

Longs Peak Metropolitan District

Financial Statements

Year Ended December 31, 2021

with

Independent Auditor's Report

C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	22
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	23
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	24



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Longs Peak Metropolitan District
Jefferson County, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Longs Peak 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

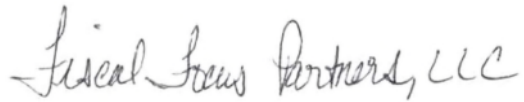
Required Supplementary Information

Management has omitted 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information 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. The supplemental 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in dark ink that reads "Fiscal Group Partners, LLC". The script is cursive and fluid, with the letters "F", "G", and "P" being particularly prominent.

Arvada, Colorado
March 30, 2023

Longs Peak Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 42,956	\$ -	\$ -	\$ 42,956	\$ -	\$ 42,956
Cash and investments - restricted	5,823	598,589	29,950,387	30,554,799	-	30,554,799
Receivable - County Treasurer	678	1,187	-	1,865	-	1,865
Prepaid expenses	2,475	-	-	2,475	-	2,475
Receivable - PIF revenue	-	5,460	-	5,460	-	5,460
Accounts receivable	-	-	17,500	17,500	-	17,500
Property taxes receivable	169,297	296,270	-	465,567	-	465,567
Due from other funds	58,873	-	-	58,873	-	58,873
Capital assets not being depreciated	-	-	-	-	41,144,805	41,144,805
Total Assets	<u>\$ 280,102</u>	<u>\$ 901,506</u>	<u>\$ 29,967,887</u>	<u>\$ 31,149,495</u>	<u>41,144,805</u>	<u>72,294,300</u>
LIABILITIES						
Accounts payable	\$ 20,509	\$ -	\$ 1,096,703	\$ 1,117,212	-	1,117,212
Due to other funds	-	-	58,873	58,873	-	58,873
Accrued interest on bonds					239,802	239,802
Long-term liabilities:						
Due in more than one year	-	-	-	-	82,811,989	82,811,989
Total Liabilities	<u>20,509</u>	<u>-</u>	<u>1,155,576</u>	<u>1,176,085</u>	<u>83,051,791</u>	<u>84,227,876</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	<u>169,297</u>	<u>296,270</u>	<u>-</u>	<u>465,567</u>	<u>-</u>	<u>465,567</u>
Total Deferred Inflows of Resources	<u>169,297</u>	<u>296,270</u>	<u>-</u>	<u>465,567</u>	<u>-</u>	<u>465,567</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	2,475	-	-	2,475	(2,475)	-
Restricted:						
Emergencies	5,823	-	-	5,823	(5,823)	-
Debt service	-	605,236	-	605,236	(605,236)	-
Capital projects	-	-	28,812,311	28,812,311	(28,812,311)	-
Assigned:						
Subsequent years expenditures	95,949	-	-	95,949	(95,949)	-
Unassigned	(13,951)	-	-	(13,951)	13,951	-
Total Fund Balances	<u>90,296</u>	<u>605,236</u>	<u>28,812,311</u>	<u>29,507,843</u>	<u>(29,507,843)</u>	<u>-</u>
Resources and Fund Balances	<u>\$ 280,102</u>	<u>\$ 901,506</u>	<u>\$ 29,967,887</u>	<u>\$ 31,149,495</u>		
Net Position:						
Restricted for:						
Emergencies					5,823	5,823
Debt service					605,236	605,236
Capital projects					28,812,311	28,812,311
Unrestricted					(41,822,513)	(41,822,513)
Total Net Position					<u>\$ (12,399,143)</u>	<u>\$ (12,399,143)</u>

The notes to the financial statements are an integral part of these statements.

Longs Peak Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting	\$ 14,552	\$ -	\$ -	\$ 14,552	\$ -	\$ 14,552
Audit	5,100	-	-	5,100	-	5,100
Insurance	2,911	-	-	2,911	-	2,911
Legal	79,694	-	29,500	109,194	-	109,194
Miscellaneous	30	-	70	100	-	100
PIF collection fee	-	531	-	531	-	531
Utilities - water	10,253	-	-	10,253	-	10,253
Utilities - electric	200	-	-	200	-	200
Treasurer's fees	1,844	3,227	-	5,071	-	5,071
Interest expense	-	-	-	-	1,832,938	1,832,938
Cost of issuance	-	-	1,416,430	1,416,430	-	1,416,430
Repay developer advances	-	-	14,217,953	14,217,953	(14,217,953)	-
City of Wheat Ridge reimbursements	-	-	9,800,000	9,800,000	-	9,800,000
Facilities acquisition	-	-	15,614,548	15,614,548	(15,614,548)	-
Capital outlay	-	-	2,319,176	2,319,176	(2,319,176)	-
Capital outlay conveyed to other governments	-	-	-	-	4,840,685	4,840,685
Total Expenditures	<u>114,584</u>	<u>3,758</u>	<u>43,397,677</u>	<u>43,516,019</u>	<u>(25,478,054)</u>	<u>18,037,965</u>
GENERAL REVENUES						
Property taxes	122,910	215,092	-	338,002	-	338,002
Specific ownership taxes	9,894	17,315	-	27,209	-	27,209
Miscellaneous income	-	-	17,500	17,500	-	17,500
City of Wheat Ridge transfers	-	-	1,754,329	1,754,329	-	1,754,329
TIF WRURA	8,112	14,421	-	22,533	-	22,533
Public improvement fees - credit	-	26,558	-	26,558	-	26,558
Interest Income	-	24	1,516	1,540	-	1,540
Total General Revenues	<u>140,916</u>	<u>273,410</u>	<u>1,773,345</u>	<u>2,187,671</u>	<u>-</u>	<u>2,187,671</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,332	269,652	(41,624,332)	(41,328,348)	25,478,054	(15,850,294)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	54,660,000	54,660,000	(54,660,000)	-
Developer contribution	-	-	1,396,595	1,396,595	-	1,396,595
Developer advances	-	-	14,217,953	14,217,953	(14,217,953)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>70,274,548</u>	<u>70,274,548</u>	<u>(68,877,953)</u>	<u>1,396,595</u>
NET CHANGES IN FUND BALANCES	26,332	269,652	28,650,216	28,946,200	(28,946,200)	
CHANGE IN NET POSITION					(14,453,699)	(14,453,699)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	63,964	335,584	162,095	561,643	1,492,913	2,054,556
END OF YEAR	<u>\$ 90,296</u>	<u>\$ 605,236</u>	<u>\$ 28,812,311</u>	<u>\$ 29,507,843</u>	<u>\$ (41,906,986)</u>	<u>\$ (12,399,143)</u>

The notes to the financial statements are an integral part of these statements.

Longs Peak Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2021

	Original/Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 122,909	\$ 122,910	\$ 1
Specific ownership taxes	7,376	9,894	2,518
TIF WURA	<u>5,554</u>	<u>8,112</u>	<u>2,558</u>
Total Revenues	<u>135,839</u>	<u>140,916</u>	<u>5,077</u>
EXPENDITURES			
Accounting	20,000	14,552	5,448
Audit	6,000	5,100	900
Insurance	3,000	2,911	89
Legal	60,000	79,694	(19,694)
Landscape repairs and maintenance	24,000	-	24,000
Miscellaneous	500	30	470
Utilities-Water	50,000	10,253	39,747
Utilities-Electrical	2,400	200	2,200
Treasurer's fees	1,927	1,844	83
Emergency reserve	5,035	-	5,035
Contingency	<u>21,414</u>	<u>-</u>	<u>21,414</u>
Total Expenditures	<u>194,276</u>	<u>114,584</u>	<u>79,692</u>
NET CHANGE IN FUND BALANCE	(58,437)	26,332	84,769
FUND BALANCE:			
BEGINNING OF YEAR	<u>58,437</u>	<u>63,964</u>	<u>5,527</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 90,296</u>	<u>\$ 90,296</u>

The notes to the financial statements are an integral part of these statements.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Longs Peak Metropolitan District, located in Jefferson County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized in March 2006, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

The government-wide financial statements (i.e., the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is paid.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest, and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. 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 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 appropriation is at the total fund expenditures level and lapses at year end.

On December 8, 2021, the District amended the total appropriations in the Capital Projects Fund from \$39,578,609 to \$50,000,000 primarily due to the cost of issuance of the Series 2021 Bonds (See note 4), facilities acquisition and the repayment to the developer.

Assets, Liabilities and Net Position:

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

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 minimum number of bank accounts. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report 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 one type of item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical 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 assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2021.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$2,475 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$5,823 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$605,236 is restricted for the payment of the debt service costs (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$28,812,311 is restricted for the payment of the costs for capital improvements within the District.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets. The District did not have any items that qualified for reporting in this category.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Note 2: Cash and Investments

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

Statement of Net Position:

Cash and investments	\$ 42,956
Cash and investments - Restricted	<u>30,554,799</u>
Total	\$ <u>30,597,755</u>

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

Deposits with financial institutions	\$ 830,216
Investments - COLOTRUST	<u>29,767,539</u>
Total	\$ <u>30,597,755</u>

Deposits:

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments:

Investment Valuation

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

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

At December 31, 2021, the District had the following investments.

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. The COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2021, the District had \$29,767,539 invested in COLOTRUST Plus+.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 28,051,766	\$ 17,933,724	\$ 4,840,685	\$ 41,144,805
Total capital assets not being depreciated	<u>\$ 28,051,766</u>	<u>\$ 17,933,724</u>	<u>\$ 4,840,685</u>	<u>\$ 41,144,805</u>

Upon completion and acceptance, the public improvements will be conveyed by the District to other local governments. Therefore, the District makes no provision for depreciation of capital assets.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2021, is as follows:

\$54,660,000 Limited Tax General Obligation Bonds Series 2021

On November 30, 2021, the District issued \$54,660,000 Limited Tax General Obligation Bonds Series 2021 ("Series 2021 Bonds") to provide funding and reimbursing a portion of the costs of certain public infrastructure and paying the costs of the Series 2021 Bonds. The Series 2021 Bonds bear interest at the rate of 5.250%, payable annually on December 1, commencing on December 1, 2022, to the extent that Pledged Revenue is available. The Series 2021 Bonds are cash flow bonds with annual payments anticipated to be made on December 1, commencing December 1, 2022, from and to the extent of available Pledged Revenue. Unpaid interest compounds annually on December 1 at the rate of 5.250%. The Series 2021 Bonds will be secured by a required debt service mill levy of 35.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation) or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full, the portion of specific ownership taxes attributable to the property taxes used for the Series 2021 Bonds debt service and the TIF and PIF Revenues as described in Note 5. The Series 2021 Bonds are subject to a mandatory redemption, as a whole or in part by lot in integral multiples of \$1,000, on December 1 of each year, commencing on December 1, 2022, upon payment of par and accrued interest, without redemption premium to the extent of amounts in the Bond Fund.

The Series 2021 Bonds are also 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, commencing on December 1, 2026, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

The Series 2021 Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Pledged Revenue for payment. In the event any amounts due and owing on the Series 2021 Bonds remain outstanding on December 2, 2061, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Amended and Restated Advance and Reimbursement Agreement - The District entered into an Amended and Restated Advance and Reimbursement Agreement for Capital and Operations Advances with Cabela’s Wholesale, Inc. (“Cabela’s”) on April 28, 2010, which amended the previous Advance and Reimbursement Agreement between the District and Cabela’s. Pursuant to the agreement, Cabela’s agreed to advance funds to the District for operations and maintenance expenses and for construction, design, engineering, property acquisitions for road right-of-way and related capital costs for certain public improvements. The Advances shall bear interest until final payment at the per annum interest rate of 6% compounded annually. This agreement shall continue until fully performed, until terminated by mutual agreement of the parties, or 40 years from the effective date, whichever shall first occur. All unpaid principal and interest shall be due upon termination. This agreement is subordinate to any other funding agreements. The District has repaid Advances for operations in full in 2010. The District made two payments toward the capital Advances in the amount of \$942 and \$908,462 in 2010 and 2014 respectively. Reimbursement of Advances under this agreement is subject to the Distribution Agreement (described below).

Infrastructure Acquisition Agreement – The District and Cabela’s entered into an Infrastructure Acquisition Agreement dated July 20, 2007. Pursuant to the agreement, the District may acquire public infrastructure improvements that Cabela’s constructs at the actual cost of construction, including soft costs but with no profit or overhead, provided the conditions for acquisition set forth in the agreement are satisfied. The acquisition of infrastructure is subject to annual appropriation by and discretion of the District, and the agreement does not constitute a debt or multiple fiscal year obligation.

Advance and Reimbursement Agreement - The District and Coors Brewing Company (“Coors”) entered into an Advance and Reimbursement Agreement for Capital Advances on November 18, 2008, whereby Coors agreed to advance \$600,000 to the District for capital improvements. On April 28, 2010, the District and Coors entered into a First Amendment to Advance and Reimbursement Agreement for Capital Advances. The District agreed to reimburse Coors, when Pledged Revenues become available and are not needed for other purposes at the District’s discretion until the Advances have been repaid. The Advances shall bear interest until final payment at the per annum interest rate of 6% compounded annually. In 2019, the District reimbursed Coors for the entire amount outstanding, as contemplated in the Distribution Agreement (defined below).

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Advance and Reimbursement Agreement - The District and Evergreen-Clear Creek Crossing, LLC, (“Evergreen”), entered into an Advance and Reimbursement Agreement on September 26, 2017. Pursuant to the agreement, Evergreen agrees to advance funds to the District for operations and maintenance expenses and for construction, design, engineering, property acquisitions for road right-of-way and related capital costs for certain public improvements. The Advances shall bear interest until final payment at the per annum interest rate of 7%. Evergreen understands and acknowledges that the District’s obligation to reimburse Evergreen under this Agreement is not a debt or multiple fiscal year obligation. The District acknowledged and reimbursed \$14,217,953 in capital advances in 2021, and the capital advances and reimbursement thereof are subject to the Distribution Agreement (defined below).

Infrastructure Acquisition Agreement – The District and Evergreen entered into an Infrastructure Acquisition Agreement dated November 14, 2016. Pursuant to the agreement, the District may acquire public infrastructure improvements that Evergreen constructs at the actual cost of construction, including soft costs but with no profit or overhead, provided the conditions for acquisition set forth in the agreement are satisfied. The acquisition of infrastructure is subject to annual appropriation by and discretion of the District, and the agreement does not constitute a debt or multiple fiscal year obligation.

Advance and Reimbursement Agreement - The District and Coors entered into an Advance and Reimbursement Agreement for operations and maintenance advances on March 13, 2018. Coors agrees to advance funds for the purpose of operations, maintenance, and administrative costs and expenses. The District may request funding from Coors in an amount that is less than or equal to the general advances made by Evergreen so that Coors advances no more than 50% of the funds needed. No funds advanced by Coors shall be used to pay costs and expenses for operations or capital expenditures related to the Clear Creek Crossing Project. The Advances shall bear interest until final payment at the per annum interest rate of 7%.

Advance and Reimbursement Agreement – On February 24, 2016, the District and Cabela’s (as defined above), entered into an Advance and Reimbursement Agreement whereby Cabela’s agreed to advance certain amounts, upon application by the District, for financing certain costs related to litigation surrounding a citizen-initiated ballot issue that was approved by the City of Wheat Ridge citizens in November 2015. Advances bear interest at a rate of 7% per annum, and District agreed to reimburse Cabela’s from ad valorem property tax revenues available to the District, but only to the extent such revenues are not needed or pledged for other District obligations determined at the discretion of the District. The obligation to reimburse Cabela’s is subject to the annual appropriation of funds therefor, and the agreement does not constitute a debt or multiple fiscal year obligation. The agreement terminates after 20 years regardless of whether outstanding amounts have been paid in full.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Intergovernmental Agreement for Construction of the I-70 and 32nd Avenue Interchange, and, Intergovernmental Agreement for Hook Ramp Cost Reimbursement – The District and the City of Wheat Ridge (“City”) entered into the above referenced agreements on March 26, 2018. The Interchange Agreement sets forth the terms and conditions by which the City will fund the District’s preconstruction and construction costs for the I-70 and 32nd Avenue Interchange and associated improvements. The Interchange Agreement and Reimbursement Agreement provide that the District intends to reimburse the City for construction costs in excess of \$10,000,000 with proceeds from bonds issued by the District, provided available proceeds remain after the District has funded the Clear Creek Crossing Project in its entirety. If bond proceeds are not sufficient to pay the reimbursement, the District may appropriate other legally available revenues to pay the reimbursement or a portion thereof in any given year. The City’s funding obligation and the District’s reimbursement obligation are subject to annual appropriation and do not constitute a debt or multiple fiscal year obligation of the City or District. The reimbursement obligation to the City is subject to the Distribution Agreement (defined below). The District reimbursed the City a total of \$9,800,000 of the outstanding reimbursement obligation in 2021.

Distribution Agreement – The District allocated repayment of capital advances made under some of the above-described agreements, together with interest thereon, to its voter authorized but unissued debt. The order of distribution payment includes (i) reimbursement of the entirety of the advances made by Coors pursuant to the Advance and Reimbursement Agreement for Capital Advances on November 18, 2008; (ii) distributions to cause the construction of “Additional Infrastructure,” including reimbursement of capital advances made by Evergreen for “Additional Infrastructure” pursuant to the Advance and Reimbursement Agreement on September 26, 2017, any infrastructure qualifying as “Additional Infrastructure” that the District acquires from Evergreen pursuant to the Infrastructure Acquisition Agreement dated November 14, 2016, and the reimbursement obligation to the City pursuant to the Intergovernmental Agreement for Hook Ramp Cost Reimbursement dated March 26, 2018; (iii) the portion of the capital advances made by Cabela’s pursuant to the Amended and Restated Advance and Reimbursement Agreement for Capital and Operations Advances with Cabela’s Wholesale, Inc. dated April 28, 2010, that constitute the “Cabela’s Payment;” (iv) the remaining portion of the capital advances made by Cabela’s pursuant to the Amended and Restated Advance and Reimbursement Agreement for Capital and Operations Advances with Cabela’s Wholesale, Inc. dated April 28, 2010, after deducting the “Cabela’s Payment;” (v) all claims to payment for infrastructure acquired by the District pursuant to the Cabela’s Infrastructure Acquisition Agreement dated July 20, 2007. These distribution obligations are subject to annual appropriation and are subordinate to the 2021 Series Bonds and any other bonds the District may issue in the future.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Construction Funding Agreement – The District and Evergreen entered into a Construction Funding Agreement on March 13, 2018. The District is designing, constructing, and installing certain public improvements and facilities (the “Public Infrastructure”) to serve a mixed-use development project known as Clear Creek Crossing (“CCC”); and Evergreen is CCC’s developer and is simultaneously designing, constructing, and installing certain private improvements and facilities (the “Private Infrastructure”) to serve CCC. The parties agree that combining the design, construction and/or installation of certain Public Infrastructure and Private Infrastructure will provide a cost savings and simplify the planning, staging and overall coordination of the projects for both parties. Evergreen will finance the District’s provision of Private Infrastructure through its contracts for the Public Infrastructure. Evergreen will provide funding for the private infrastructure costs. The District shall draw from the funding as needed to pay for the private infrastructure, and upon completion of the project, the District will return any excess funds to Evergreen.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

The following is an analysis of changes in long-term debt for the period ending December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Current Portion
<u>General Obligation Debt</u>					
General Obligation Bonds - Series 2021	\$ -	\$ 54,660,000	\$ -	\$ 54,660,000	\$ -
Total	<u>-</u>	<u>54,660,000</u>	<u>-</u>	<u>54,660,000</u>	<u>-</u>
<u>Other</u>					
Developer Advances:					
Cabela's Capital					
Principal	13,283,714	-	-	13,283,714	-
Interest	1,716,286	-	-	1,716,286	-
Cabela's O&M					
Principal	55,120	-	-	55,120	-
Interest	17,112	3,848	-	20,960	-
Evergreen O&M					
Principal	190,429	-	-	190,429	-
Interest	32,124	13,294	-	45,418	-
Evergreen Cap					
Principal	-	14,217,953	14,217,953	-	-
Interest	11,157,463	1,569,447	-	12,726,910	-
Coors O&M					
Principal	93,523	-	-	93,523	-
Interest	13,082	6,547	-	19,629	-
Total	<u>26,558,853</u>	<u>15,811,089</u>	<u>14,217,953</u>	<u>28,151,989</u>	<u>-</u>
Total Debt	<u>\$ 26,558,853</u>	<u>\$ 70,471,089</u>	<u>\$ 14,217,953</u>	<u>\$ 82,811,989</u>	<u>\$ -</u>

Due to the uncertainty in the timing of principal and interest payments on the Series 2021 Bonds, no schedule of payments is presented. As of December 31, 2021, the accrued interest totaled \$239,802.

Debt Authorization

The District's voters, at a 2006 election, authorized the District to issue \$900,000,000 of general obligation debt for the purpose of street improvements, park and recreation, water, storm/sanitary sewer, public transportation, mosquito control, safety, television relay and refunding. As of December 31, 2021, the District had remaining voted debt authorization of approximately \$845,340,000. Per the District's Service Plan, the District cannot issue debt in excess of \$82,000,000. The District has not budgeted to issue any new debt during 2022.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Note 5: Related Party

All of the Board of Directors are employees, owners or are otherwise associated with the Developers and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed by the Board.

Note 6: Agreements

Intergovernmental Agreement - On December 11, 2006, as amended December 10, 2007, and December 21, 2007, the District entered into an agreement with the City of Wheat Ridge ("City"), pursuant to the Service Plan, whereby the District will finance and construct public improvements which are necessary to provide municipal services within the District's boundaries as set forth in the Service Plan. Upon completion of the improvements, the District is required to convey the improvements to the City or other agreed-upon agency. Upon acceptance, the City or agency is responsible for ownership, operation, maintenance, and repair of such improvements. Debt service on the costs of the improvements will be funded in part through a shared sales and use tax (40% of sales taxes and 50% of use taxes collected), and in part through public improvement fees (1.4% to 1.6% of sales within the District). This agreement was superseded and replaced with the Public Finance Agreement with the City and Evergreen (defined below).

Cooperation Agreement - On September 6, 2016, the District entered into an agreement with the Wheat Ridge Urban Renewal Authority, (the "Authority"). Pursuant to the agreement, the Authority agrees to remit to the District that portion of the property tax increment generated from the District's property tax mill levy on parcels within the District's Boundaries that is deposited into the special fund of the Authority.

Public Finance Agreement - On July 9, 2018, the District entered into a Public Finance Agreement, as amended by the First Amendment to same dated April 27, 2020, with Evergreen and the City, whereby the District will finance and construct public improvements which are necessary to provide municipal services within the District's boundaries as set forth in the Service Plan. Upon completion of the improvements, the District is required to own, operate, and maintain certain improvements, and convey other improvements to the City or other agreed-upon agency. Upon acceptance, the City or agency is responsible for ownership, operation, maintenance, and repair of such improvements. Debt service on the bonds issued to fund the cost of the improvements will be funded in part through public improvement fees: Credit PIF of 2.5% for Admissions Sales, 5% for Lodging Sales, and 1.5% for Retail Sales; Add-On PIF of 0.5% for Admissions, Lodging, and Retail Sales; and a Services PIF 3%. Bonds issued pursuant to the Public Finance Agreement are limited to the aggregate principal amount of \$43,500,000 to pay for "Eligible Costs" and other permitted expenses, and the bonds secured by the Credit PIFs are capped at \$20,000,000.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Letter Agreement re Public Finance Agreement – Pursuant to a letter from the city Attorney for the City to the district dated November 2, 2021, the City confirmed to the District certain terms of the Public Finance Agreement as applied to the issuance of the 2021 Series Bonds. It provides that the issuance of the 2021 Series Bonds satisfies the Credit PIF Bond Cap, that the Required Mill Levy securing the 2021 Series Bonds is in conformance with the Public Finance Agreement, and the \$43,500,000 aggregate limit for Eligible Costs and other permitted expenses is increased to \$60,000,000.

Public Finance Agreement - On July 17, 2018, the District entered an agreement with Evergreen and the Authority. Pursuant to the agreement and in order to facilitate the acquisition, construction and installation of certain Eligible Improvements related to the development of property within the District, the Authority desires to finance in phases as a mixed-use commercial development ("Project"); in the aggregate amount of \$5,000,000; and, in order to finance a portion of the Eligible Improvements for the Project, the Authority desires to enter into a loan in the maximum amount of \$6,850,000 (the "Loan"), with such Loan to be repayable solely from property tax increment revenues to be generated from the development of the TIF Area, less the tax increment revenue attributable to the District's mill levy that is subject to the Cooperation Agreement. As of December 31, 2021, the Authority had funded \$5,000,000 of the Eligible Improvements.

PIF Collecting Agent Agreement - On September 23, 2019, the District, Evergreen, and the City entered into a PIF Collecting Agent Agreement, as amended by the First Amendment to PIF Collecting Agent Agreement dated April 27, 2020, whereby the City agreed to serve as Collection Agent for the purposes of receiving, collecting, administering, remitting, and disbursing all public improvement fees paid on PIF sales transactions. The City will retain collection fees of 2% on all public improvements' fees collected before remitting the net fees to the bond trustee for the 2021 Series Bonds issued by the District.

Escrow Agreement – The District, Evergreen, and Land Title Guarantee Company, LLC, as escrow agent ("Escrow Agent") entered into an Escrow Agreement dated August 30, 2021, which established an escrow account for the collection of Pledged Revenue under the Public Finance Agreement dated July 9, 2019, as amended. This agreement was terminated upon the Escrow Agent's release of the Pledged Revenue in connection with the issuance of the 2021 Series Bonds.

Extension of Sewer Mains - The District entered into an Intergovernmental Agreement regarding an Application and Agreement for Extension of Sanitary Sewer Mains with Applewood Sanitation District dated October 23, 2018, as amended June 13, 2019, whereby the District will construct and dedicate sanitary sewer improvements to Applewood for its ownership, operation, and maintenance. The agreement is subject to annual appropriation and does not create a debt or multiple fiscal year obligation of the District or Applewood.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

Note 7: Construction Commitments

As of December 31, 2021, the District has unexpended construction related contract commitments, including retainage, of approximately \$1,792,604.

Note 8: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

At a 2006 election, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 9: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Longs Peak Metropolitan District

Notes to Financial Statements December 31, 2021

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 10: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments may have the following elements:

- 1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments may have the following elements:

- 1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

Note 11: Noncompliance with Colorado Revised Statutes

Colorado Revised Statutes require that local governments submit audited financial statements for the calendar year-end by July 31 or September 30 if granted an extension of the following year. The District was not in compliance with this statutory requirement for the year ended December 31, 2021.

SUPPLEMENTAL INFORMATION

Longs Peak Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2021

	Original/Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 215,092	\$ 215,092	\$ -
Specific ownership taxes	12,906	17,315	4,409
TIF WURA	9,718	14,421	4,703
Interest income	1,000	24	(976)
Public improvement fees - credit	54,000	26,558	(27,442)
Public improvement fees - add on	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Total Revenues	<u>310,716</u>	<u>273,410</u>	<u>(37,306)</u>
EXPENDITURES			
Bond interest expense	600,000	-	600,000
PIF collection fee	-	531	(531)
Treasurer fees	3,372	3,227	145
Trustee/Paying Agent Fees	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>608,372</u>	<u>3,758</u>	<u>604,614</u>
NET CHANGES IN FUND BALANCES	(297,656)	269,652	567,308
OTHER FINANCING SOURCES (USES)			
Transfer (to) other funds	<u>4,500,000</u>	<u>-</u>	<u>(4,500,000)</u>
Total Other Financing Sources (Uses)	<u>4,500,000</u>	<u>-</u>	<u>(4,500,000)</u>
NET CHANGE IN FUND BALANCE	4,202,344	269,652	(3,932,692)
FUND BALANCE:			
BEGINNING OF YEAR	<u>334,521</u>	<u>335,584</u>	<u>1,063</u>
END OF YEAR	<u>\$ 4,536,865</u>	<u>\$ 605,236</u>	<u>\$ (3,931,629)</u>

The notes to the financial statements are an integral part of these statements.

Longs Peak Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND For the Year Ended December 31, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Interest income	\$ 1,000	\$ 1,000	\$ 1,516	\$ 516
Miscellaneous revenue	-	-	17,500	17,500
City of Wheat Ridge	3,000,000	3,000,000	1,754,329	(1,245,671)
Developer advances	5,000,000	5,000,000	14,217,953	9,217,953
Developer contribution	-	1,400,000	1,396,595	(3,405)
Total Revenues	<u>8,001,000</u>	<u>9,401,000</u>	<u>17,387,893</u>	<u>7,986,893</u>
EXPENDITURES				
Legal	30,000	30,000	29,500	500
Miscellaneous	500	500	70	430
Capital Outlay	7,957,500	7,957,500	2,319,176	5,638,324
Facilities acquisition	-	16,600,000	15,614,548	985,452
Engineering-Cost Certification	12,000	12,000	-	12,000
Cost of issuance	500,000	500,000	1,416,430	(916,430)
Repay Developer Advances	17,388,113	15,000,000	14,217,953	782,047
City of Wheat Ridge reimbursements	<u>9,190,496</u>	<u>9,900,000</u>	<u>9,800,000</u>	<u>100,000</u>
Total Expenditures	<u>35,078,609</u>	<u>50,000,000</u>	<u>43,397,677</u>	<u>6,602,323</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,077,609)	(40,599,000)	(26,009,784)	14,589,216
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	31,000,000	54,660,000	54,660,000	-
Transfer to Debt Service	<u>(4,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>26,500,000</u>	<u>54,660,000</u>	<u>54,660,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(577,609)	14,061,000	28,650,216	14,589,216
FUND BALANCE: BEGINNING OF YEAR	<u>1,218,438</u>	<u>1,218,438</u>	<u>162,095</u>	<u>(1,056,343)</u>
END OF YEAR	<u>\$ 640,829</u>	<u>\$ 15,279,438</u>	<u>\$ 28,812,311</u>	<u>\$ 13,532,873</u>

The notes to the financial statements are an integral part of these statements.

Longs Peak Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2021

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property	Mills Levied		Total Property Tax		Percent Collected to Levied
	Tax Levy	General Fund	Debt Service	Levied	Collected	
2007	\$ 335,570	25.000	0.000	\$ 8,389	\$ 8,389	100.00%
2008	\$ 2,806,160	25.000	0.000	\$ 70,154	\$ 70,154	100.00%
2009	\$ 2,806,340	25.000	0.000	\$ 70,159	\$ 70,158	100.00%
2010	\$ 2,695,180	25.000	0.000	\$ 67,380	\$ 67,380	100.00%
2011	\$ 2,695,180	25.000	0.000	\$ 67,380	\$ 67,380	100.00%
2012	\$ 1,932,735	25.000	0.000	\$ 48,318	\$ 48,318	100.00%
2013	\$ 1,932,734	25.000	0.000	\$ 48,318	\$ 48,318	100.00%
2014	\$ 1,522,036	25.000	0.000	\$ 38,051	\$ (16,761)	-44.05% (a)
2015	\$ 898,014	25.000	0.000	\$ 22,450	\$ 22,450	100.00%
2016	\$ 980,838	25.000	0.000	\$ 24,521	\$ 22,521	91.84%
2017	\$ 980,838	25.000	30.000	\$ 53,946	\$ 53,946	100.00%
2018	\$ 980,844	25.000	30.000	\$ 53,946	\$ 53,947	100.00%
2019	\$ 1,188,748	25.000	30.000	\$ 65,381	\$ 61,606	94.23%
2020	\$ 6,138,901	25.000	30.000	\$ 337,640	\$ 339,736	100.62%
2021	\$ 6,145,480	20.000	35.000	\$ 338,001	\$ 338,001	100.00%
Estimated for year ending December 31,						
2022	\$ 8,464,859	20.000	35.000	\$ 465,567		

NOTES:

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

(a) The collected tax in 2014 reflects abatements of \$48,597.