payable on or before the date of issuance of a building permit for the applicable building or unit. The District Nos. 1 & 2 Facilities Fee Resolution provides that interest will accrue on facilities fees not paid when due at the rate of 12.0% per annum until paid. Revenues derived from the imposition of the Commercial Facilities Fee and Residential Facilities Fee by the District and by District No. 2 are pledged to the payment of the District's Bonds or any other indebtedness issued by the District.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 AGREEMENTS (CONTINUED)

Joint Facilities Fee Resolutions (Continued)

On August 13, 2014, the Boards of Directors of the District and District No. 3 adopted a Joint Resolution of Fitzsimons Village Metropolitan District Nos. 1 and 3 regarding the Imposition of Facilities Fees (District Nos. 1 & 3 Facilities Fee Resolution), which Resolution was recorded on August 21, 2014. The District Nos. 1 & 3 Facilities Fee Resolution imposes a one-time fee in the amount of \$1.00 per gross square foot on property located within the boundaries of the District or District No. 3 and intended for nonresidential use (Commercial Facilities Fee). The Commercial Facilities Fee is imposed on any building intended for nonresidential use and for which a building permit is required by the City, excluding parking structures and any land owned by nonprofit homeowners' associations, governmental entities, or utility providers. The Commercial Facilities Fee is due and payable on or before the date of issuance of a building permit for the applicable building.

The District Nos. 1 & 3 Facilities Fee Resolution provides that interest will accrue on facilities fees not paid when due at the rate of 12% per annum until paid. Revenues derived from the imposition of the Commercial Facilities Fee by the District and by District No. 3 are pledged to the payment of District No. 3's Bonds or any other indebtedness issued by District No. 3.

Joint Operations and Maintenance Fee Resolution

On September 8, 2011, the Board of Directors of the District, District No. 2, and District No. 3 adopted a Joint Operations and Maintenance Fee Resolution (O&M Fee Resolution). The O&M Fee Resolution imposes a monthly operations and maintenance fee on structures within the Districts' boundaries for which a certificate of occupancy has been issued, excluding any parking garages or real property actually conveyed or dedicated to nonprofit owners' associations, governmental entities, or utility providers. The O&M Fee will be invoiced and payable in advance on an annual basis. For commercial property, the O&M Fee will initially be set as a rate of \$0.01002 per square foot per month. For residential property, the O&M Fee will initially be set at a rate of \$1.12 per residential unit per month. The fee rates will increase on January 1 annually thereafter. The O&M Fee Resolution provides that interest will accrue on O&M Fee at the rate of 18% per annum until paid. If the owner does not make payment on all past due amounts, including interest, within 60 days from the Bill Date (as defined in the O&M Fee Resolution), the District may deliver to the owner a Notice of Intent to File a Lien Statement. If the delinquent balance is not paid within 30 days after the Notice of Intent to File a Lien Statement is served upon the owner by certified mail, the District may perfect the lien against the property by recording the Lien Statement in the office of the Arapahoe County Clerk and Recorder. The lien of any of the Districts may be foreclosed by the applicable District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. The O&M Fee Resolution was amended in 2014 to increase the O&M Fee to \$0.025 per square foot per month for the commercial property, effective January 1, 2015, and increased 0.50% per year, thereafter.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 AGREEMENTS (CONTINUED)

Joint Operations and Maintenance Fee Resolution (Continued)

The amendment to the O&M Fee Resolution will also allow the O&M Fee to be imposed on property owned by governmental entities. The O&M Fee on 255,299 square feet of commercial property in Phase 1 will be collected by the District, with a portion of the O&M Fee (\$0.015 per square foot per month) being transferred by the District to District No. 3 to support operation and maintenance of the Phase 2 Infrastructure. The remaining \$0.01 per square foot per month of the O&M Fee imposed on Phase 1 commercial property will remain with the District to support operation and maintenance of Phase 1 infrastructure.

Operations and Maintenance Fee Payment Agreement

On August 21, 2014, the District entered into the Agreement regarding payment of Operations and Maintenance Fee with District Nos. 2 and 3 (collectively the Districts) and the Aurora Urban Renewal Authority (AURA) (O&M Fee Agreement). Under the O&M Fee Agreement, AURA acknowledges the Districts' adoption of the O&M Fee Resolution, pursuant to which the Districts are authorized to impose a monthly O&M Fee on property within the Districts' boundaries for the payment of operations and maintenance costs related to certain public improvements. Pursuant to the O&M Fee Agreement, AURA consents to payment of the O&M Fee to the Districts from its Available Revenues (as defined in that certain Public Finance and Redevelopment Agreement, dated July 8, 2013 (2013 PFRA)). Likewise, the Districts acknowledge their intent to apply all, or a portion, of the Available Revenues allocated to each by AURA to the payment of operations and maintenance-related expenditures and agree that the rate of the O&M payable by AURA will not be increased without AURA's prior written consent. The O&M Fee is currently imposed at a rate of \$0.025 per commercial square foot per month, and \$1.12 per residential unit per month.

Public Finance and Redevelopment Agreement

On July 28, 2008, the Districts, the General Developer and AURA entered into the Public Finance and Redevelopment Agreement (2008 PFRA), pursuant to which the parties set forth their respective obligations regarding, among other things, the redevelopment of the Districts' service area and the financing of public infrastructure necessary for such redevelopment. Under the 2008 PFRA, AURA is obligated to pay certain of its tax increment revenues derived from the following sources to any of the Districts that issue bonds: ad valorem property tax, sales tax, lodger's tax, use tax, and any interest earned on such tax revenues (Pledged Revenues). AURA further agrees to irrevocably pledge such Pledged Revenues (net of any Pledged Revenues generated from the Districts' Operations Mill Levies or the Districts' ARI Mill Levies) to the payment of bonds issued by any of the Districts to the extent such amounts are pledged under any applicable bond documents. The total principal amount of the funding obligation under terms of the 2008 PFRA is \$42,000,000 plus interest at 7% compounded annually on February 1st. On August 21, 2014, the Districts, AURA and Corporex Colorado, LLC (as successor-in-interest to the General Developer) entered into the First Amendment to the Public Finance and Redevelopment Agreement (Amended 2008 PFRA).

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 AGREEMENTS (CONTINUED)

Public Finance and Redevelopment Agreement (Continued)

The Amended 2008 PFRA acknowledges the exclusion of a certain portion of property from the redevelopment area described in the 2008 PFRA (Excluded Area), and establishes that only the Pledged Revenues generated from within the remaining property (Phase I Parcel) may be used to pay the Districts' financial obligations incurred to finance or refinance development to benefit the Phase I Parcel. Likewise, revenues generated from or attributable to the Excluded Area may be used to pay the Districts' financial obligations incurred to finance or refinance development to benefit the Excluded Area.

NOTE 8 RELATED PARTY

The Developers of the property which constitutes the District were BWAB-Fitzsimmons LLC (General Developer), a Colorado limited liability company, CPX Aurora Office, LLC (Office Developer), a Colorado limited liability company, and CPX Aurora Hotel, LLC (Hotel Developer), a Colorado limited liability company. Both the Office Developer and the Hotel Developer are affiliates of Corporex Realty & Investment Corporation, a Kentucky corporation (the Guarantor), as is Corporex Colorado, LLC, which is also involved with the development of the property. The majority of the members of the Board of Directors are officers or employees of an entity affiliated with either the Office Developer or the Hotel Developer, and may have conflicts of interest in dealing with the District (see Notes 5 and 7).

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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 May 2, 2006, the District voters passed an election question allowing the District to increase property taxes up to \$5,000,000 annually, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

The District's management has taken steps it believes are necessary to comply 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.

NOTE 11 RESTATEMENT

Restatement of Beginning Net Position

The District had restated the beginning balance of net position (government-wide) as explained below:

Net Position - December 31, 2019, as Originally Stated	\$ (16,661,853)
Adjustment Related to Accrued Interest of Junior Bonds	555,870
Net Position - December 31, 2019, as Restated	<u><u>\$ (16,105,983)</u></u>

SUPPLEMENTARY INFORMATION

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND – 2010/2020 BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
AURA Funding - Lodging Tax	\$ 285,000	\$ 266,000	\$ 265,764	\$ (236)
AURA Funding - Sales Tax	75,000	62,000	62,484	484
AURA Funding - Property Tax	1,500,000	1,654,435	1,654,435	-
Interest Income	162,000	60,000	54,765	(5,235)
Public Improvement Fees - Debt Service	54,644	5,000	3,151	(1,849)
Transfer from Fitzsimons Village No. 2 - Taxes	135,174	126,357	86,027	(40,330)
Total Revenues	<u>2,211,818</u>	<u>2,173,792</u>	<u>2,126,626</u>	<u>(47,166)</u>
EXPENDITURES				
Bond Interest - 2010 Senior Bonds	1,021,125	523,313	523,313	-
Bond Interest - 2020 Bonds	-	216,026	216,026	-
Bond Interest - Junior Bonds	430,000	882,814	882,814	-
Bond Issue Costs	-	316,074	316,073	1
Bond Principal - 2010 Senior Bonds	680,000	680,000	680,000	-
Miscellaneous	2,867	6,241	-	6,241
Paying Agent/Trustee Fees	4,000	4,000	4,000	-
Total Expenditures	<u>2,137,992</u>	<u>2,628,468</u>	<u>2,622,226</u>	<u>6,242</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	73,826	(454,676)	(495,600)	(53,408)
Bond Issuance	-	10,915,000	10,915,000	-
Payment to Refunding Escrow	-	(13,510,078)	(13,510,078)	-
Redemption Payment Escrow - Adjustment Amount	(525,008)	(460,769)	(460,769)	-
Redemption Payment Escrow - Release	-	(6,970,685)	(6,970,685)	-
Use Restriction Extension Payment	521,570	521,570	521,570	-
Total Other Financing (Uses)	<u>(3,438)</u>	<u>(9,504,962)</u>	<u>(9,504,962)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	70,388	(9,959,638)	(10,000,562)	(53,408)
Fund Balance - Beginning of Year	<u>10,143,532</u>	<u>10,154,471</u>	<u>10,154,471</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,213,920</u>	<u>\$ 194,833</u>	<u>\$ 153,909</u>	<u>\$ (53,408)</u>

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND – 2014 BONDS (ISSUED BY DISTRICT NO. 3)/2020 A&B BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 33,951	\$ 33,956	\$ 25,488	\$ (8,468)
Property Taxes - TIF	-	90,000	87,906	(2,094)
Specific Ownership Taxes	26,509	26,513	23,946	(2,567)
Interest Income	-	6,500	2,383	(4,117)
Transfer from Fitzsimons No. 3 - Excess Funds	-	1,296,826	20,845	(1,275,981)
Transfer from Fitzsimons No. 3 - PIF	-	288,000	85,321	(202,679)
Total Revenues	<u>60,460</u>	<u>1,741,795</u>	<u>245,889</u>	<u>(1,495,906)</u>
EXPENDITURES				
Bond Interest - 2020A Bonds	-	243,639	226,236	17,403
Bond Issue Costs	-	522,090	510,812	11,278
Contingency	-	4,259	-	4,259
County Treasurer's Fee	509	509	382	127
Paying Agent Fees	-	3,000	-	3,000
Transfer to Fitzsimons No. 3 - Refunding Escrow	-	8,106,503	6,820,556	1,285,947
Transfer to Fitzsimons No. 3 - Taxes	59,951	-	2,011	(2,011)
Total Expenditures	<u>60,460</u>	<u>8,880,000</u>	<u>7,559,997</u>	<u>1,320,003</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	-	(7,138,205)	(7,314,108)	(175,903)
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	7,911,000	7,487,000	(424,000)
Bond Premium	-	-	423,953	423,953
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,911,000</u>	<u>7,910,953</u>	<u>(47)</u>
NET CHANGE IN FUND BALANCE	-	772,795	596,845	(175,950)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 772,795</u>	<u>\$ 596,845</u>	<u>\$ (175,950)</u>

OTHER INFORMATION

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

Public Improvement Fee Supported
Revenue Bonds, Series 2020
Dated May 26, 2020
Principal Due March 1
Interest Rate 7.50% Payable
March 1 and September 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 818,625	\$ 818,625
2022	-	818,625	818,625
2023	-	818,625	818,625
2024	560,000	797,625	1,357,625
2025	855,000	744,563	1,599,563
2026	1,555,000	654,188	2,209,188
2027	60,000	593,625	653,625
2028	75,000	588,563	663,563
2029	85,000	582,563	667,563
2030	105,000	575,438	680,438
2031	120,000	567,000	687,000
2032	145,000	557,063	702,063
2033	155,000	545,813	700,813
2034	185,000	533,063	718,063
2035	205,000	518,438	723,438
2036	235,000	501,938	736,938
2037	255,000	483,563	738,563
2038	290,000	463,125	753,125
2039	320,000	440,250	760,250
2040	360,000	414,750	774,750
2041	390,000	386,625	776,625
2042	440,000	355,500	795,500
2043	480,000	321,000	801,000
2044	530,000	283,125	813,125
2045	580,000	241,500	821,500
2046	640,000	195,750	835,750
2047	695,000	145,688	840,688
2048	765,000	90,938	855,938
2049	830,000	31,125	861,125
	<u>830,000</u>	<u>31,125</u>	<u>861,125</u>
Total	<u>\$ 10,915,000</u>	<u>\$ 14,068,688</u>	<u>\$ 24,983,688</u>

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

\$6,265,000 Limited Tax General Obligation and
Special Revenue Refunding Bonds, Series 2020A
Dated March 11, 2020
Principal due December 1
Interest Rate 5.00% Payable
June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 10,000	\$ 313,250	\$ 323,250
2022	15,000	312,750	327,750
2023	20,000	312,000	332,000
2024	25,000	311,000	336,000
2025	25,000	309,750	334,750
2026	30,000	308,500	338,500
2027	35,000	307,000	342,000
2028	45,000	305,250	350,250
2029	45,000	303,000	348,000
2030	55,000	300,750	355,750
2031	60,000	298,000	358,000
2032	65,000	295,000	360,000
2033	75,000	291,750	366,750
2034	80,000	288,000	368,000
2035	90,000	284,000	374,000
2036	95,000	279,500	374,500
2037	105,000	274,750	379,750
2038	115,000	269,500	384,500
2039	125,000	263,750	388,750
2040	340,000	257,500	597,500
2041	360,000	240,500	600,500
2042	385,000	222,500	607,500
2043	410,000	203,250	613,250
2044	440,000	182,750	622,750
2045	465,000	160,750	625,750
2046	495,000	137,500	632,500
2047	525,000	112,750	637,750
2048	560,000	86,500	646,500
2049	1,170,000	58,500	1,228,500
	<u>1,170,000</u>	<u>58,500</u>	<u>1,228,500</u>
Total	<u>\$ 6,265,000</u>	<u>\$ 7,290,000</u>	<u>\$ 13,555,000</u>

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

<u>Year Ending December 31,</u>	<u>Totals</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 10,000	\$ 1,131,875	\$ 1,141,875
2022	15,000	1,131,375	1,146,375
2023	20,000	1,130,625	1,150,625
2024	585,000	1,108,625	1,693,625
2025	880,000	1,054,313	1,934,313
2026	1,585,000	962,688	2,547,688
2027	95,000	900,625	995,625
2028	120,000	893,813	1,013,813
2029	130,000	885,563	1,015,563
2030	160,000	876,188	1,036,188
2031	180,000	865,000	1,045,000
2032	210,000	852,063	1,062,063
2033	230,000	837,563	1,067,563
2034	265,000	821,063	1,086,063
2035	295,000	802,438	1,097,438
2036	330,000	781,438	1,111,438
2037	360,000	758,313	1,118,313
2038	405,000	732,625	1,137,625
2039	445,000	704,000	1,149,000
2040	700,000	672,250	1,372,250
2041	750,000	627,125	1,377,125
2042	825,000	578,000	1,403,000
2043	890,000	524,250	1,414,250
2044	970,000	465,875	1,435,875
2045	1,045,000	402,250	1,447,250
2046	1,135,000	333,250	1,468,250
2047	1,220,000	258,438	1,478,438
2048	1,325,000	177,438	1,502,438
2049	2,000,000	89,625	2,089,625
Total	\$ 17,180,000	\$ 21,358,688	\$ 38,538,688

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2020**

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2016	\$ 721,528	51.000	\$ 36,798	\$ 36,690	99.71%
2017	720,225	51.000	36,731	36,673	99.84
2018	642,351	51.000	32,760	32,760	100.00
2019	635,703	51.000	32,421	32,421	100.00
2020	679,116	51.000	34,635	34,635	100.00
Estimated for the Year Ending <u>December 31,</u>					
2021	664,538	51.000	33,892		