

PARKER JORDAN METROPOLITAN DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

**PARKER JORDAN METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2023**

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Board of Directors
Parker Jordan Metropolitan District
Arapahoe County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Parker Jordan Metropolitan District (the “District”), as of and for the year ended December 31, 2023, 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 Parker Jordan Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 (GAAP), 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 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 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 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 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 judgment, 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 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 Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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.

Supplementary Information

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

Wipfli LLP

Wipfli LLP
Denver, Colorado

July 30, 2024

BASIC FINANCIAL STATEMENTS

**PARKER JORDAN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 880,261
Cash and Investments - Restricted	623,000
Accounts Receivable	13,916
Prepaid Insurance	6,458
Receivable from County Treasurer	2,632
Property Tax Receivable	698,180
Conservation Trust Fund Project - Arapahoe	10,338
Total Assets	2,234,785
LIABILITIES	
Accounts Payable	249,556
Other Payable	5,000
Noncurrent Liabilities:	
Due Within One Year	205,753
Due in More Than One Year	3,505,294
Total Liabilities	3,965,603
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	698,180
Total Deferred Inflows of Resources	698,180
NET POSITION	
Restricted for:	
Emergency Reserve	15,300
Conservation Trust Fund	92,797
Net Position - Unrestricted	(2,537,095)
Total Net Position	\$ (2,428,998)

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
Primary Governmental Governmental Activities:	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Governmental Activities
General Government	\$ 137,380	-	-	-	(137,380)
Parks and Recreation	286,731	13,916	46,605	-	(226,210)
Interest on Long-Term Debt and Related Costs	142,913	-	-	-	(142,913)
Total Governmental Activities	\$ 567,024	\$ 13,916	\$ 46,605	\$ 46,605	(506,503)
GENERAL REVENUES					
Property taxes					619,784
Specific ownership taxes					42,328
Interest income					77,335
Total General Revenues and Transfers					739,447
CHANGES IN NET POSITION					
Net Position - Beginning of Year					(2,661,942)
NET POSITION - END OF YEAR					\$ (2,428,998)

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

ASSETS	General	Special Revenue	Debt Service	Total Governmental Funds
Cash and Investments	\$ 880,261	\$ -	\$ -	\$ 880,261
Cash and Investments - Restricted	15,300	312,459	295,241	623,000
Receivable from County Treasurer	2,632	-	-	2,632
Conservation Trust Fund Project - Arapahoe	-	10,338	-	10,338
A/R - Arapahoe County Open Space	1,761	-	-	1,761
A/R - Dove Valley MD	12,155	-	-	12,155
Prepaid Insurance	6,458	-	-	6,458
Property Tax Receivable	453,140	-	245,040	698,180
	<u>\$ 1,371,707</u>	<u>\$ 322,797</u>	<u>\$ 540,281</u>	<u>\$ 2,234,785</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 19,556	\$ 230,000	\$ -	\$ 249,556
Other Payable	5,000	-	-	5,000
Total Liabilities	<u>24,556</u>	<u>230,000</u>	<u>-</u>	<u>254,556</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	453,140	-	245,040	698,180
Total Deferred Inflows of Resources	<u>453,140</u>	<u>-</u>	<u>245,040</u>	<u>698,180</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	6,458	-	-	6,458
Restricted for:				
Emergency Reserves	15,300	-	-	15,300
Debt Service	-	-	295,241	295,241
Capital Projects	-	92,797	-	92,797
Unassigned	872,253	-	-	872,253
Total Fund Balances	<u>894,011</u>	<u>92,797</u>	<u>295,241</u>	<u>1,282,049</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,371,707</u>	<u>\$ 322,797</u>	<u>\$ 540,281</u>	<u>\$ 2,234,785</u>

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

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

Fund Balance - Total Government Funds	1,282,049
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Contractual Obligation	(2,000,000)
Accrued Interest Payable - Contractual Obligation	<u>(1,711,047)</u>
Net Position of Governmental Activities	<u>\$ (2,428,998)</u>

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Total Governmental Funds
REVENUES				
Property taxes	\$ 425,925	\$ -	\$ -	\$ 425,925
Property tax - Contractual Obligation	-	-	193,859	193,859
Specific ownership taxes	42,328	-	-	42,328
Interest income	41,444	14,620	21,271	77,335
Dove Valley MD - Shared median expense reimb	12,155	-	-	12,155
ACOS Cost Share	1,761	-	-	1,761
Lottery Proceeds	-	46,605	-	46,605
Total Revenues	<u>523,613</u>	<u>61,225</u>	<u>215,130</u>	<u>799,968</u>
EXPENDITURES				
Current:				
Accounting	41,621	-	-	41,621
Auditing	5,100	-	-	5,100
County Treasurer's fee - Contractual Obligation	-	-	2,913	2,913
County Treasurer's fee	6,431	-	-	6,431
Directors' fees	3,400	-	-	3,400
District management	37,171	-	-	37,171
Dues and membership	616	-	-	616
Election	1,213	-	-	1,213
Events	4,000	-	-	4,000
Insurance	6,323	-	-	6,323
Landscaping	5,606	-	-	5,606
Landscape Maint/Contract - Broncos Pkwy	15,471	-	-	15,471
Landscape Maint/Contract - Jordan Rd	19,559	-	-	19,559
Legal	33,029	-	-	33,029
Miscellaneous	2,208	-	-	2,208
Payroll taxes	268	-	-	268
Utilities	12,095	-	-	12,095
Debt Service:				
IGA - Arapahoe County	-	-	190,684	190,684
Capital Projects:				
Parks and recreation	-	230,000	-	230,000
Total Expenditures	<u>194,111</u>	<u>230,000</u>	<u>193,597</u>	<u>617,708</u>
NET CHANGE IN FUND BALANCES	329,502	(168,775)	21,533	182,260
Fund Balances - Beginning of Year	<u>564,509</u>	<u>261,572</u>	<u>273,708</u>	<u>1,099,789</u>
FUND BALANCES - END OF YEAR	<u>\$ 894,011</u>	<u>\$ 92,797</u>	<u>\$ 295,241</u>	<u>\$ 1,282,049</u>

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN 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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 182,260
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest on Contractual Obligation - Change in Liability	<u>50,684</u>
Changes in Net Position of Governmental Activities	<u>\$ 232,944</u>

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 426,638	\$ 425,925	\$ (713)
Specific ownership taxes	37,223	42,328	5,105
Interest income	7,814	41,444	33,630
Dove Valley MD - Shared median expense reimb	11,000	12,155	1,155
ACOS Cost Share	1,000	1,761	761
Total Revenues	<u>483,675</u>	<u>523,613</u>	<u>39,938</u>
EXPENDITURES			
Accounting	63,000	41,621	21,379
Auditing	5,500	5,100	400
Community Grants	10,000	-	10,000
Contingency	4,000	-	4,000
County Treasurer's fee	6,400	6,431	(31)
Directors' fees	6,000	3,400	2,600
District management	63,000	37,171	25,829
Dues and membership	100	616	(516)
Election	2,000	1,213	787
Events	1,000	4,000	(3,000)
Insurance	7,500	6,323	1,177
Landscaping	3,000	5,606	(2,606)
Landscape Maint/Contract - Broncos Pkwy	15,480	15,471	9
Landscape Maint/Contract - Jordan Rd	20,520	19,559	961
Landscape Maint/Contract - Hinsdale/Fremont	1,000	-	1,000
Landscape Maint/Repair - Broncos Pkwy	14,000	-	14,000
Landscape Maint/Repair - Jordan Rd	4,000	-	4,000
Landscape Maint/Repair - Hinsdale/Fremont	2,000	-	2,000
Legal	37,500	33,029	4,471
Median Repairs	150,000	-	150,000
Miscellaneous	5,000	2,208	2,792
Payroll taxes	500	268	232
Utilities	13,500	12,095	1,405
Vegetation & Tree Removal/Replacement	10,000	-	10,000
Total Expenditures	<u>445,000</u>	<u>194,111</u>	<u>250,889</u>
NET CHANGE IN FUND BALANCE	38,675	329,502	290,827
Fund Balance - Beginning of Year	<u>505,512</u>	<u>564,509</u>	<u>58,997</u>
FUND BALANCE - END OF YEAR	<u>\$ 544,187</u>	<u>\$ 894,011</u>	<u>\$ 349,824</u>

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – CONSERVATION TRUST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Lottery Proceeds	\$ 40,000	\$ 46,605	\$ 6,605
Interest income	2,000	14,620	12,620
Total Revenues	<u>42,000</u>	<u>61,225</u>	<u>19,225</u>
EXPENDITURES			
Parks and recreation	294,552	230,000	64,552
Total Expenditures	<u>294,552</u>	<u>230,000</u>	<u>64,552</u>
NET CHANGE IN FUND BALANCE	(252,552)	(168,775)	83,777
Fund Balance - Beginning of Year	<u>252,552</u>	<u>261,572</u>	<u>9,020</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 92,797</u></u>	<u><u>\$ 92,797</u></u>

See accompanying Notes to Basic Financial Statements.

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Parker Jordan Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, organized on February 26, 1985, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established to provide for the acquisition, construction, installation, completion and operation and maintenance of certain major streets, drainage improvements, transportation facilities, traffic and safety devices and parks and recreation facilities.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

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.

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 150 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, reimbursement revenues and grants. 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 is due.

The District reports the following major governmental funds:

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

The Conservation Trust special revenue fund is used to account for lottery proceeds received and the capital projects on which those funds are spent.

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

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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.

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.

Certain investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Fees

On January 26, 1998, as amended on April 9, 2001, September 5, 2003, January 12, 2004, and April 1, 2006, the Board of Directors of the District adopted a resolution imposing certain Facility Fees upon the property in the District. Pursuant to the Resolution, Facility Fees are payable upon the first to occur of the following: i) recordation of the final plat; ii) recordation of a final development plan; iii) the issuance of a building permit. Facility Fees are recorded as revenue when received. The Facility Fee is \$1,200 per residential unit for up to six residential units per acre; \$900 per residential unit for between 6 and 16 residential units per acre; and \$600 per residential unit for over 16 residential units per acre. The Facility Fee for nonresidential development is \$0.65 per gross square foot of improved structure. The Facility Fees constitute a statutory perpetual lien upon the property until paid. No additional fees are due on the South Creek property as the facility fees were previously paid by the developer.

Deferred Outflows/Inflows of Resources

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

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 880,261
Cash and Investments - Restricted	623,000
Total Cash and Investments	<u>\$ 1,503,261</u>

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 52,340
Investments	<u>1,450,921</u>
Total Cash and Investments	<u><u>\$ 1,503,261</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank balance and a carrying balance of \$52,340.

Investments

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

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

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

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

Fair Value Measurement and Application

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,450,921
		<u>\$ 1,450,921</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
General Obligation					
Contractual Indebtnedness	2,000,000	-	-	2,000,000	-
Accrued Interest	1,761,731	140,000	190,684	1,711,047	205,753
Total Long-Term Obligations	\$ 3,761,731	\$ 140,000	\$ 190,684	\$ 3,711,047	\$ 205,753

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Contractual Indebtedness

The District has an intergovernmental agreement with Arapahoe County, Colorado, as amended, which established a General Obligation Contractual Indebtedness in the principal amount of \$2,000,000 payable to Arapahoe County by means of a maximum mill levy of two mills, beginning in 1989 for collection in 1990 and to continue for a term of 20 years, at an interest rate of 7% per annum (2 Mill IGA). If revenue from the maximum two mill levy is insufficient to meet the annual principal and interest on the debt, unpaid interest carries forward to subsequent years without accruing additional interest. Payments are to be applied first to accumulated interest, second to current interest and then to principal. As of December 31, 2023, the outstanding interest on the agreement is \$1,711,047.

The 2 Mill IGA allows the District to reduce its mill levy below the two mills by an amount equal to the percentage decrease in Arapahoe County Recreation District's one mill levy. Beginning in 1996, the Arapahoe County Recreation District began reducing its mill levy below one mill. For collection year 2023, the Recreation District was at 0.604 mills.

In the event the entire principal amount of the indebtedness shall not have been fully paid within the first 19 years, then the District may, at its sole option, either:

1. Pay the entire remaining principal balance, plus accrued interest in the 20th year, notwithstanding the maximum two mill levy limitation, or
2. To the extent it is legally able to do so, extend the maximum two mill levy for an additional 16 years, which would extend the term to 2026.

The District elected to extend the maximum two mill levy for an additional 16 years, which would extend the term to 2026.

Authorized but Unissued Indebtedness

The District has no authorized but unissued debt.

NOTE 5 NET POSITION

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

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 NET POSITION (CONTINUED)

The restricted component of net position includes net 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, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 15,300
Conservation Trust Fund	92,797
Total Restricted Net Position	\$ 108,097

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. A portion of the net position has been restricted in compliance with this requirement.

Conservation Trust restricted net position represents amounts restricted for future use for eligible costs.

The District has a deficit in unrestricted net position. This deficit is a result of the District being responsible for the payment of the contractual obligation with Arapahoe County.

NOTE 6 REIMBURSEMENT POLICY

The District is authorized, but not obligated, to reimburse private persons or entities for the actual costs of design and construction of public improvements which are authorized by the District's Service Plan. No reimbursement will be committed to or made for the costs of public improvements unless an agreement outlining the terms of such reimbursement is approved by the Board of Directors. The District will only become obligated to reimburse as specified in a properly approved reimbursement agreement. The Board of Directors will meet annually either in a regular meeting of the Board of Directors or at a special meeting called for the purpose of reviewing all pending Requests for Reimbursement and to allocate available funds as deemed appropriate by the Board of Directors for payment of such requests for reimbursement. This agreement does not create any obligation to reimburse persons or entities for the design and construction of improvements, promise to pay reimbursements, or give rise to any claims for reimbursement whether any claims are made as breach of contract, promissory estoppel, restitution or unjust enrichments, or otherwise.

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 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 (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 or prior coverage in any of the past three fiscal years.

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

NOTE 8 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. There has been no judicial interpretation related to many provisions of TABOR, including how to calculate Fiscal Year Spending limits.

On May 7, 1996, a majority of the District's electors authorized the following:

**PARKER JORDAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

Shall Parker Jordan Metropolitan District taxes be increased by \$42,000 annually, commencing with a General Fund mill levy not to exceed 15 mills certified in 1996 and collected in 1997 and by whatever additional amounts, if any, are raised and collected each year after 1997 from the same General Fund mill levy not to exceed 15 mills, except that the District shall be authorized to increase the mill levy above 15 mills if the amount of property tax revenues projected to be collected in any year after 1997 is less than \$40,000, such revenues to be used for the operation and maintenance of District facilities and all other lawful District expenses; and shall such revenues and any investment income thereon be collected and spent by the District as a voter approved revenue change without regard to any spending, revenue-raising or other limitation of Article X, Section 20 of the Colorado Constitution or any other law, and without limiting in any year the collection of any other revenues; and shall the revenue from such taxes collected in 1997 and each year thereafter and any investment income thereon also be approved as an increased levy under Section 29-1-302, C.R.S.

On November 2, 1999, a majority of the District's electors authorized the following:

Shall the limitations on terms of office contained in I Article XVIII, Section 11 of the Colorado Constitution be eliminated as applied to terms of office for the directors of the Parker Jordan Metropolitan District?

Without any increase in the District's authorized mill levy, shall Parker Jordan Metropolitan District be authorized to impose, collect, retain, and spend the full amount of all revenues generated by or from all sources, including rates, fees, tolls, charges, specific ownership taxes, agreements with other local governments, grants, lottery distributions, amounts from its otherwise authorized operations and maintenance property tax levy, and any other revenues generated or received by the District in 1999, and in each year thereafter, without regard to any limitation on such revenues contained within Section 29-1-301, Colorado Revised Statutes.

SUPPLEMENTARY INFORMATION

**PARKER JORDAN METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property tax - Contractual Obligation	\$ 193,749	\$ 193,859	\$ 110
Interest income	4,003	21,271	17,268
Total Revenues	<u>197,752</u>	<u>215,130</u>	<u>17,378</u>
EXPENDITURES			
County Treasurer's fee - Contractual Obligation	2,906	2,913	(7)
IGA - Arapahoe County	190,951	190,684	267
Contingency	1,143	-	1,143
Total Expenditures	<u>195,000</u>	<u>193,597</u>	<u>1,403</u>
NET CHANGE IN FUND BALANCE	2,752	21,533	18,781
Fund Balance - Beginning of Year	<u>267,514</u>	<u>273,708</u>	<u>6,194</u>
FUND BALANCE - END OF YEAR	<u>\$ 270,266</u>	<u>\$ 295,241</u>	<u>\$ 24,975</u>

**PARKER JORDAN METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation		Assessed Valuation		General Operations		Total Mills Levied		District Levied		Total Property Taxes		Percent Collected to Levied
	District		Exclusion		Service - District	Debt	Service - Exclusion	Debt	Levied	Levied	Exclusion	Total	
2019	\$ 82,190,299		43,063,344		4,000	15,633	15,633	15,633	\$ 1,613,642	\$ 673,209	\$ 2,286,851	\$ 2,280,620	99.73 %
2020	96,071,968		47,912,197		4,000	15,633	15,633	15,633	1,886,181	749,011	2,635,192	2,614,899	99.23
2021	96,989,011		47,363,734		4,000	15,633	15,633	15,633	1,904,185	740,438	2,644,623	2,632,778	99.55
2022	107,224,962		44,227,726		4,000	12,952	12,952	12,952	1,817,678	572,838	2,390,516	2,387,109	99.86
2023	106,659,608		44,707,095		4,000	1,280	1,280	1,280	563,162	57,225	620,387	619,784	99.90
Estimated for Year Ending December 31, 2024	\$ 129,468,597		48,096,820		3,500	1,380	1,380	1,380	\$ 631,807	\$ 66,373	\$ 698,180		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.

Source: Arapahoe County Assessor and Treasurer.