

**VAUXMONT METROPOLITAN DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**


**YEAR ENDED DECEMBER 31, 2021**

**VAUXMONT METROPOLITAN DISTRICT  
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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors

Vauxmont Metropolitan District  
Jefferson County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Vauxmont Metropolitan District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Vauxmont Metropolitan District, as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vauxmont Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Vauxmont Metropolitan District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vauxmont Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vauxmont Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

#### *Required Supplementary Information*

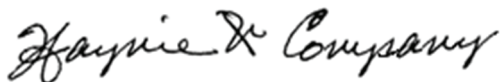
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Vauxmont Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information section, as listed in the table of contents, 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.



Littleton, Colorado  
October 18, 2022

## **BASIC FINANCIAL STATEMENTS**

**VAUXMONT METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 38,663
Cash and Investments - Restricted	8,138,145
Receivable - County Treasurer	24,730
Property Taxes Receivable	456,172
Due from Cimarron Metropolitan District	116,310
Accounts Receivable	103,512
Total Assets	8,877,532
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Bond Insurance and Reserve Policies	4,866,801
Total Deferred Outflows of Resources	4,866,801
<b>LIABILITIES</b>	
Accrued Interest Payable	483,305
Due to Cimarron Metropolitan District	155,982
Noncurrent Liabilities:	
Due Within One Year	4,578,044
Due in More Than One Year	135,936,284
Total Liabilities	141,153,615
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenues	456,172
Unearned Revenue	95,958
Total Deferred Inflows of Resources	552,130
<b>NET POSITION</b>	
Restricted for:	
Debt Service	3,828,792
Candelas Special Improvement District	4,443,327
Unrestricted	(136,233,441)
Total Net Position	\$(127,961,322)

See accompanying Notes to Basic Financial Statements.

**VAUXMONT METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

		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:					
Governmental Activities:					
General Government	\$ 1,805,581	\$ 124,422	\$ 1,338,141	\$ 166,145	\$ (176,873)
Interest and Related Costs on Long-Term Debt	5,615,890	-	-	10,369,296	4,753,406
Total Governmental Activities	\$ 7,421,471	\$ 124,422	\$ 1,338,141	\$ 10,535,441	4,576,533
<b>GENERAL REVENUES</b>					
Property Taxes					319,620
Specific Ownership Taxes					396,665
Interest Income					1,926
Other Income					43,974
Total General Revenues					762,185
<b>CHANGE IN NET POSITION</b>					5,338,718
Net Position - Beginning of Year					(133,300,130)
<b>NET POSITION - END OF YEAR</b>					\$ (127,961,412)

See accompanying Notes to Basic Financial Statements.

**VAUXMONT METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	General	Debt Service	Candelas Special Improvement District	Total Governmental Fund
<b>ASSETS</b>				
Cash and Investments	\$ 38,663	\$ -	\$ -	\$ 38,663
Cash and Investments - Restricted	-	3,717,318	4,420,827	8,138,145
Receivable - County Treasurer	7,066	17,664	-	24,730
Property Taxes Receivable	130,337	325,835	-	456,172
Due from Cimarron Metropolitan District	-	93,810	22,500	116,310
Accounts Receivable	103,512	-	-	103,512
	<b>\$ 279,578</b>	<b>\$ 4,154,627</b>	<b>\$ 4,443,327</b>	<b>\$ 8,877,532</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
	-			
<b>LIABILITIES</b>				
Due to Cimarron Metropolitan District	\$ 155,982	\$ -	\$ -	\$ 155,982
Total Liabilities	155,982	-	-	155,982
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenues	130,337	325,835	-	456,172
Unearned Revenue	95,958	-	-	95,958
Total Deferred Inflows of Resources	226,295	325,835	-	552,130
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	3,828,792	-	3,828,792
Capital Projects	-	-	4,443,327	4,443,327
Unassigned	(102,699)	-	-	(102,699)
Total Fund Balances	(102,699)	3,828,792	4,443,327	8,169,420
	<b>\$ 279,578</b>	<b>\$ 4,154,627</b>	<b>\$ 4,443,327</b>	

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

Other long-term assets not available to pay for current period expenditures

Bond Insurance and Reserve Policies 4,866,801

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 (127,806,000)  
 Bonds Premium (12,708,328)  
 Accrued Interest on Bonds Payable (483,305)

Net Position of Governmental Activities \$ (127,961,412)

See accompanying Notes to Basic Financial Statements.

**VAUXMONT METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Candelas Special Improvement District	Total Governmental Fund
<b>REVENUES</b>				
Property Taxes	\$ 91,321	\$ 228,299	\$ -	\$ 319,620
Specific Ownership Taxes	113,334	283,331	-	396,665
Vauxmont - NWAURA Increment	1,338,141	3,310,059	-	4,648,200
Facilities Fees	-	591,583	166,145	757,728
Intergovernmental Revenue	-	6,467,654	-	6,467,654
Interest Income	564	581	781	1,926
Other Income	217	43,757	-	43,974
Trash Fees	124,422	-	-	124,422
Total Revenues	<u>1,667,999</u>	<u>10,925,264</u>	<u>166,926</u>	<u>12,760,189</u>
<b>EXPENDITURES</b>				
General:				
Accounting	-	-	8,000	8,000
County Treasurer's Fees	1,370	3,425	-	4,795
Banking Fees	7	2,529	-	2,536
Transfers to Cimarron Metropolitan District	1,717,940	-	-	1,717,940
Trust Residential Improvement Distributions	-	-	29,641	29,641
Miscellaneous	46,094	-	-	46,094
Debt Service:				
AURA Fees	-	73,941	-	73,941
Bond Issue Costs	-	750	-	750
Bond Interest - Series 2019 Subordinate Bonds	-	2,697,338	-	2,697,338
Bond Interest - Series 2020 Senior Bonds	-	3,317,750	-	3,317,750
Bond Principal - Series 2019 Subordinate Bonds	-	3,144,000	-	3,144,000
Bond Principal - Series 2020 Senior Bonds	-	1,670,000	-	1,670,000
Total Expenditures	<u>1,765,411</u>	<u>10,909,733</u>	<u>37,641</u>	<u>12,712,785</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(97,412)	15,531	129,285	47,404
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In/Out	(56,605)	56,605	-	-
Total Other Financing Sources (Uses)	<u>(56,605)</u>	<u>56,605</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(154,017)	72,136	129,285	47,404
Fund Balances - Beginning of Year	<u>51,318</u>	<u>3,756,656</u>	<u>4,314,042</u>	<u>8,122,016</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (102,699)</u>	<u>\$ 3,828,792</u>	<u>\$ 4,443,327</u>	<u>\$ 8,169,420</u>

See accompanying Notes to Basic Financial Statements.

**VAUXMONT METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$	47,404
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., Loans, 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 record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Loan Principal Payment		4,814,000
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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.

Amortization of Bond Premium		954,009
Amortization of Bond Insurance and Reserve Policies		(382,259)
Accrued Interest on Bonds - Change in Liability		(94,436)
		954,009

Change in Net Position of Governmental Activities	\$	5,338,718
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**VAUXMONT METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,490,892	\$ 91,321	\$ (1,399,571)
Specific Ownership Taxes	119,271	113,334	(5,937)
Vauxmont - NWAURA Increment	-	1,338,141	1,338,141
Interest Income	300	564	264
Other Revenue	-	217	217
Trash Fees	217,912	124,422	(93,490)
Total Revenues	<u>1,828,375</u>	<u>1,667,999</u>	<u>(160,376)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	23,079	1,370	21,709
Banking Fees	200	7	193
Trash Collection Expense	217,912	-	217,912
Transfers to Cimarron Metropolitan District	1,587,185	1,717,940	(130,755)
Miscellaneous	-	46,094	(46,094)
Total Expenditures	<u>1,828,376</u>	<u>1,765,411</u>	<u>62,965</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1)	(97,412)	(97,411)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Other Funds	-	(56,605)	(56,605)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(56,605)</u>	<u>(56,605)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1)	(154,017)	(154,016)
Fund Balance - Beginning of Year	<u>81,168</u>	<u>51,318</u>	<u>(29,850)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 81,167</u>	<u>\$ (102,699)</u>	<u>\$ (183,866)</u>

See accompanying Notes to Basic Financial Statements.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Vauxmont Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court for the County of Jefferson, Colorado in June 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized in 2004 in conjunction with Jefferson Center Metropolitan District No. 1 (JCMD No. 1)(previously organized in 1989), Jefferson Center Metropolitan District No. 2 (JCMD No. 2), Cimarron Metropolitan District (Cimarron), Mountain Shadows Metropolitan District, and Canyon Pines Metropolitan District (collectively, the Districts) and serves a service area which is located in the City of Arvada. The Districts were established to finance and construct water, sanitary and storm sewer, streets, limited fire protection services, park and recreation, safety protection, mosquito control, television relay and transmission and transportation facilities and services. Jefferson Center Metropolitan District No. 2 (the Service District) is responsible for managing construction, operation, and maintenance of certain regional improvements to benefit the service area as well as providing certain administrative services for the Districts. The District is responsible for providing certain funding needed to support the Service District's provision of services as well as providing for its own operations and maintenance and debt service.

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.

These financial statements present the activity of the District and its blended component unit, Candelas Special Improvement District No. 1 (Candelas), which, together, are legally separate and financially independent of other state and local governments.

In 2010, the District formed Candelas Special Improvement District No. 1 to encourage, accommodate and provide financing for renewable energy improvements on properties within the District and pursuant to the Districts service plan. Candelas is being presented as a blended component unit because it was established for the benefit of the District's constituents.

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

The District is not financially accountable for any other organization.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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.

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

The District reports the following major governmental funds:

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

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Candelas Special Improvement District Special Revenue Fund is used to account for accumulation of resources to be used to provide financing for renewable energy improvements to District properties. Revenue reported in this fund are sustainability fees.

**Budgets**

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

The District has amended its annual budget for the year ended December 31, 2021.

**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 30 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.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows/Outflows of Resources**

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

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

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

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

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

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

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

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

**Deficits**

The General Fund reported a deficit in the fund financial statements as of December 31, 2021. The deficit was eliminated with receipts of tax revenues in 2022.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 38,663
Cash and Investments - Restricted	<u>8,138,145</u>
Total Cash and Investments	<u><u>\$ 8,176,808</u></u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 6,924,812
Investments	<u>1,251,996</u>
Total Cash and Investments	<u><u>\$ 8,176,808</u></u>

**Cash Deposits**

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.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Cash Deposits (Continued)**

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, 2021, the District's cash deposits had a bank and carrying balance of \$6,924,812. \$250,000 per institution is insured through the Federal Deposit Insurance Corporation (FDIC) and the balance, if any, is collateralized in single institution pools.

**Investments**

The District follows state statutes regarding investments.

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

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

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

- . Obligations of the United States, certain U.S. government agency securities of the World Bank
- . Certain international agency securities
- . 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 collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
First American Obligation Fund	Weighted-Average Under 60 Days	<u>\$ 8,138,145</u>

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Debt service funds that are included in the trust accounts at U.S. Bank are invested in the First American Government Obligation Fund. This portfolio is a money market mutual fund which invests in the U.S. government securities and repurchase agreements at more than 100%. The fund meets the Colorado statutes for allowable investments. The Fund is rated AAAM by Standard and Poor's.

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Due Within One Year
Bonds Payable:					
Series 2019 Bonds	\$ 66,265,000	\$ -	\$ 3,144,000	\$ 63,121,000	\$ 1,835,000
Series 2019 Bond Premium	3,877,949	-	294,293	3,583,656	285,019
Series 2020 Bonds	66,355,000	-	1,670,000	64,685,000	1,815,000
Series 2020 Bond Premium	9,784,298	-	659,626	9,124,672	643,025
Subtotal of Bonds Payable	<u>\$ 146,282,247</u>	<u>\$ -</u>	<u>\$ 5,767,919</u>	<u>\$ 140,514,328</u>	<u>\$ 4,578,044</u>

**\$66,265,000 Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2019**

On December 20, 2019, the District issued its Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2019 ("Series 2019 Bonds") in the principal amount of \$66,265,000 for the purpose of: (a) refunding the Series 2015E Note; (b) funding the purchase of the insurance policy issued for the funding of 100% of the Subordinate Reserve Requirement for the Series 2019 Bonds; and (c) paying the costs of issuing the Series 2019 Bonds and a portion of the costs of issuing the 2020 Senior Bonds. The Series 2019 Bonds bear interest at 5.0% per annum for bonds maturing through December 15, 2032 and 3.25% per annum for bonds maturing on December 15, 2033 through December 15, 2050, payable to the extent of the Subordinate Pledged Revenue (discussed below) available annually on December 15 commencing on December 15, 2020, and fully mature on December 15, 2050.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$66,265,000 Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2019 (Continued)**

The Series 2019 Bonds are subordinate limited tax (convertible to unlimited tax) general and revenue obligations of the District payable from the "Subordinate Pledged Revenue." The Subordinate Pledge Revenue is generally defined in the documents governing the issuance of the Series 2019 Bonds as: (a) the Subordinate Pledged MRA Revenue (consisting generally of certain revenues received by District No. 2 from AURA and assigned to the District pursuant to the MRA and the Pledge and Assignment Agreement, which amounts remain after amounts used to pay any Senior Obligations (discussed below); (b) all Subordinate Property Tax Revenues (consisting generally of moneys derived by the District from the Subordinate Required Mill Levy, which consists initially of a mill levy not to exceed 50 mills (subject to certain adjustments), Specific Ownership Tax Revenues (consisting of specific ownership taxes received by the District as a result of the Subordinate Required Mill Levy); and (d) all Subordinate Capital Fee Revenue (consisting of one-time fees payable to the District upon the issuance of a building permit within the District which remain after such amounts are used to pay any Senior Obligations). The Series 2019 Bonds are also secured by the Subordinate Reserve Fund established pursuant to the documents governing the issuance of the Series 2019 Bonds and the Surplus Fund, which will not be funded with proceeds of the Series 2019 Bonds, but is required to be funded with excess Subordinate Pledged Revenue, if any.

The Series 2019 Bonds are subordinate in their lien status to the Senior Obligations. "Senior Obligations" is generally defined in the documents governing the issuance of the Series 2019 Bonds as the 2015 Bonds, the Cimarron Series 2018 Note (for which the District is obligated to make payment for pursuant to the VXMD Pledge Agreement), any obligations issued on parity with the 2015 Bonds, the Series 2020 Bonds, any obligations constituting "Parity Bonds" under the 2020 Senior Indenture and any other obligations the District designates as a Senior Obligations, including any obligation of the District issued as an unlimited mill levy debt.

The documents governing the Series 2019 Bonds indicate that the Series 2019 Bonds are subject to option and mandatory sinking fund redemption. The Series 2019 Bonds maturing on or after December 15, 2025 are subject to redemption prior to maturing, at the option of the District, on December 15, 2024, and any date thereafter, upon payment of par, accrued interest, and a redemption premium.

The Series 2019 Bonds maturing on December 15, 2050 are also subject to mandatory sinking fund redemption on December 15, 2033, and on each December 15 thereafter prior to the maturity date of such Series 2019 Bonds.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$66,265,000 Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2019 (Continued)**

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,835,000	\$ 2,565,408	\$ 4,400,408
2023	2,125,000	2,473,658	4,598,658
2024	2,375,000	2,367,408	4,742,408
2025	2,475,000	2,248,658	4,723,658
2026	2,670,000	2,124,908	4,794,908
2027-2031	14,525,000	8,541,038	23,066,038
2032-2036	13,120,000	5,026,025	18,146,025
2037-2041	7,315,000	3,446,300	10,761,300
2042-2046	9,200,000	2,138,988	11,338,988
2047-2050	7,481,000	553,443	8,034,443
Total	<u>\$ 63,121,000</u>	<u>\$ 31,485,830</u>	<u>\$ 94,606,830</u>

**\$66,355,000 Senior Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2020**

On September 2, 2020, the District issued its Senior Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2020 ("Series 2020 Bonds") in the principal amount of \$66,355,000 for the purpose of: (a) refunding the Series 2015A Bonds, the Series 2015C Bonds, and the Series 2015D Bonds, as well as the loan incurred by Cimarron Metropolitan District on January 16, 2018, in the original principal amount of \$21,367,000; (b) funding the purchase of the insurance policy issued for the funding of 100% of the Senior Reserve Requirement for the Series 2020 Bonds; and (c) paying certain other costs in connection with issuing the Series 2020 Bonds. The Series 2020 Bonds bear interest at 5% per annum.

Series 2020 Bonds maturing on or after December 1, 2030, are subject to optional redemption prior to maturity upon payment of par and accrued interest, without redemption premium, subject to the terms of that certain Indenture governing the issuance of the Series 2020 Bonds. Further, Series 2020 Bonds maturing on December 1, 2050 are subject to mandatory sinking fund redemption on December 1, 2036, and on each subsequent December 1 prior to December 1, 2050, upon payment of par and accrued interest, without redemption premium, subject to the terms of that certain Indenture governing the issuance of the Series 2020 Bonds.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$66,355,000 Senior Limited Tax (Convertible to Unlimited Tax) General Obligation and Special Revenue Refunding Bonds, Series 2020 (Continued)**

The Series 2020 Bonds are senior limited tax (convertible to unlimited tax) general and revenue obligations of the District payable from the "Senior Pledged Revenue." The Senior Pledge Revenue is generally defined in the documents governing the issuance of the Series 2020 Bonds as: (a) the Pledged MRA Revenue (consisting generally of certain revenues received by District No. 2 from AURA and assigned to the District pursuant to the MRA and the Pledge and Assignment Agreement, (less certain amounts); (b) all Senior Property Tax Revenues (consisting generally of moneys derived by the District from the Senior Required Mill Levy, which consists initially of a mill levy not to exceed 50 mills (subject to certain adjustments), subject to potential conversion to any unlimited mill levy); (c) all Senior Specific Ownership Tax Revenues (consisting of specific ownership taxes received by the District as a result of the Senior Required Mill Levy); (d) all Capital Fees (as defined in the Indenture governing the Series 2020 Bonds); and (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The Series 2019 Bonds are also secured by the Senior Reserve Fund established pursuant to the documents governing the issuance of the Series 2020 Bonds.

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,815,000	\$ 3,234,250	\$ 5,049,250
2023	2,135,000	3,143,500	5,278,500
2024	2,400,000	3,036,750	5,436,750
2025	2,500,000	2,916,750	5,416,750
2026	2,705,000	2,791,750	5,496,750
2027-2031	14,585,000	11,856,750	26,441,750
2032-2036	12,875,000	7,992,500	20,867,500
2037-2041	6,690,000	5,793,000	12,483,000
2042-2046	9,260,000	3,877,000	13,137,000
2047-2050	9,720,000	1,252,500	10,972,500
Total	<u>\$ 64,685,000</u>	<u>\$ 45,894,750</u>	<u>\$ 110,579,750</u>

**Authorized Debt**

As of December 31, 2021, the District had remaining voted authorized but unissued debt for infrastructure financing of approximately \$3,461,945,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for the purposes of providing public improvements to support development as it occurs within the District's service area. Notwithstanding the voted authorization stated above, pursuant to the Master IGA, Cimarron and the District are collectively limited to the issuance of debt in the maximum original principal amount of \$138,525,000.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 5 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 3,828,792
Candelas Special Improvement District	4,443,327
Total Restricted Net Position	\$ 8,272,119

The District has a deficit in unrestricted net position. This deficit is primarily due to long-term debts issued by the District to finance public improvements, which public improvements are currently recorded in the books of Cimarron Metropolitan District.

**NOTE 6 AGREEMENTS**

**Candelas Sustainability Trust**

The Candelas Sustainability Trust (the “Trust”) was established by the District, Arvada Residential Partners, LLC (“ARP”), and the Candelas Special Improvement District No. 1 (“Candelas”) pursuant to that certain Declaration of Trust dated June 28, 2011. The development the Trust serves is located within the boundaries of the District. Pursuant to the Declaration of Trust, ARP shall charge each Homebuilder a Sustainability Contribution (as defined in the trust agreement) for the purpose of funding qualified residential improvement systems, qualified community-wide sustainability programs, scholarships, general education, administrative expenses and other uses within the community. The Sustainability Contribution is due and payable when a Homebuilder obtains a building permit. Candelas, as Trustee, shall maintain a record of each Sustainability Contribution that is associated with each lot. Distributions for qualified residential improvement systems may be made to homebuilders or homeowners and are limited to one payment per residential lot. Ten years after the sale of the last lot in the development, the Trustee shall transfer the remaining funds in the Trust to the District for the benefit of the development.

**Agreement Regarding Collection of Fees**

On February 28, 2012, the District, Cimarron, ARP, and Candelas entered into the Agreement Regarding Collection of Fees (the “Agreement”), whereby the parties agreed that, for increased efficiency and ease of administration, Cimarron would collect the Capital Fees, the Sustainability Contribution, and the Design Review Fees (all as defined in the Agreement). On September 25, 2012, the agreement was amended to include collection of Trash and Recycling Fees (defined in the Agreement) as well.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Facilities Funding, Construction, and Operation Agreement**

On October 25, 2012, the District entered into a Facilities Funding, Construction, and Operations Agreement with Cimarron (the "Original Cimarron FFCOA"). The Original Cimarron FFCOA terminated and replaced the Memorandum of Understanding with Cimarron dated February 24, 2009 (effective January 1, 2009). The Original Cimarron FFCOA was replaced and superseded by that certain Amended and Restated Facilities Funding, Construction and Operations Agreement dated June 11, 2015 (the "Cimarron FFCOA"). Pursuant to the Cimarron FFCOA, Cimarron will own, operate, maintain and construct (including funding thereof) certain public improvements and the District will contribute to the costs of construction, operation, and maintenance of such public improvements. Cimarron is obligated to pay the costs of providing such services from revenues generated from the District's operation and maintenance mill levy. The Cimarron FFCOA also acknowledges the District's and Cimarron's current and potential future issuances of debt for the purpose of funding capital costs associated with public improvements and provides that the District's obligation with respect to payment of such costs will be set forth in one or more pledge agreements, including the VXMD Pledge Agreement (defined below) and others in the future.

**Amended and Restated Capital Pledge Agreement – Cimarron/Vauxmont**

On October 25, 2012, the District entered into an Amended and Restated Capital Pledge Agreement with Cimarron ("Original VXMD Pledge Agreement") which replaced and superseded the Capital Pledge Agreement between the District and Cimarron dated November 1, 2010. Pursuant to the Original VXMD Pledge Agreement, the District pledged certain revenues including a Capital Levy, Specific Ownership Taxes and Facilities Fees for the repayment of the Cimarron Series 2012 Bonds and the Cimarron Series 2012 Note. The Original VXMD Pledge Agreement was amended by a First Amendment dated June 11, 2015 (collectively, the Original VXMD Pledge Agreement and the First Amendment are the "VXMD Pledge Agreement"). Pursuant to the VXMD Pledge Agreement, as amended referred to herein as, the parties acknowledge the refunding of Cimarron's Series 2012 Subordinate Note and the District's issuance of the 2015 Bonds and the Series 2015E Note.

Under the VXMD Pledge Agreement, the District is obligated to impose and remit to Cimarron revenues generated by a Senior Capital Levy (as defined in the VXMD Pledge Agreement) of the District sufficient to pay principal and interest on the Series 2012 Bonds and any Parity Bonds but not in excess of 50 mills; provided, however, that such mill levy may be adjusted in the event of legislative changes affecting the method of calculating assessed value; and provided that once the Debt-to-Assessed Ratio (as defined in the VXMD Pledge Agreement) is 50% or less such Senior Capital Levy may be imposed in an amount necessary to make such payment without limitation as to rate ("Pledge Agreement Revenue").

On January 16, 2018, Cimarron refunded the Cimarron Series 2012 Bonds in their entirety by entering into a Loan Agreement with Compass Mortgage Corporation ("Cimarron 2018 Loan Agreement") in the amount of \$21,367,000, and executed a promissory note in the same amount ("Cimarron Series 2018 Note"). As a result, the Pledge Agreement Revenue is now pledged to repayment of the Cimarron Series 2018 Note.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Amended and Restated Capital Pledge Agreement – Cimarron/Vauxmont (Continued)**

For repayment of the Subordinate Bonds (as defined in the VXMD Pledge Agreement and including the Series 2015A Bonds, the Series 2015C Bonds, the Series 2015D Bonds and the Series 2015E Note), the District is obligated to impose a Subordinate Capital Levy (defined in the VXMD Pledge Agreement) of the District of no less than 50 mills, less the mill levy imposed under the Senior Capital Levy; provided, however, that such mill levy may be adjusted in the event of legislative changes affecting the method of calculating assessed value.

The VXMD Pledge Agreement is deemed terminated because all of the debt obligations permitted to be issued by the District under the VXMD Pledge Agreement have been defeased by means of its issuance of the Series 2019 Bonds and the Series 2020 Bonds.

**Amended and Restated Capital Pledge Agreement and Assignment Agreement**

On June 11, 2015, the District entered into an Amended and Restated Capital Pledge Agreement and Assignment Agreement with JCMD No. 1, JCMD No. 2 and U.S. Bank National Association in its capacity as trustee for the 2015 Bonds, as amended by the First Amendment to the Amended and Restated Capital Pledge Agreement and Assignment Agreement dated December 20, 2019 (as amended, "Pledge and Assignment Agreement"). The Pledge and Assignment Agreement replaced and superseded the Capital Pledge Agreement dated July 1, 2007 between JCMD No. 1 and JCMD No. 2. Pursuant to the Pledge and Assignment Agreement, the parties recognize the District's issuance of the 2015 Bonds and the Series 2019 Bonds and agree to pledge certain revenues to support the repayment thereof.

Specifically, pursuant to the Pledge and Assignment Agreement, JCMD No. 2 pledges the "Vauxmont Revenue" to the repayment of the Series 2015A Bonds, the Series 2015C Bonds, the Series 2015D Bonds and the Series 2015E Note and any debt issued to refund the same (such as the Series 2019 Bonds). The Vauxmont Revenue is defined in the Pledge and Assignment Agreement as the sum of the certain incremental property tax revenues received by JCMD No. 2 from AURA pursuant to the MRA.

Also, in accordance with the Pledge and Assignment Agreement, JCMD No. 2 separately pledges the "Series 2015B TIF Revenues" to the repayment of the Series 2015B Bonds. The Series 2015B TIF Revenues are defined as certain incremental property tax revenues derived in accordance with the MRA from properties within both JCMD No. 1 and the Northwest Arvada Urban Renewal Area ("NWAURA") less certain administrative fees and annual stormwater costs, as described in the agreement. The Series 2015B Bonds were subsequently refunded by JCMD No. 1, and the Series 2015B TIF Revenues are now payable to JCMD No. 1 as pledged revenues to those bonds. The Series 2015B TIF revenues are not pledged to the Series 2019 Bonds.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Amended and Restated Capital Pledge Agreement and Assignment Agreement  
(Continued)**

Finally, pursuant to the Pledge and Assignment Agreement JCMD No. 2 pledges certain Impact Fees received by JCMD No. 2 pursuant to a Resolution of JCMD No. 2 adopted on December 20, 2005 to the repayment of the Series 2015A Bonds. To date, all Impact Fees have been paid to JCMD No. 2 and assigned to the District for repayment of the Series 2015A Bonds.

**Intergovernmental Restructuring Agreement**

On June 11, 2015, the District, JCMD No. 1, JCMD No. 2 and Cimarron entered into that certain Intergovernmental Restructuring Agreement (“Restructure IGA”) to acknowledge the issuance of the Bonds and the Series 2015E Note and to make certain clarifications relative to the future financing, construction and provision of service and improvements within the service area of the Jefferson Center Districts (defined below) (“Service Area”). The Restructure IGA acknowledges the District issued the 2015 Bonds and the Series 2015E Note in part to refinance and restructure certain outstanding debts of JCMD No. 1, JCMD No. 2, the District and Cimarron, as is more particularly described in the Restructure IGA, in order to secure certain economic efficiencies and cost savings relative to past, present and future financing and construction of public improvements to benefit the constituents of the Service Area. The Restructure IGA recognizes the allocation of revenue, cash and certain expenses as to the parties to the Restructure IGA.

The Restructure IGA also addresses certain capital and operational matters and provides that each district that is a party to the Restructure IGA will be obligated to manage and cause the financing, construction, operation and maintenance of any public infrastructure necessary for the development of property within their respective boundaries, with certain specific exceptions listed therein. The Restructure IGA addresses the disposition of certain water rights, water options, water fees and water related agreements as between the parties.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Amended and Restated Facilities Funding and Acquisition Agreement**

On October 11, 2012, Cimarron and the Developer entered into an Amended and Restated Facilities Funding and Acquisition Agreement (“Restated FFAA”), which replaced and superseded the Facilities Funding and Acquisition Agreement dated November 1, 2010 as subsequently amended. The Restated FFAA was amended by a First Amendment dated June 11, 2015, to add the District as a party and to make certain other modifications described therein. The Restated FFAA recognizes that: (a) all Advances made under the Restated FFAA prior to June 11, 2015 are refunded and included within the principal amounts of the Series 2015C Bonds and Series 2015D Bonds; and (b) any Advances made after June 11, 2015 are to be applied to and accrue under the Series 2015E Note. Per the Restated FFAA, the Developer is obligated to advance funds to Cimarron for the payment of construction related expenses and/or for Cimarron’s acquisition of improvements upon completion by the Developer in fiscal years 2009 through 2039 in an amount up to \$97,000,000 for all of the advances. Additionally, in the event that either the District or Cimarron has insufficient funds to pay for debt service on any bonds, notes, contract funding or acquisition agreements, or other obligations, the Developer, at its sole discretion, may advance funds for this purpose. On November 1 of each year, commencing on November 1, 2012, Cimarron shall prepare and provide to Developer a proposed budget for the forthcoming budget year which shall include all reasonably anticipated Developer Advances (as defined in the Restated FFAA). Cimarron may also acquire improvements under the agreement, after preliminary acceptance from the appropriate accepting jurisdiction and prior to final acceptance upon receipt, review and approval by the Cimarron’s accountant and engineer.

Interest shall accrue on construction related expenses from the date of deposit of the Advance into Cimarron’s account, until paid, at the rate of 8% per annum. For verified costs, interest shall accrue from the date the verified costs were incurred by the Developer. To the extent interest is not paid when due, such interest shall compound annually, on each December 15. Payments to reimburse the Developer shall be applied first to accrued and unpaid interest and then to principal amounts due.

If Cimarron has not reimbursed the Developer for any construction related expenses and/or verified costs by December 31, 2049, any amount of principal and accrued interest outstanding on such date shall be discharged and satisfied in full. Pursuant to the terms of the Restated FFAA, the Series 2015E Note evidenced the obligation to reimburse the Developer for construction related expenses and/or costs of acquiring improvements completed by the Developer. The Series 2015E Note was refunded in its entirety from proceeds of the Series 2019 Bonds (defined above) on December 20, 2019.

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Amended and Restated Facilities Funding, Construction, and Operations Agreement**

JCMD No. 1, JCMD No. 2, the District, Cimarron, Canyon Pines Metropolitan District and Mountain Shadows Metropolitan District (collectively the "Districts") entered into a Facilities Funding, Construction, and Operations Agreement ("Master IGA") on July 26, 2005, as amended on November 28, 2006, December 15, 2009, November 1, 2010, and June 11, 2015 to coordinate the financing, construction, operation and maintenance of the public improvements within the service area of the Districts and to establish the relationship between and respective responsibilities of the District, JCMD No. 2, and the other Financing Districts (as defined in the Master IGA). The Master IGA provides a framework for the equitable allocation over time among the Districts of the costs of administration of the Districts and the costs of financing, constructing, operating and maintaining the public improvements contemplated therein. JCMD No. 2 is generally responsible for providing the financing, construction, operations and maintenance of certain primary public infrastructure to serve the entire service area. The Master IGA provides a limitation on the issuance of indebtedness by the Districts in the amount of \$450 million of total aggregate debt by all of the Districts. The Master IGA is intended to constitute a multiple fiscal year financial obligation of the Districts, and as such, it was submitted to and approved by the electorates of each of the Districts prior to being executed. On March 24, 2009, each of the Districts elected to perform its own administrative services, effective January 1, 2008. On November 1, 2010, the Jefferson Center Districts entered into the Third Amendment to Facilities Funding, Construction and Operations Agreement, whereby JCMD No. 2 will not construct, own, operate or maintain Public Park Improvements. Each Financing District may determine to establish a system of fees, rates, tolls and/or charges with respect to the maintenance of the Public Park Improvements it constructs and/or maintains on property within its respective boundaries.

**NOTE 7 RELATED PARTIES**

Some members of the Board of Directors are employees, owners or are otherwise associated with the entities involved in the development of property within the District's service area and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

**NOTE 8 RISK MANAGEMENT**

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

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

**VAUXMONT METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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.

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**VAUXMONT METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 3,727,163	\$ 3,538,358	\$ 228,299	\$ (3,310,059)
Specific Ownership Taxes	298,173	284,253	283,331	(922)
Vauxmont - AURA Increment	-	-	3,310,059	3,310,059
Interest Income	6,000	200	581	381
Capitalization Fee	352,500	100,000	145,000	45,000
Water Fee	774,916	400,000	355,581	(44,419)
Other Revenue	-	-	43,757	43,757
JCMD - NWAURA Increment	1,326,959	1,326,959	1,271,577	(55,382)
Vauxmont - NWAURA Increment	4,629,760	4,925,028	4,932,973	7,945
Mountain Shadows - NWAURA Increment	252,640	264,679	263,104	(1,575)
Park Development Fees	204,261	100,000	91,002	(8,998)
Total Revenues	<u>11,572,372</u>	<u>10,939,477</u>	<u>10,925,264</u>	<u>(14,213)</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	57,696	3,425	3,425	-
Banking Fees	2,500	2,529	2,529	-
Trustee Fees	10,000	-	-	-
AURA Fees	75,000	73,941	73,941	-
Bond Interest - Series 2019 Subordinate Bonds	2,697,338	2,697,338	2,697,338	-
Bond Interest - Series 2020 Senior Bonds	3,317,750	3,317,750	3,317,750	-
Bond Principal - Series 2019 Subordinate Bonds	1,700,000	3,144,000	3,144,000	-
Bond Principal - Series 2020 Senior Bonds	1,670,000	1,670,000	1,670,000	-
Bond Issue Costs	-	750	750	-
Contingency	-	267	-	267
Total Expenditures	<u>9,530,284</u>	<u>10,910,000</u>	<u>10,909,733</u>	<u>267</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,042,088	29,477	15,531	(13,946)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer From Other Funds	-	-	56,605	56,605
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>56,605</u>	<u>56,605</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,042,088	29,477	72,136	42,659
Fund Balance - Beginning of Year	<u>5,703,011</u>	<u>3,756,655</u>	<u>3,756,656</u>	<u>1</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 7,745,099</u>	<u>\$ 3,786,132</u>	<u>\$ 3,828,792</u>	<u>\$ 42,660</u>

**VAUXMONT METROPOLITAN DISTRICT  
CANDELAS SPECIAL IMPROVEMENT DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Revenue - Sustainability Fees	\$ 339,000	\$ 166,145	\$ (172,855)
Interest Income	5,000	781	(4,219)
Total Revenues	<u>344,000</u>	<u>166,926</u>	<u>(177,074)</u>
<b>EXPENDITURES</b>			
Accounting	12,000	8,000	4,000
Trust Residential Improvement Distributions	25,000	29,641	(4,641)
Developer Rebates	250,000	-	250,000
Community Programs	25,000	-	25,000
Total Expenditures	<u>312,000</u>	<u>37,641</u>	<u>274,359</u>
<b>NET CHANGE IN FUND BALANCE</b>	32,000	129,285	97,285
Fund Balance - Beginning of Year	<u>4,487,091</u>	<u>4,314,042</u>	<u>(173,049)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 4,519,091</u></u>	<u><u>\$ 4,443,327</u></u>	<u><u>\$ (75,764)</u></u>

## **OTHER INFORMATION**

**VAUXMONT METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2021**

\$66,265,000 Subordinate Limited Tax (Convertible to  
Unlimited Tax) General Obligation and Special  
Revenue Refunding Bonds, Series 2019  
Dated December 20, 2019  
Interest rate 3.25% - 5.00%  
Principal Due December 15  
Interest Payable December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,835,000	\$ 2,565,408	\$ 4,400,408
2023	2,125,000	2,473,658	4,598,658
2024	2,375,000	2,367,408	4,742,408
2025	2,475,000	2,248,658	4,723,658
2026	2,670,000	2,124,908	4,794,908
2027	2,790,000	1,991,408	4,781,408
2028	2,900,000	1,851,908	4,751,908
2029	2,745,000	1,706,908	4,451,908
2030	2,970,000	1,569,658	4,539,658
2031	3,120,000	1,421,158	4,541,158
2032	3,365,000	1,265,158	4,630,158
2033	3,535,000	1,096,908	4,631,908
2034	3,740,000	982,020	4,722,020
2035	1,200,000	860,470	2,060,470
2036	1,280,000	821,470	2,101,470
2037	1,320,000	779,870	2,099,870
2038	1,405,000	736,970	2,141,970
2039	1,450,000	691,308	2,141,308
2040	1,545,000	644,183	2,189,183
2041	1,595,000	593,970	2,188,970
2042	1,690,000	542,133	2,232,133
2043	1,745,000	487,208	2,232,208
2044	1,845,000	430,495	2,275,495
2045	1,905,000	370,533	2,275,533
2046	2,015,000	308,620	2,323,620
2047	2,080,000	243,133	2,323,133
2048	2,195,000	175,533	2,370,533
2049	2,265,000	104,195	2,369,195
2050	941,000	30,583	971,583
Total	<u>\$ 63,121,000</u>	<u>\$ 31,485,830</u>	<u>\$ 94,606,830</u>

**VAUXMONT METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)  
DECEMBER 31, 2021**

\$66,355,000 Senior Limited Tax (Convertible to  
Unlimited Tax) General Obligation and Special  
Revenue Refunding Bonds, Series 2020  
Dated September 2, 2020  
Interest rate 5.00%  
Principal Due December 1  
Interest Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,815,000	\$ 3,234,250	\$ 5,049,250
2023	2,135,000	3,143,500	5,278,500
2024	2,400,000	3,036,750	5,436,750
2025	2,500,000	2,916,750	5,416,750
2026	2,705,000	2,791,750	5,496,750
2027	2,820,000	2,656,500	5,476,500
2028	2,930,000	2,515,500	5,445,500
2029	2,735,000	2,369,000	5,104,000
2030	2,975,000	2,232,250	5,207,250
2031	3,125,000	2,083,500	5,208,500
2032	3,385,000	1,927,250	5,312,250
2033	3,555,000	1,758,000	5,313,000
2034	3,835,000	1,580,250	5,415,250
2035	1,000,000	1,388,500	2,388,500
2036	1,100,000	1,338,500	2,438,500
2037	1,155,000	1,283,500	2,438,500
2038	1,260,000	1,225,750	2,485,750
2039	1,325,000	1,162,750	2,487,750
2040	1,440,000	1,096,500	2,536,500
2041	1,510,000	1,024,500	2,534,500
2042	1,635,000	949,000	2,584,000
2043	1,720,000	867,250	2,587,250
2044	1,855,000	781,250	2,636,250
2045	1,950,000	688,500	2,638,500
2046	2,100,000	591,000	2,691,000
2047	2,205,000	486,000	2,691,000
2048	2,365,000	375,750	2,740,750
2049	2,485,000	257,500	2,742,500
2050	2,665,000	133,250	2,798,250
Total	<u>\$ 64,685,000</u>	<u>\$ 45,894,750</u>	<u>\$ 110,579,750</u>

**VAUXMONT METROPOLITAN DISTRICT  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Net Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
		2017	\$ 1,807,099	22.111	55.278	
2018	4,309,525	22.111	55.278	333,510	333,556	100.01
2019	4,777,228	22.266	55.664	369,705	325,150	87.95
2020	5,304,813	22.266	55.664	413,404	364,580	88.19
2021	5,424,523	22.266	55.664	422,733	319,620	75.61
Estimated for the Year Ending December 31, 2022	\$ 5,853,611	22.266	55.664	\$ 456,172		