

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

Independent Auditor's Report

Board of Directors
Lincoln Park Metropolitan District dba Stonegate North Villages Metropolitan District
Douglas County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Lincoln Park Metropolitan District dba Stonegate North Villages Metropolitan District (the "District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lincoln Park Metropolitan District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

Sincerely,



Wipfli LLP
Lakewood, Colorado

July 27, 2021

BASIC FINANCIAL STATEMENTS

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 757,048
Cash and Investments - Restricted	2,666,702
Accounts Receivable - Intergovernmental	64,163
Accounts Receivable - County Treasurer	17,967
Accounts Receivable - Other	28,370
Property Taxes Receivable	2,404,737
Prepaid Expenses	17,752
Capital Assets, Net	<u>5,438,947</u>
Total Assets	<u>11,395,686</u>
LIABILITIES	
Accounts Payable	403,804
Deposits	20,000
Accrued Interest Payable - Bonds	108,614
Noncurrent Liabilities:	
Due Within One Year	475,000
Due in More Than One Year	<u>46,287,309</u>
Total Liabilities	<u>47,294,727</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>2,404,737</u>
Total Deferred Inflows of Resources	<u>2,404,737</u>
NET POSITION	
Net Investment in Capital Assets	(36,636,383)
Restricted For:	
Emergency Reserves	32,500
Debt Service	615,280
Unrestricted	<u>(2,315,175)</u>
Total Net Position	<u><u>\$ (38,303,778)</u></u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,854,956	\$ -	\$ -	\$ 16,740	\$ (1,838,216)
Interest and Related Costs on Long-Term Debt	1,782,544	-	-	-	(1,782,544)
Total Governmental Activities	\$ 3,637,500	\$ -	\$ -	\$ 16,740	(3,620,760)
 GENERAL REVENUES					
Property Taxes					2,313,328
Specific Ownership Taxes					209,631
Facility Fees					606,244
Plan Admin Fee					5,250
Plan Review Reimbursement					47,259
Road Maintenance Fees					155,832
System Development Fees					757,110
Net Investment Income					24,245
Other Income					1,422
Total General Revenues					4,120,321
 CHANGE IN NET POSITION					
					499,561
Net Position - Beginning of Year					(38,803,339)
 NET POSITION - END OF YEAR					
					\$ (38,303,778)

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Conservation Trust	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 597,504	\$ -	\$ -	\$ 159,544	\$ 757,048
Cash and Investments - Restricted	32,500	-	708,881	1,925,321	2,666,702
Accounts Receivable - Intergovernmental	64,163	-	-	-	64,163
Accounts Receivable - County Treasurer	2,954	-	15,013	-	17,967
Accounts Receivable - Other	28,370	-	-	-	28,370
Property Taxes Receivable	395,202	-	2,009,535	-	2,404,737
Prepaid Expenses	17,752	-	-	-	17,752
Total Assets	<u>\$ 1,138,445</u>	<u>\$ -</u>	<u>\$ 2,733,429</u>	<u>\$ 2,084,865</u>	<u>\$ 5,956,739</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 403,804	\$ -	\$ -	\$ -	\$ 403,804
Deposits	20,000	-	-	-	20,000
Total Liabilities	<u>423,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,804</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	395,202	-	2,009,535	-	2,404,737
Total Deferred Inflows of Resources	<u>395,202</u>	<u>-</u>	<u>2,009,535</u>	<u>-</u>	<u>2,404,737</u>
FUND BALANCES					
Nonspendable:					
Prepaid Expenses	17,752	-	-	-	17,752
Restricted For:					
Emergencies (TABOR)	32,500	-	-	-	32,500
Debt Service	-	-	723,894	-	723,894
Capital Projects	-	-	-	1,925,321	1,925,321
Assigned For:					
Capital Projects	-	-	-	159,544	159,544
Unassigned	269,187	-	-	-	269,187
Total Fund Balances	<u>319,439</u>	<u>-</u>	<u>723,894</u>	<u>2,084,865</u>	<u>3,128,198</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,138,445</u>	<u>\$ -</u>	<u>\$ 2,733,429</u>	<u>\$ 2,084,865</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

5,438,947

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

Bonds Payable	(30,430,000)
Bond Premium (Net of Amortization)	(1,636,850)
Developer Advance Payable	(11,933,801)
Accrued Interest Payable - Bonds	(108,614)
Accrued Interest Payable - Developer Advance	<u>(2,761,658)</u>

Net Position of Governmental Activities

\$ (38,303,778)

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Conservation Trust	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 380,231	\$ -	\$ 1,933,097	\$ -	\$ 2,313,328
Specific Ownership Taxes	34,456	-	175,175	-	209,631
Facilities Fee	606,244	-	-	-	606,244
Plan Admin Fee	5,250	-	-	-	5,250
Plan Review Reimbursement	47,259	-	-	-	47,259
Conservation Trust	-	16,740	-	-	16,740
Road Maintenance Fee	-	-	-	155,832	155,832
System Development Fee	-	-	-	757,110	757,110
Net Investment Income	4,017	1	6,175	14,052	24,245
Other Income	1,422	-	-	-	1,422
Total Revenues	1,078,879	16,741	2,114,447	926,994	4,137,061
EXPENDITURES					
Current:					
Accounting	56,786	-	-	220	57,006
Audit	4,500	-	-	-	4,500
Communications	38,304	-	-	-	38,304
County Treasurer's Fees	5,731	-	29,139	-	34,870
Director's Fees	10,300	-	-	-	10,300
District Management	82,506	-	-	-	82,506
Election	2,667	-	-	-	2,667
Engineering	6,314	-	-	-	6,314
GIS Maintenance	4,000	-	-	-	4,000
Insurance	18,016	-	-	-	18,016
Irrigation System Repair	38,083	-	-	-	38,083
Legal	80,294	-	-	10,265	90,559
Landscape Enhancements	44,574	-	-	-	44,574
Landscape Maintenance Contract	268,990	-	-	-	268,990
Lighting Maintenance	7,420	-	-	-	7,420
Payroll Taxes	814	-	-	-	814
Pool Maintenance	32,568	-	-	-	32,568
Pool Management	96,187	-	-	-	96,187
Pool Utilities	16,658	-	-	-	16,658
Rebranding	20,982	-	-	-	20,982
Repairs and Maintenance	48,283	-	-	-	48,283
Snow Removal	21,044	-	-	-	21,044
Telephone	2,376	-	-	-	2,376
Tree Replacement	4,570	-	-	-	4,570
Utilities	141,840	-	-	-	141,840
Website Hosting	5,408	-	-	-	5,408
Miscellaneous	8,252	-	140	-	8,392
Debt Service:					
Bond Interest - Series 2018	-	-	1,319,369	-	1,319,369
Bond Principal - Series 2018	-	-	400,000	-	400,000
Developer Repayment - Interest	-	-	-	296,214	296,214
Paying Agent Fees	-	-	3,000	-	3,000
Capital:					
Conservation Trust Projects	-	16,741	-	-	16,741
Capital Oulay	-	-	-	205,074	205,074
Landscaping	-	-	-	49,421	49,421
System Development - Connection Fees	-	-	-	460,897	460,897
Total Expenditures	1,067,467	16,741	1,751,648	1,022,091	3,857,947
NET CHANGE IN FUND BALANCES	11,412	-	362,799	(95,097)	279,114
Fund Balances - Beginning of Year	308,027	-	361,095	2,179,962	2,849,084
FUND BALANCES - END OF YEAR	\$ 319,439	\$ -	\$ 723,894	\$ 2,084,865	\$ 3,128,198

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES 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, 2020**

Net Change in Fund Balances - Governmental Funds	\$ 279,114
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period as are follows:</p>	
Capital Outlay	221,815
Depreciation Expense	(266,686)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Bond Principal Repayment	400,000
Repayment of Developer Advance	296,214
Amortization of Bond Premium	97,147
<p>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.</p>	
Accrued Interest on Bonds - Change in Liability	1,333
Accrued Interest on Developer Advance - Change in Liability	<u>(529,376)</u>
Change in Net Position of Governmental Activities	<u>\$ 499,561</u>

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 381,881	\$ 381,881	\$ 380,231	\$ (1,650)
Specific Ownership Taxes	34,369	34,369	34,456	87
Facilities Fee	661,500	661,500	606,244	(55,256)
Plan Admin Fee	3,750	3,750	5,250	1,500
Plan Review Reimbursement	-	-	47,259	47,259
Net Investment Income	4,000	4,000	4,017	17
Other Income	1,000	1,000	1,422	422
Total Revenues	<u>1,086,500</u>	<u>1,086,500</u>	<u>1,078,879</u>	<u>(7,621)</u>
EXPENDITURES				
Current:				
Accounting	35,000	62,000	56,786	5,214
Audit	5,000	5,000	4,500	500
Communications	-	35,000	38,304	(3,304)
Country Treasurer's Fees	5,728	5,728	5,731	(3)
Director's Fees	3,600	3,600	10,300	(6,700)
District Management	77,000	82,000	82,506	(506)
Election	3,000	3,000	2,667	333
Engineering	10,000	10,000	6,314	3,686
GIS Maintenance	8,000	8,000	4,000	4,000
Insurance	18,000	18,000	18,016	(16)
Irrigation System Repair	15,000	15,000	38,083	(23,083)
Legal	45,000	110,000	80,294	29,706
Landscape Enhancements	105,000	105,000	44,574	60,426
Landscape Maintenance Contract	288,000	288,000	268,990	19,010
Lighting Maintenance	10,000	10,000	7,420	2,580
Payroll Taxes	275	275	814	(539)
Pool Maintenance	40,000	40,000	32,568	7,432
Pool Management	100,000	100,000	96,187	3,813
Pool Utilities	10,000	10,000	16,658	(6,658)
Rebranding	-	12,000	20,982	(8,982)
Repairs and Maintenance	25,000	25,000	48,283	(23,283)
Snow Removal	65,000	65,000	21,044	43,956
Telephone	3,500	3,500	2,376	1,124
Tree Replacement	10,000	10,000	4,570	5,430
Utilities	80,000	197,000	141,840	55,160
Website Hosting	5,000	5,000	5,408	(408)
Miscellaneous	10,000	10,000	8,252	1,748
Contingency	38,897	50,000	-	50,000
Total Expenditures	<u>1,016,000</u>	<u>1,288,103</u>	<u>1,067,467</u>	<u>220,636</u>
NET CHANGE IN FUND BALANCE	70,500	(201,603)	11,412	(213,015)
Fund Balance - Beginning of Year	<u>334,595</u>	<u>308,028</u>	<u>308,027</u>	<u>(1)</u>
FUND BALANCE - END OF YEAR	<u>\$ 405,095</u>	<u>\$ 106,425</u>	<u>\$ 319,439</u>	<u>\$ 213,014</u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
CONSERVATION TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Conservation Trust	\$ 15,000	\$ 17,000	\$ 16,740	\$ (260)
Net Investment Income	50	50	1	(49)
Total Revenues	<u>15,050</u>	<u>17,050</u>	<u>16,741</u>	<u>(309)</u>
EXPENDITURES				
Conservation Trust Projects	<u>15,050</u>	<u>17,050</u>	<u>16,741</u>	<u>309</u>
Total Expenditures	<u>15,050</u>	<u>17,050</u>	<u>16,741</u>	<u>309</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Lincoln Park Metropolitan District, dba Stonegate North Villages Metropolitan District, (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the County of Douglas on July 20, 1983, and is governed pursuant to provisions of the Colorado Special District Act (Title 31, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the County in November 1982, and as modified on August 21, 2000. The District's service area is located in Douglas County, Colorado. The District was established to provide water and wastewater service, street construction, installation of safety control devices, construction and maintenance of parks and recreation facilities, and public transportation.

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 property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation 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 Fund is used to account for revenues earned and expenditures incurred in connection with Colorado Conservation Trust Fund.

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors hold 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 level and lapses at year-end. The District's Board can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2020.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each funds average equity balance in the total cash.

Property Taxes

Property taxes are levied by the District's Board. 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 Douglas 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. At the option of the taxpayer, property taxes may be paid in either one installment on April 30 or two installments on February 28 and June 15. The County Treasurer remits the taxes collected monthly to the District. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December.

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Roads	40 Years
Drainage	40 Years
Park and Recreation	15 - 30 Years

Amortization

Original Issue Discount/Premium

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

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

Deferred Inflow 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.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

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

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

If more than one classification of fund 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

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

Statement of Net Position:

Cash and Investments	\$ 757,048
Cash and Investments - Restricted	2,666,702
Total Cash and Investments	\$ 3,423,750

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 148,459
Investments	<u>3,275,291</u>
Total Cash and Investments	<u><u>\$ 3,423,750</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2020, the District's cash deposits had a bank balance of \$148,486 and a carrying balance of \$148,459.

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.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>\$ 3,275,291</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020, follows:

	Balance - January 1, 2020	Increases	Decreases	Balance - December 31, 2020
Capital Assets, Not Being Depreciated:				
Landscaping	\$ 1,823,618	\$ -	\$ -	\$ 1,823,618
Construction in Progress	-	221,815	-	221,815
Total Capital Assets, Not Being Depreciated	1,823,618	221,815	-	2,045,433
Capital Assets, Being Depreciated:				
Roads	1,633,632	-	-	1,633,632
Drainage	1,000,000	-	-	1,000,000
Park and Recreation	5,459,908	-	-	5,459,908
Total Capital Assets, Being Depreciated	8,093,540	-	-	8,093,540
Less Accumulated Depreciation For:				
Roads	(449,251)	(40,842)	-	(490,093)
Drainage	(275,000)	(25,000)	-	(300,000)
Park and Recreation	(3,709,089)	(200,844)	-	(3,909,933)
Total Accumulated Depreciation	(4,433,340)	(266,686)	-	(4,700,026)
Total Capital Assets, Being Depreciated, Net	3,660,200	(266,686)	-	3,393,514
Total Capital Assets, Net	<u>\$ 5,483,818</u>	<u>\$ (44,871)</u>	<u>\$ -</u>	<u>\$ 5,438,947</u>

Depreciation expense was charged to the General Government function/program of the District.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the period ended December 31, 2020:

	Balance - January 1, 2020	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Series 2018 Limited Tax General Obligation Bonds	\$ 30,830,000	\$ -	\$ 400,000	\$ 30,430,000	\$ 475,000
Series 2018 Premium	1,733,997	-	97,147	1,636,850	-
Developer Advances - Principal	11,933,801	-	-	11,933,801	-
Developer Advances - Interest	2,528,496	529,376	296,214	2,761,658	-
Total	<u>\$ 47,026,294</u>	<u>\$ 529,376</u>	<u>\$ 793,361</u>	<u>\$ 46,762,309</u>	<u>\$ 475,000</u>

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

A description of the long-term obligations as of December 31, 2020, is as follows:

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018

On April 26, 2018, the District issued \$32,000,000 in General Obligations Bonds (the Bonds). 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.

The Bonds bear interest at rates ranging from 3.00% to 5.00%, payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Principal payments are payable on December 1, beginning on December 1, 2018. The bonds mature on December 1, 2047. The Bonds maturing on and after December 1, 2028, are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, 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 any 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, if any, accumulated in the Surplus Fund in accordance with the indenture up to the Maximum Surplus Amount of \$1,000,000.

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become 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 2020, the District levied 43.214 mills.

The District realized a net present value loss of \$1,007,099 from the refunding.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018
(Continued)**

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 475,000	\$ 1,303,369	\$ 1,778,369
2022	615,000	1,284,369	1,899,369
2023	700,000	1,259,769	1,959,769
2024	725,000	1,231,769	1,956,769
2025	765,000	1,195,519	1,960,519
2026-2030	4,375,000	5,419,944	9,794,944
2031-2035	5,150,000	4,645,731	9,795,731
2036-3040	6,145,000	3,647,100	9,792,100
2041-2045	7,790,000	2,010,875	9,800,875
2046-2047	3,690,000	231,750	3,921,750
Total	<u>\$ 30,430,000</u>	<u>\$ 22,230,195</u>	<u>\$ 52,660,195</u>

Authorized Debt

On May 5, 1998, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$101,000,000. On November 3, 1998, and on November 7, 2000, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$5,500,000 and \$420,000,000, respectively. At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized May 5, 1998 Election</u>	<u>Authorized November 3, 1998 Election</u>	<u>Authorized November 7, 2000 Election</u>	<u>Authorized Used Series 2001</u>	<u>Authorized Used Series 2004A</u>	<u>Authorization Used Series 2004B</u>
Streets	\$ 29,000,000	\$ -	\$ 35,000,000	\$ 8,695,844	\$ 968,688	\$ 3,433,618
Parks and Recreational Facilities	18,000,000	-	35,000,000	102,942	2,075,553	7,357,017
Water	20,000,000	-	35,000,000	2,566,891	908,193	3,219,186
Sanitary Sewer and Storm Drainage	34,000,000	-	35,000,000	5,244,323	252,824	896,160
Traffic and Safety Controls	-	-	35,000,000	-	-	-
Transportation	-	-	35,000,000	-	-	-
Operations	-	500,000	-	-	-	-
Financing and Reimbursement Agreement	-	5,000,000	-	-	-	-
Refunding of Debt	-	-	210,000,000	-	-	-
Total	<u>\$ 101,000,000</u>	<u>\$ 5,500,000</u>	<u>\$ 420,000,000</u>	<u>\$ 16,610,000</u>	<u>\$ 4,205,258</u>	<u>\$ 14,905,981</u>

**LINCOLN PARK METROPOLITAN DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

	Authorization Used Series 2008	Authorization Used Series 2014A	Authorization Used Series 2014B	Authorization Used Series 2018	Remaining at December 31, 2020
Streets	\$ -	\$ -	\$ -	\$ -	\$ 50,901,850
Parks and Recreational Facilities	-	-	-	-	43,464,488
Water	-	-	-	-	48,305,730
Sanitary Sewer and Storm Drainage	-	-	-	-	62,606,693
Traffic and Safety Controls	-	-	-	-	35,000,000
Transportation	-	-	-	-	35,000,000
Operations	-	-	-	-	500,000
Financing and Reimbursement Agreement	-	-	-	-	5,000,000
Refunding of Debt	29,090,000	13,775,000	17,710,000	32,000,000	117,425,000
Total	<u>\$ 29,090,000</u>	<u>\$ 13,775,000</u>	<u>\$ 17,710,000</u>	<u>\$ 32,000,000</u>	<u>\$ 398,203,761</u>

Developer Advances

Reimbursement Agreement

In conjunction with the issuance of the Series 2008 Bonds, the District entered into a Reimbursement Agreement with the Developer. The Reimbursement Agreement was subsequently assigned to Newland National Partners II, LLC on November 5, 2019. The Reimbursement Agreement supersedes the previous Financing and Reimbursement Agreement entered into in 2001. Per the terms of the new agreement, the District and the Developer agreed to terminate the Series 2004A and Series 2004B Bonds and provide for payment of amounts originally due under the prior reimbursement agreement and the 2004 Bonds.

As part of the agreement, the Developer agreed to terminate the obligation of the District to repay developer advances made to cover operating expenses of \$304,381, along with the related accrued interest. The District paid \$9,694,385 to the Developer from proceeds of the Series 2008 bond issuance per the terms of the Agreement. After the payment of the initial amount by the District from the 2008 Bond proceeds, the District owed the Developer \$12,933,801, of which \$1,000,000 was subsequently forgiven by the Developer during 2008. Amounts considered advanced under the Agreement accrue interest at 3.50% per annum. Repayments of developer advances are limited to pass-through of funds received from Capital Fees and are subject to annual appropriation by the District Board. The District is not obligated to impose an ad valorem mill levy for payment of balances owed. As of December 31, 2020, the District is obligated to pay the Developer \$11,933,801 plus \$2,761,658 of accrued interest under the Agreement. Any obligation unpaid on December 15, 2037 is deemed to be satisfied.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 5,438,947
Current Portion of Long-Term Obligations	(475,000)
Noncurrent Portion of Long-Term Obligations	(29,955,000)
Bond Premium, Net	(1,636,850)
Developer Advance Payable	(11,933,801)
Unspent Bond Proceeds	1,925,321
Net Investment in Capital Assets	<u>\$ (36,636,383)</u>

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

Restricted Net Position:	
Emergencies	\$ 32,500
Debt Service	615,280
Total Restricted Net Position	<u>\$ 647,780</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 INTERGOVERNMENTAL AND DEVELOPER AGREEMENTS

See Note 5 for discussion of the Reimbursement Agreement with the Developer.

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 the 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 single family equivalents (SFE) and which sewer system would provide service to the District pursuant to the terms of the IGA and (2) a water and irrigation system in Stonegate Village which would be adequate to provide potable water service for 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, and 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. During 2020, system development charges in the amount of \$296,214 were collected and remitted to the Developer under the terms of the Reimbursement Agreement discussed in Note 5, and connection charges of \$460,897 were collected and remitted to Stonegate Village.

The District also entered into a Memorandum of Understanding Concerning Development and Construction, dated 1998, as amended by the First Amendment to 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 system development fees are collected for development within Stonegate Village they shall be paid over to Stonegate Village.

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (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 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

SUPPLEMENTARY INFORMATION

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,941,486	\$ 1,933,097	\$ (8,389)
Specific Ownership Taxes	174,734	175,175	441
Net Investment Income	5,360	6,175	815
Total Revenues	<u>2,121,580</u>	<u>2,114,447</u>	<u>(7,133)</u>
EXPENDITURES			
Bond Interest - Series 2018	1,319,369	1,319,369	-
Bond Principal - Series 2018	400,000	400,000	-
Country Treasurer's Fee	29,122	29,139	(17)
Paying Agent Fees	4,000	3,000	1,000
Contingency	2,509	140	2,369
Total Expenditures	<u>1,755,000</u>	<u>1,751,648</u>	<u>3,352</u>
NET CHANGE IN FUND BALANCE	366,580	362,799	(3,781)
Fund Balance - Beginning of Year	<u>352,700</u>	<u>361,095</u>	<u>8,395</u>
FUND BALANCE - END OF YEAR	<u>\$ 719,280</u>	<u>\$ 723,894</u>	<u>\$ 4,614</u>

**LINCOLN PARK METROPOLITAN DISTRICT
(DBA STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Road Maintenance Fee	\$ -	\$ 155,832	\$ 155,832
System Development Fee	540,795	757,110	216,315
Net Investment Income	10,700	14,052	3,352
Total Revenues	<u>551,495</u>	<u>926,994</u>	<u>375,499</u>
EXPENDITURES			
Accounting	-	220	(220)
Capital Outlay	2,144,926	205,074	1,939,852
District Management	5,000	-	5,000
Landscaping	-	49,421	(49,421)
Legal	-	10,265	(10,265)
System Development - Connection Fees	329,213	460,897	(131,684)
Developer Repayment - Interest	211,582	296,214	(84,632)
Total Expenditures	<u>2,690,721</u>	<u>1,022,091</u>	<u>1,668,630</u>
NET CHANGE IN FUND BALANCE	(2,139,226)	(95,097)	2,044,129
Fund Balance - Beginning of Year	<u>2,139,226</u>	<u>2,179,962</u>	<u>40,736</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 2,084,865</u>	<u>\$ 2,084,865</u>