

**LINCOLN PARK (DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT)**

FINANCIAL STATEMENTS
December 31, 2023

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan District)

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan District)'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Lincoln Park Metropolitan District (dba Stonegate North Villages 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. 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 Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of 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 Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan District)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan District)'s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan District)'s financial statements as a whole. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Capital Projects Fund, Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Debt Service Fund, and the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Conservation Trust Fund as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Collins, Colorado
May 10, 2024

Basic Financial Statements

Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Statement of Net Position
December 31, 2023

Assets

Current Assets

Cash and cash equivalents - unrestricted	\$ 857,744
Cash and cash equivalents - restricted	1,189,065
Accounts receivable	84,820
Property taxes receivable	2,930,493
Prepaid expenses	25,125
Total Current Assets	<u>5,087,247</u>

Capital Assets

Non-depreciable	1,823,618
Depreciable	9,827,561
Accumulated depreciation	<u>(5,033,300)</u>
Net Capital Assets	<u>6,617,879</u>
Total Assets	<u>11,705,126</u>

Liabilities

Current Liabilities

Accounts payable	75,146
Plan review deposits	36,289
Accrued interest	102,647
Long-term liabilities - current portion	<u>815,697</u>
Total Current Liabilities	<u>1,029,779</u>

Long-term liabilities	<u>29,177,854</u>
Total Long-Term Liabilities	<u>29,177,854</u>
Total Liabilities	<u>30,207,633</u>

Deferred Inflows of Resources

Deferred property tax revenue	<u>2,930,493</u>
Total Deferred Inflows of Resources	<u>2,930,493</u>

Net Position

Restricted for debt service	1,199,606
Restricted for emergencies	49,837
Unrestricted	<u>(22,682,443)</u>
Total Net Position	<u>\$ (21,433,000)</u>

The accompanying notes are an integral part of these financial statements

**Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Statement of Activities
For the Year Ended December 31, 2023**

		Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Governmental Activities
Governmental Activities	Expenses			
General government	\$ 2,086,525	\$ 1,515,321	\$ 21,534	\$ (549,670)
Interest and related costs on long-term debt	1,167,676	-	-	(1,167,676)
Total Governmental Activities	\$ 3,254,201	\$ 1,515,321	\$ 21,534	(1,717,346)
General Revenues				
Property taxes				2,625,751
Specific ownership taxes				240,841
Interest income				156,003
Miscellaneous				2,763
Total Revenues				3,025,358
Change in Net Position				1,308,012
Net Position - Beginning of Year				(22,741,012)
Net Position - End of Year				\$ (21,433,000)

The accompanying notes are an integral part of these financial statements

Fund Financial Statements

**Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Balance Sheet
Governmental Funds
December 31, 2023**

	Major Funds			Non Major Fund	Total Governmental Funds
	General	Capital Projects	Debt Service	Conservation Trust	
Assets					
Current Assets					
Cash and cash equivalents - unrestricted	\$ 332,209	\$ 525,535	\$ -	\$ -	\$ 857,744
Cash and cash equivalents - restricted	-	-	1,189,065	-	1,189,065
Accounts receivable	74,279	-	10,541	-	84,820
Property taxes receivable	1,383,470	-	1,547,023	-	2,930,493
Prepaid expenses	25,125	-	-	-	25,125
Total Assets	<u>1,815,083</u>	<u>525,535</u>	<u>2,746,629</u>	<u>-</u>	<u>5,087,247</u>
Liabilities					
Current Liabilities					
Accounts payable	75,146	-	-	-	75,146
Plan review deposits	36,289	-	-	-	36,289
Total Liabilities	<u>111,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,435</u>
Deferred Inflows of Resources					
Deferred property tax revenue	1,383,470	-	1,547,023	-	2,930,493
Total Deferred Inflows of Resources	<u>1,383,470</u>	<u>-</u>	<u>1,547,023</u>	<u>-</u>	<u>2,930,493</u>
Equity					
Fund Balance					
Nonspendable	25,125	-	-	-	25,125
Assigned	-	525,535	-	-	525,535
Restricted	49,837	-	1,199,606	-	1,249,443
Unassigned	245,216	-	-	-	245,216
Total Fund Balance	<u>320,178</u>	<u>525,535</u>	<u>1,199,606</u>	<u>-</u>	<u>2,045,319</u>
Total Liabilities, Equity and Deferred Inflows of Resources	<u>\$ 1,815,083</u>	<u>\$ 525,535</u>	<u>\$ 2,746,629</u>	<u>\$ -</u>	<u>\$ 5,087,247</u>
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position					
Total Fund Balance					\$ 2,045,319
Amounts reported for governmental funds in the Statement of Net Position are different because:					
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the fund balance sheets. However, in the Statement of Net Position the cost of assets are capitalized and expensed over their estimated lives through depreciation expense					
					6,617,879
Accrued interest on long-term debt does not require current financial resources therefore is not reported in the fund statements.					
					(102,647)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements.					
					(29,993,551)
Total Net Position					<u>\$ (21,433,000)</u>

**Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023**

	Major Funds			Non Major Fund	Total Governmental Funds
	General	Capital Projects	Debt Service	Conservation Trust	
Revenues					
Property taxes	\$ 848,860	\$ -	\$ 1,776,891	\$ -	\$ 2,625,751
Specific ownership taxes	77,860	-	162,981	-	240,841
Intergovernmental	-	-	-	21,534	21,534
Interest income	41,195	17,669	96,536	603	156,003
Fees	681,496	833,825	-	-	1,515,321
Miscellaneous	2,763	-	-	-	2,763
Total Revenue	1,652,174	851,494	2,036,408	22,137	4,562,213
Expenditures					
Administrative	262,678	99	2,896	-	265,673
Operations	802,803	24,133	-	-	826,936
System development payments	-	642,043	-	-	642,043
Treasurer's fees	12,736	-	26,659	-	39,395
Debt Service:					
Paying agent fees	-	-	3,000	-	3,000
Bond interest	-	-	1,259,769	-	1,259,769
Bond principal	-	-	700,000	-	700,000
Capital Outlay	-	777,439	-	22,137	799,576
Total Expenditures	1,078,217	1,443,714	1,992,324	22,137	4,536,392
Revenue Over (Under) Expenditures	573,957	(592,220)	44,084	-	25,821
Other Financing Sources and (Uses)					
Transfers	(583,000)	583,000	-	-	-
Total Other Financing Sources and (Uses)	(583,000)	583,000	-	-	-
Net Change in Fund Balance	(9,043)	(9,220)	44,084	-	25,821
Fund Balance, Beginning of Year	329,221	534,755	1,155,522	-	2,019,498
Fund Balance, End of Year	\$ 320,178	\$ 525,535	\$ 1,199,606	\$ -	\$ 2,045,319
 Total Change in Fund Balance Governmental Fund					\$ 25,821
Governmental funds report capital outlay as expenditures, however in the Statement of Activities the costs of those assets are allocated over the estimated useful lives and reported as depreciation expense.					
Capital outlay					799,576
Depreciation					(312,478)
Repayment of bonds and other debt principle is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position					
					700,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported in the fund statements.					
Accrued interest					2,334
Amortization of bond premium					92,759
Change in Net Position of Governmental Activities					<u>\$ 1,308,012</u>

**Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Statement of Revenue and Expenditures and Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 839,597	\$ 839,597	\$ 848,860	\$ 9,263
Specific ownership taxes	71,366	71,366	77,860	6,494
Interest income	10,500	10,500	41,195	30,695
Fees	831,063	831,063	681,496	(149,567)
Miscellaneous	1,000	1,000	2,763	1,763
Total Revenue	<u>1,753,526</u>	<u>1,753,526</u>	<u>1,652,174</u>	<u>(101,352)</u>
Expenditures				
Administrative	316,966	316,966	262,678	54,288
Operations	961,288	961,288	802,803	158,485
Treasurer's fees	12,594	12,594	12,736	(142)
Total Expenditures and Transfers	<u>1,290,848</u>	<u>1,290,848</u>	<u>1,078,217</u>	<u>212,631</u>
Revenue Over (Under) Expenditures	462,678	462,678	573,957	111,279
Other Financing Sources and (Uses)				
Transfers	<u>(350,000)</u>	<u>(450,000)</u>	<u>(583,000)</u>	<u>(133,000)</u>
Total Other Financing Sources and (Uses)	<u>(350,000)</u>	<u>(450,000)</u>	<u>(583,000)</u>	<u>(133,000)</u>
Net Change in Fund Balance	112,678	12,678	(9,043)	(21,721)
Beginning Fund Balance	302,481	329,221	329,221	-
Ending Fund Balance	<u>\$ 415,159</u>	<u>\$ 341,899</u>	<u>\$ 320,178</u>	<u>\$ (21,721)</u>

The accompanying notes are an integral part of these financial statements

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements
December 31, 2023**

Note 1 Summary of Significant Accounting Policies

Lincoln Park Metropolitan District (dba Stonegate North Villages Metropolitan District) (the District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was established on July 20, 1983 primarily to provide for the planning, design, financing, acquisition, and construction of certain public improvements. The District anticipates that all, or some, of the improvements may be dedicated to the County, or its designee. The District has no employees and all operations and administrative functions are contracted.

Financial Reporting Entity

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is not financially accountable for any other entity, nor is the District a component unit of any other governmental entity; therefore, no other entities are included in the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial position of the governmental activities at the end of the year. The statement of activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

Fund Accounting

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Fund types used by the District are described below. The major funds of the District are the General Fund, Debt Service Fund and the Capital Projects Fund.

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Governmental Fund Type

General Fund –is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund- accounts for the revenues received related to the construction and acquisition of capital projects.

Debt Service Fund- accounts for the repayment of long-term debt incurred by the district.

Measurement Focus

Government-wide Financial Statement

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the District are included in the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (revenue and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Basis of Accounting (continued)

The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended by Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements establish standards for external financial reporting for all state and local governmental entities which includes a management’s discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows, where applicable. It requires the classification of net position into three components: net investment in capital assets, restricted, and unrestricted.

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures of the fiscal period, which is typically within sixty days of realization.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Property Taxes

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 31 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced and income is recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Assets and Liabilities

Cash and cash equivalents - the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with maturities of 90 days or less at the date of their acquisition.

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets – all capital assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$5,000. Depreciation of the estimated useful lives of the assets is computed using the straight-line method. Estimated useful lives range from 10-40 years for capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Accrued Liabilities and long-Term Obligation

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 1 Summary of Significant Accounting Policies (Continued)
Basis of Accounting (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

The District implemented the provisions of GASB No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65). As a result in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Net Position

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.
- c. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.” The net position is available for future operations or distributions.

Fund Balance

Nonspendable - consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was \$25,125 relating to prepaid expenses as of December 31, 2023.

Restricted - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the District to establish Emergency reserves (see Note 6). A reservation of \$49,837 of the General Fund balance has been made in compliance with this requirement. The District had \$1,199,606 restricted for the use of debt service.

Committed - General Fund - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors formally removes or changes the specified uses. The District had a committed fund balance of \$0 as of December 31, 2023.

Assigned – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. As of December 31, 2023, the assigned fund balance was \$525,535 for capital projects.

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

Unassigned - consists of the residual classification for each fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The District Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District Board or amended by the District Board.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2023, the District's cash deposits had a carrying balance of \$86,027 with a corresponding bank balance of \$86,027, of which \$86,027 is federally insured.

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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under 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 equal to 102% of the uninsured deposits. The District did not have any deposits collateralized under PDPA.

The Colorado Divisions of Banking 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.

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 2 Cash and Investments (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2023, none of the District's bank deposits were exposed to custodial credit risk.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

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

At December 31, 2023, the District had \$1,960,782 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST EDGE, and COLOTRUST PLUS+. All portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under section 24-75-601, C.R.S., as amended. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust.

COLOTRUST measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in COLOTRUST is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72. COLOTRUST PLUS+ and COLOTRUST PRIME are rated by S&P Global Ratings. The current rating is 'AAAm.' COLOTRUST EDGE is rated by Fitch Ratings. The current rating is 'AAAf/S1.

COLOTRUST PLUS+ and PRIME

PRIME is presently allowed by the Trust's investment policies to maintain a portion of its assets in U.S. Treasury securities or repurchase agreements collateralized by U.S. Treasury securities. It may also invest assets in securities of a Federal Farm Credit Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 2 Cash and Investments (Continued)

Federal National Mortgage Association, the Government National Mortgage Association, and other federal instrumentality or agency security permitted by the Legal Investments Act, repurchase agreements collateralized by those securities, collateralized bank deposits, and 'AAAm' rated government money market funds. The PRIME portfolio may be invested in securities with a maximum maturity of 397 days for fixed rate debt and 762 days for sovereign government floating-rate debt. The PRIME portfolio is limited to an average weighted maturity not to exceed 60 days to reset and 120 days to final. PRIME seeks to maintain a stable Net Asset Value (NAV) of \$1.00 per share.

COLOTRUST EDGE

COLOTRUST EDGE is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to participants. EDGE is suitable for a local government's strategic reserves / non-operating funds and has a NAV that is managed to approximate a \$10.00 transactional share price.

As of December 31, 2023, the Board had not adopted a formal investment policy.

Note 3 Capital Assets

	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
Nondepreciable				
Landscaping	\$ 1,823,618	\$ -	\$ -	\$ 1,823,618
Construction in progress	1,429,203	-	(1,429,203)	-
Total Nondepreciable	<u>3,252,821</u>	<u>-</u>	<u>(1,429,203)</u>	<u>1,823,618</u>
Depreciable				
Parks and recreation	6,598,782	2,228,779	-	8,827,561
Drainage	1,000,000	-	-	1,000,000
Total Depreciable	<u>7,598,782</u>	<u>2,228,779</u>	<u>-</u>	<u>9,827,561</u>
TOTAL	<u>10,851,603</u>	<u>2,228,779</u>	<u>(1,429,203)</u>	<u>11,651,179</u>
Less Accumulated Depreciation				
Parks and recreation	(4,370,822)	(287,478)	-	(4,658,300)
Drainage	(350,000)	(25,000)	-	(375,000)
Total Accumulated Depreciation	<u>(4,720,822)</u>	<u>(312,478)</u>	<u>-</u>	<u>(5,033,300)</u>
Net Capital Assets	<u>\$ 6,130,781</u>	<u>\$ 1,916,301</u>	<u>\$ (1,429,203)</u>	<u>\$ 6,617,879</u>

Note 4 Long-term Debt

The District's long-term debt is as follows:

Series 2018 Limited Tax General Obligation Refunding and Improvement Bonds

(the Bonds) totaling \$32,000,000 dated April 26, 2018, with interest ranging from 3.00% 5.00%. The proceeds from the sale of the Bonds were used for the purposes of (i) refunding the Series 2014A Tax-Exempt Loan and the Series 2014B Taxable Loan (ii) refunding a portion of the principal amount of the outstanding obligation of the District to NNP II-Stonegate, LLC (the Developer) (iii) funding public park and recreation improvements; (iv) funding the Reserve Fund; and (v) paying the costs of issuing the bonds.

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 4 Long-term Debt (Continued)

The bonds bear interest at rates ranging from 3.00% to 5.00% payable semi-annually on June 1 and December 1 each year, and principal is payable on December 1, each year. The bonds mature on December 1, 2047. The District has a limited number of undeveloped lots. The bonds maturing on and after December 1, 2028 may be prepaid at the option of the District, in whole or in part, in any order of maturity, beginning December 1, 2027, without redemption premium.

The bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of collection costs: (1) the Required Mill Levy, (2) the portion of the specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue (except that Capital Fees shall not be pledged so long as the Amended and Restated Agreement is in effect). The bonds are also secured by the Reserve Fund and by amounts in the Surplus Fund in accordance with the indenture up to the Maximum Surplus amount of \$1,000,000. At December 31, 2023, the Surplus Fund is fully funded.

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property within the District each year in an amount sufficient to pay the principal, premium, and interest on the Bonds as the same became due and payable, to make up any deficiencies in the Reserve Fund and to make up any deficiencies in the Surplus Fund so long as it is in existence. The Required Mill levy shall be imposed in the Exclusion Area only to the extent required to pay or fund or replenish the Surplus Fund and the Reserve Fund in connection with the Refunding Bonds.

The maximum Required Mill Levy is 55.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. For collection year 2023 the District levied 35.000 mills on each dollar of assessed valuation for the purpose of repayment of the bonds. Payment of principal and interest, when due, is guaranteed by Assured Guaranty Municipal Corp. (AGM).

The Changes in Long-term Debt during 2023 were as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Amounts Due Within One Year
Series 2018 Bonds	\$ 29,340,000	\$ -	\$ (700,000)	\$ 28,640,000	\$ 725,000
Bond premium - net of amortization	1,446,310	-	(92,759)	1,353,551	90,697
Total Long-term Debt	<u>\$ 30,786,310</u>	<u>\$ -</u>	<u>\$ (792,759)</u>	<u>\$ 29,993,551</u>	<u>\$ 815,697</u>

Future debt service requirements are as follows:

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 4 Long-term Debt (Continued)

Year ending December 31,	Principal	Interest	Total
2024	\$ 725,000	\$ 1,231,769	\$ 1,956,769
2025	765,000	1,195,519	1,960,519
2026	800,000	1,157,269	1,957,269
2027	840,000	1,117,269	1,957,269
2028	885,000	1,075,269	1,960,269
2029-2033	4,840,000	4,957,144	9,797,144
2034-2038	5,685,000	4,107,075	9,792,075
2039-2043	7,065,000	2,734,875	9,799,875
2044-2047	7,035,000	806,500	7,841,500
Total	<u>\$ 28,640,000</u>	<u>\$ 18,382,689</u>	<u>\$ 47,022,689</u>

Note 5 Agreements

Second Amended and Restated Regional Facilities Construction Agreement

On November 22, 1996, the District entered into the Second Amended and Restated Regional Facilities Construction Agreement with Stonegate Village Metropolitan District (Stonegate Village) (the IGA). Pursuant to the IGA, the District transferred all right, title, and interest to its sanitary sewer system, including \$265,510 of operations and maintenance reserves, and all right title and interest to its water supply system, including \$64,754 in operations and maintenance reserves and water rights, to Stonegate Village. In exchange, Stonegate Village agreed to finance, construct, and operate (1) a sewer system within Stonegate Village which would be adequate to service an ultimate build-out of at least 2,531 SFE's and which water and irrigation system would provide service to the District pursuant to the terms of the IGA.

The IGA provides that the first 550,000 gallons per day of sewage treatment capacity is dedicated to sewer taps for residents of Stonegate Village (the Reserved Sewer Capacity) and the capacity in excess of the 550,000 gallons per day was irrevocably dedicated to the District, subject to the terms of the IGA. The IGA provides that the first 2,531 three-quarter inch water tap equivalents and the water to serve Stonegate Community Park, Challenger Park, the E-470 right-of-way are dedicated to supply water taps in Stonegate Village (the Reserved Water Capacity) and any water taps in excess thereof are dedicated to the District. The IGA provides that the District may request Stonegate Village to impose, for the benefit of The District, system development and connection charges.

The District also entered into a memorandum of Understanding Concerning Development and Construction, dated 1998, as amended by the First Amendment to the Memorandum of Understanding Concerning Development and Construction, dated March 21, 2001, with Stonegate Village (Collectively the MOU). The MOU modifies the IGA and provides that, as a result of changes in development densities and efficiencies in the water and sewer systems, so long as Stonegate Village is able to meet its need for sewer or water service as provided in the MOU, respectively, the District may utilize the Reserved Sewer Capacity or the Reserved Water Capacity, respectively, on a temporary basis, subject to the conditions of the MOU. The MOU also provides that once the Reserved Sewer Capacity has been utilized, the then applicable system development fees imposed by Stonegate Village will continue to apply and, to the extent

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 5 Agreements (Continued)

system development fees are collected for development within Stonegate Village they shall be paid over to Stonegate Village.

In conjunction with the issuance of the Series 2018 bonds, the District entered into an Amended and Restated Agreement with the Developer, which was subsequently assigned to Newland National Partners II, LLC on November 5, 2019. Per the terms of the agreement, the District shall pledge all capital fees collected pursuant to resolutions adopted on January 1, 2000 as repayment of the balance owed for prior advances made. Repayments are limited to pass through of funds received from Capital Fees and the District is not obligated to impose an ad valorem mill levy for payment of balances owed.

Note 6 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, the Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

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, which 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.

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District is a participant in the Colorado Special District Association Property and Liability Pool. The Pool was formed by an agreement by member special districts of the Special District Association as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(c) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S, as amended. Membership is restricted to Colorado special districts which are members of the Special District Association.

The purpose of the Pool is to provide defined property, liability, workers' compensation, and associated coverages, and claims and risk management services related thereto, for member special districts through a self-insurance pool. The Pool has contracted with other third parties to operate, administer and manage the Pool. In the event aggregated losses incurred by the Pool exceed amounts recoverable from the reinsurance contracts and capital and surplus accumulated by the Pool, additional contributions may be required from the Pool members. Settled claims have not exceeded the District's commercial coverage in the last three years.

**Lincoln Park Metropolitan District
(dba Stonegate North Villages Metropolitan District)
Notes to Financial Statements (Continued)
December 31, 2023**

Note 8 Transfers

During the year ended December 31, 2023, the General Fund transferred \$583,000 to the Capital Projects fund to be used for current and future capital outlay.

Note 9 Authorized but Unissued Debt

In the election dated November 3, 1988 a majority of the electors authorized the issuance of \$526,500,000 in debt. Of that amount \$397,677,261 remained unissued, however under Colorado Revised Statutes 32-1-1101.5 the debt is considered stale dated and is no longer available to be issued.

Other Supplemental Information

**Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Statement of Revenue and Expenditures and Change in Fund Balance
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Interest income	\$ 500	\$ 15,000	\$ 17,669	\$ 2,669
Fees	155,832	833,825	833,825	-
Total Revenue	156,332	848,825	851,494	2,669
Expenditures				
Administrative	-	-	99	(99)
Operations	-	-	24,133	(24,133)
Capital outlay	533,812	870,000	777,439	92,561
Transfer to Stonegate Village Metro	-	379,334	379,334	-
Developer repayment	-	298,659	262,709	35,950
Contingency	100,000	200,000	-	200,000
Total Expenditures	633,812	1,747,993	1,443,714	304,279
Revenue Over (Under) Expenditures	(477,480)	(899,168)	(592,220)	306,948
Other Financing Sources and (Uses)				
Transfers	350,000	450,000	583,000	133,000
Total Other Financing Sources and (Uses)	350,000	450,000	583,000	133,000
Net Change in Fund Balance	(127,480)	(449,168)	(9,220)	439,948
Beginning Fund Balance	524,092	534,755	534,755	-
Ending Fund Balance	\$ 396,612	\$ 85,587	\$ 525,535	\$ 439,948

The accompanying notes are an integral part of these financial statements

**Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Statement of Revenue and Expenditures and Change in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2023**

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 1,757,502	\$ 1,776,891	\$ 19,389
Specific ownership taxes	149,388	162,981	13,593
Interest	17,000	96,536	79,536
Total Revenue	<u>1,923,890</u>	<u>2,036,408</u>	<u>112,518</u>
Expenditures			
Administrative	400	2,896	(2,496)
Treasurer's fees	26,363	26,659	(296)
Paying agent fees	3,000	3,000	-
Bond interest	1,259,769	1,259,769	-
Bond principal	700,000	700,000	-
Contingency	10,000	-	10,000
Total Expenditures	<u>1,999,532</u>	<u>1,992,324</u>	<u>7,208</u>
Net Change in Fund Balance	<u>(75,642)</u>	<u>44,084</u>	<u>119,726</u>
Beginning Fund Balance	1,142,287	1,155,522	13,235
Ending Fund Balance	<u><u>\$ 1,066,645</u></u>	<u><u>\$ 1,199,606</u></u>	<u><u>\$ 132,961</u></u>

The accompanying notes are an integral part of these financial statements

**Lincoln Park Metropolitan District
dba Stonegate North Villages Metropolitan District
Statement of Revenue and Expenditures and Change in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 22,000	\$ 22,000	\$ 21,534	\$ (466)
Interest	50	2,500	603	(1,897)
Total Revenue	<u>22,050</u>	<u>24,500</u>	<u>22,137</u>	<u>(2,363)</u>
Expenditures				
Capital Outlay	20,000	22,500	22,137	363
Contingency	<u>2,050</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Expenditures	<u>22,050</u>	<u>24,500</u>	<u>22,137</u>	<u>2,363</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements