

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

Douglas County, Colorado

**FINANCIAL STATEMENTS
December 31, 2021**

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report.....	A1
BASIC FINANCIAL STATEMENTS	
Basic Financial Statements	
Governmental Funds Balance Sheet/Statement of Net Position.....	B1
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities	B3
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....	B5
Notes to Financial Statements.....	C1
SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Debt Service Fund.....	D1
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Capital Projects Fund.....	D2
Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual – Conservation Trust Fund.....	D3



INDEPENDENT AUDITORS' REPORT

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

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lincoln Park (dba Stonegate North Villages) Metropolitan District, as of December 31, 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lincoln Park (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 opinions.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As describe in Note 5 to the financial statements, the District has an agreement with the limited liability company who developed the property. This agreement requires the District to remit certain capital fees from construction of real property within the District. Management has determined, as of December 31, 2021 the amount of capital fees to be collected will not be sufficient to pay the amounts of principal and interest owed to the Developer. As a result for the year ended December 31, 2021 net position increased \$14,695,459.

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln Park (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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lincoln Park (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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln Park (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 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 Discussion & 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lincoln Park (dba Stonegate North Villages) Metropolitan District's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rae & co. CPAs, llc

Timnath, Colorado
September 28, 2022

BASIC FINANCIAL STATEMENTS

LINCOLN PARK METROPOLITAN DISTRICT
(dba STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2021

	General	Debt Service	Capital Projects	Conservation Trust Fund
ASSETS				
Cash and investments	\$ 281,590	\$ 103,374	\$ 36,619	\$ -
Cash and investments - Restricted	-	1,000,100	1,353,042	-
Due From County Treasurer	2,691	13,683	-	-
Accounts receivable	31,685	-	-	-
Intergovernmental receivable-Stonegate Villages				
Metropolitan District	66,170	-	-	-
Property taxes receivable	849,226	1,777,581	-	-
Prepaid expenses	18,463	-	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated	-	-	-	-
Total assets	\$ 1,249,825	\$ 2,894,738	\$ 1,389,661	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 73,086	\$ -	\$ -	\$ -
Plan review deposits	20,000	-	-	-
Accrued expenses	168	-	-	-
Noncurrent liabilities				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	93,254	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	849,226	1,777,581	-	-
FUND BALANCES				
Nonspendable				
Prepaid expenses	18,463	-	-	-
Restricted				
Emergency reserves	32,250	-	-	-
Debt service		1,117,157	-	-
Capital purchases	-	-	1,353,042	-
Assigned				
Capital projects	-	-	36,619	-
Unassigned	256,632	-	-	-
Total fund balances	307,345	1,117,157	1,389,661	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	\$ 1,249,825	\$ 2,894,738	\$ 1,389,661	\$ -
NET POSITION				
Net investment in capital assets				
Restricted				
For emergencies				
For debt service				
For capital projects				
Unrestricted				
TOTAL NET POSITION				

<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 421,583	\$ -	\$ 421,583
2,353,142	-	2,353,142
16,374	-	16,374
31,685	-	31,685
66,170	-	66,170
2,626,807	-	2,626,807
18,463	-	18,463
-	1,823,618	1,823,618
-	2,952,187	2,952,187
<u>\$ 5,534,224</u>	<u>4,775,805</u>	<u>10,310,029</u>

\$ 73,086	\$ -	\$ 73,086
20,000	-	20,000
168	107,031	107,199
-	709,569	709,569
-	30,786,311	30,786,311
<u>93,254</u>	<u>31,602,911</u>	<u>31,696,165</u>

<u>2,626,807</u>	<u>-</u>	<u>2,626,807</u>
------------------	----------	------------------

18,463	(18,463)	
32,250	(32,250)	
1,117,157	(1,117,157)	
1,353,042	(1,353,042)	
36,619	(36,619)	
256,632	(256,632)	
<u>2,814,163</u>	<u>(2,814,163)</u>	<u>-</u>

\$ 5,534,224

(1,657,558) (1,657,558)

32,250 32,250
1,117,157 1,117,157
1,353,042 1,353,042
(24,857,834) (24,857,834)

\$ - \$ (24,012,943)

These financial statements should be read only in connection with the accompanying notes to financial statements.

LINCOLN PARK METROPOLITAN DISTRICT
(dba STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
REVENUES			
Property taxes	\$ 395,202	\$ 2,009,537	\$ -
Specific ownership taxes	38,113	193,796	-
Fees	638,216	-	155,832
Intergovernmental	-	-	-
Investment earnings	612	1,534	812
Miscellaneous	2,852	-	-
Amounts related to change in estimate	-	-	-
Total revenues	<u>1,074,995</u>	<u>2,204,867</u>	<u>156,644</u>
EXPENDITURES			
Current			
General government-administrative	233,876	30,235	996
Operations	683,213	-	-
Debt service			
Principal	-	475,000	-
Interest	-	1,303,369	-
Paying agent fees	-	3,000	-
Capital outlay	-	-	1,020,852
Depreciation			
Infrastructure donated to another government	-	-	-
Total expenditures	<u>917,089</u>	<u>1,811,604</u>	<u>1,021,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>157,906</u>	<u>393,263</u>	<u>(865,204)</u>
Transfers in	-	-	170,000
Transfers (out)	(170,000)	-	-
Total other financing sources (uses)	<u>(170,000)</u>	<u>-</u>	<u>170,000</u>
NET CHANGE IN FUND BALANCES	(12,094)	393,263	(695,204)
FUND BALANCES - BEGINNING OF YEAR	<u>319,439</u>	<u>723,894</u>	<u>2,084,865</u>
FUND BALANCES - END OF YEAR	<u>\$ 307,345</u>	<u>\$ 1,117,157</u>	<u>\$ 1,389,661</u>

Conservation Trust Fund	Totals	Adjustments	Statement of Activities
\$ -	\$ 2,404,739	\$ -	\$ 2,404,739
-	231,909	-	231,909
-	794,048	-	794,048
20,016	20,016	-	20,016
-	2,958	-	2,958
-	2,852	-	2,852
-	-	14,695,459	14,695,459
<u>20,016</u>	<u>3,456,522</u>	<u>14,695,459</u>	<u>18,151,981</u>
-	265,107	-	265,107
-	683,213	-	683,213
-	475,000	(475,000)	-
-	1,303,369	(97,553)	1,205,816
-	3,000	-	3,000
20,016	1,040,868	(723,796)	317,072
-	-	243,398	243,398
-	-	1,143,540	1,143,540
<u>20,016</u>	<u>3,770,557</u>	<u>90,589</u>	<u>3,861,146</u>
-	(314,035)	14,604,870	14,290,835
-	170,000	-	170,000
-	(170,000)	-	(170,000)
-	-	-	-
-	(314,035)	14,604,870	14,290,835
-	3,128,198		(38,303,778)
<u>\$ -</u>	<u>\$ 2,814,163</u>		<u>\$ (24,012,943)</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

LINCOLN PARK METROPOLITAN DISTRICT
(dba STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 395,202	\$ 395,202	\$ 395,202	\$ -
Specific ownership taxes	35,568	35,568	38,113	2,545
Facility fees	633,000	633,000	638,216	5,216
Investment earnings	1,000	1,000	612	(388)
Miscellaneous	1,000	1,000	2,852	1,852
Total revenues	<u>1,065,770</u>	<u>1,065,770</u>	<u>1,074,995</u>	<u>9,225</u>
EXPENDITURES				
General government-administration				
Accounting	45,000	45,000	39,081	5,919
Audit	5,750	5,750	5,500	250
Director fees	6,459	6,459	4,517	1,942
District management	66,000	66,000	63,000	3,000
Rebranding	19,950	19,950	7,919	12,031
Communications	45,000	45,000	45,000	-
Insurance	19,000	19,000	17,752	1,248
Legal	45,000	45,000	34,578	10,422
Office overhead and expenditures	14,000	14,000	10,598	3,402
Treasurer's fees	5,928	5,928	5,931	(3)
Contingency	40,000	40,000	-	40,000
Operations				
Utilities	197,000	197,000	106,849	90,151
Repairs and maintenance	82,000	82,000	62,740	19,260
Landscape contract	303,000	303,000	292,815	10,185
Landscape enhancements	-	-	10,026	(10,026)
Tree replacement and maintenance	10,000	10,000	24,592	(14,592)
Snow removal	35,000	35,000	18,598	16,402
Engineering	10,000	10,000	3,090	6,910
Pool	162,500	162,500	160,837	1,663
Other operations	13,000	13,000	3,666	9,334
Total expenditures	<u>1,124,587</u>	<u>1,124,587</u>	<u>917,089</u>	<u>207,498</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(58,817)</u>	<u>(58,817)</u>	<u>157,906</u>	<u>216,723</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(170,000)	(170,000)
NET CHANGE IN FUND BALANCES	<u>(58,817)</u>	<u>(58,817)</u>	<u>(12,094)</u>	<u>46,723</u>
FUND BALANCE - BEGINNING OF YEAR	<u>195,826</u>	<u>195,826</u>	<u>319,439</u>	<u>123,613</u>
FUND BALANCE - END OF YEAR	<u>\$ 137,009</u>	<u>\$ 137,009</u>	<u>\$ 307,345</u>	<u>\$ 170,336</u>

See accompanying notes to required supplementary information.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - REPORTING ENTITY

Lincoln Park (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 of Douglas County, Colorado on July 20, 1983, and is governed pursuant to provisions of the Colorado, Special District Act. The District operates under a Service Plan approved by the County in November, 1982 and modified on August 21, 2000. The District's service area boundaries are located entirely in Douglas County.

The District was established principally to coordinate the construction, acquisition, financing and maintenance of public improvements, including streets and safety control, landscaping, water, wastewater, storm drainage, transportation, and park and recreation improvements and facilities. Upon completion of construction, the District's dedicated certain improvements to other local governments. Certain landscaping, park and recreation improvements, and drainage improvements are maintained by the District.

The District has no employees and all operations and administrative functions are contracted. 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 (the organization) in a primary government's legal entity. The criteria considered in determining activities to be reported within the District's basic financial statements include whether:

- The organization is legally separate (can sue and be sued in their own name),
- The District appoints a voting majority of the organization's board,
- The District is able to impose its will on the organization,
- The organization has the potential to impose a financial benefit/burden on the District, and
- There is a fiscal dependency by the organization on the District.

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 (i.e., Statement of Net Position column and the Statement of Activities column) report information on all of the non-fiduciary activities of the District. As a general rule, interfund activity is eliminated from the Government-wide financial statements.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Statement of Net Position column on the Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Activities column on the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

The governmental funds column on the Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Governmental Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities 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 statement of net position reports all financial and capital resources of the District. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position.

Separate financial statements are provided for governmental funds. Governmental funds are those through which most governmental functions typically are financed Governmental activities and are normally supported by taxes and intergovernmental revenue. Governmental funds reporting focuses on the sources of funds and uses the balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

Major individual governmental funds are reported as separate columns in the fund financial statements. The District reports the following major funds:

The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The General Fund fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Conservation Trust Fund is used to account for revenues and expenditures related to the State of Colorado Conservation Trust Fund.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board Of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board Of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

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 account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The amounts invested in COLOTRUST, a local government pool, is measured at fair value which is determined by using a net asset value of \$1 per share. GASB statements do not require that the fair value of investments measured at net asset value be categorized within the fair value hierarchy. The District has no investments required to be reported under the fair value hierarchy.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board Of Directors. The levy is based on assessed valuations determined by the Douglas 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. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, on February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District. Property owners within the boundaries of the District have been assessed \$2,626,807 in taxes for 2021 to be collected in 2022. Since these taxes are levied for operations during 2022, the taxes are classified as deferred inflows of resources.

Capital Assets

Capital assets, which include a pool, landscape and parks, and drainage are reported in the governmental activities' column in the governmental-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 estimated fair value at the date of donation.

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 that will be dedicated to other governmental entities are generally not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Roads	40 years
Parks and recreation	20 years
Park and recreation equipment	15-30 years

Amortization

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. For the year ended December 31, 2022, the District amortized \$95,970 in bond premiums. At December 31, 2021 the net remaining premium amount is \$1,540,880.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization (Continued)

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. 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 and is intended for use.

Net Position

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

The net investment in capital assets consists of capital assets that will be owned by the District, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2021, the District had a deficit net investment in capital assets of \$1,657,558.

Restricted net position includes amounts that are restricted for use either externally 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 amounts of \$32,250, \$1,117,157 and \$1,353,042 restricted for emergency reserves, debt service and capital projects respectively, as of December 31, 2021.

As of December 31, 2021, the District had a deficit unrestricted net position of \$24,857,834. This deficit amount is the result of the District being responsible for the repayment of loans and notes issued for public improvements which were conveyed to other governmental entities.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Fund Balances – Governmental Funds

The District’s governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact. The nonspendable fund balance in the General Fund in the amount of \$18,463 is comprised of prepaid amounts which are not in spendable form.

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The restricted fund balance in the General Fund in the amount of \$32,250 is comprised of the emergency reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. The restricted fund balance in the Debt Service Fund in the amount of \$1,117,157 is to be used exclusively for debt service requirements. The restricted fund balance in the Capital Projects Fund in the amount of \$1,353,042 is to be used exclusively for capital improvements.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority. The fund balance assigned of \$36,619 is for capital projects.

Unassigned fund balance – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 - CASH AND INVESTMENTS

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

Statement of net position:

Cash and investments - unrestricted Cash	\$	421,583
and investments – restricted		2,353,142
Total cash and investments	\$	<u>2,774,725</u>

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

Deposits with financial institutions	\$	75,846
Investments		2,698,879
Total cash and investments	\$	<u>2,774,725</u>

Cash Deposits

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

At December 31, 2021, the District’s cash deposits had a bank and a book balance of \$75,846 which was covered by the Federal Deposit Insurance Corporation (FDIC).

Investments

The District has not adopted a formal investment policy. However, the District follows state statutes regarding investments. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

Colorado Local Government Liquid Asset Trust	Weighted average to reset 44 days, weighted average life 85 days	\$ 2,698,879
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COLOTRUST

During 2021, the District invested in Colorado Local Government Liquid Asset Trust (COLOTRUST), 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 COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST offers shares in several portfolios. The District and its paying agent for the Limited Tax General Obligation Refunding and Improvement Bonds Series 2018 have invested in COLOTRUST PLUS+. This portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for COLOTRUST'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 COLOTRUST. COLOTRUST is rated AAAM by S&P Global Ratings. COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 - CAPITAL ASSETS

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

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Primary Government				
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	<u>2,045,433</u>	<u>-</u>	<u>(221,815)</u>	<u>1,823,618</u>
Capital assets, being depreciated:				
Parks and Recreation	5,459,908	945,611	-	6,405,519
Infrastructure-Roads	1,633,632	-	(1,633,632)	-
Infrastructure-Drainage	1,000,000	-	-	1,000,000
Total capital assets, being depreciated	<u>8,093,540</u>	<u>945,611</u>	<u>(1,633,632)</u>	<u>7,405,519</u>
Less accumulated depreciation for:				
Parks and Recreation	(3,909,934)	(218,398)	-	(4,128,332)
Infrastructure-Roads	(490,092)	-	490,092	-
Infrastructure-Drainage	(300,000)	(25,000)	-	(325,000)
Total accumulated depreciation	<u>(4,700,026)</u>	<u>(243,398)</u>	<u>490,092</u>	<u>(4,453,332)</u>
Total capital assets, being depreciated, net	<u>3,393,514</u>	<u>702,213</u>	<u>(1,143,540)</u>	<u>2,952,187</u>
Capital assets, net	<u>\$ 5,438,947</u>	<u>\$ 702,213</u>	<u>\$ (1,365,355)</u>	<u>\$ 4,775,805</u>

All depreciation expense is charged to a specific line in the Statement of Activities.

NOTE 5 - LONG-TERM OBLIGATIONS

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

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities:					
Limited Tax General Obligation Refunding and Improvement Bonds-Series 2018	\$ 30,430,000	\$ -	\$ 475,000	\$ 29,955,000	\$ 615,000
Bond Premium-Net of Amortization	1,636,850	-	95,969	1,540,881	94,570
Developer Advances-Principal	11,933,801	-	11,933,801	-	-
Developer Advances-Interest	2,761,658	-	2,761,658	-	-
	<u>\$ 46,762,309</u>	<u>\$ -</u>	<u>\$ 15,266,428</u>	<u>\$ 31,495,881</u>	<u>\$ 709,570</u>

Limited Tax General Obligation Refunding and Improvement Bonds-Series 2018

On April 26, 2018, the District issued a \$32,000,000 in General Obligation (Limited Tax General Obligation Refunding and Improvement Bonds Series 2018) 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 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, 2021, 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.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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 2021 the District levied 43.221 mills on each dollar of assessed valuation.

Payment of principal and interest, when due, is guaranteed by Assured Guaranty Municipal Corp. (AGM).

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>
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	800,000	1,157,269	1,957,269
2027--2031	4,540,000	5,255,894	9,795,894
2032--2036	5,320,000	4,475,488	9,795,488
2037--2041	6,420,000	3,374,500	9,794,500
2042--2046	8,180,000	1,621,373	9,801,373
2047--2051	1,890,000	70,875	1,960,875
	<u>\$ 29,955,000</u>	<u>\$ 20,926,825</u>	<u>\$ 50,881,825</u>

The Developer principal and interest payment is to be made from collection of capital fees imposed on new construction in the District. Management has determined that the amount of capital fees will not be adequate to pay the amounts due to the Developer for principal and interest. In addition, these payments are due upon collection of these fees. As a result, management has revised the estimate of the amounts owed to the Developer at December 31, 2021 to \$0 and has increased the District's net position by \$14,695,459.

Authorized Debt

On May 5, 1998, a majority of the qualified electors of the District 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 authorized the issuances of indebtedness in an amount not to exceed \$5,500,000 and \$420,000,000, respectively.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

As of December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized May 5, 1988 Election	Authorized November 3, 1988 Election	Authorized November 3, 1988 Election	Authorized Used Series 2001	Authorized Used Series 2004A	Authorized Used Series 2004A
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						
Agreements	-	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>

	Authorized Used 2008	Authorized Used 2014A	Authorized Used 2014B	Authorized Used 2018	Remaining at December 31, 2021
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					
Agreements	-	-	-	-	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>

However, since the authorizations were approved in 1998 and 2000 and are now more than 20 years old, the remaining authorizations are considered stale and no longer available subject to 32-1-1101.5 of the Special District Act of the State of Colorado Revised Statutes.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 – RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

The Government Funds Balance Sheet/Statement of Net Position includes adjustment column. The adjustments have the following elements:

	Effect on Net Position
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 4,775,805
Long-term liabilities such as notes payable and accrued interest payable are not due and payable in the current period, and therefore are not reported in the funds.	(31,602,911)

The statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities includes an adjustment column. The adjustment has the following elements:

	Effect on Change in Net Position
Governmental funds report long-term debt payments as expenditures however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities. In addition, governmental funds report the proceeds of debt as revenues while it is reported as an increase in long-term debt in the full accrual statements. Other activity related to long-term debt is reported only in the statements of net position and activities:	
Payment of principal	\$ 475,000
Change in the estimated amounts owed to the Developer	14,695,459
Governmental funds report interest expense on the modified accrual basis, i.e. when due, however, interest expense is reported on the full accrual method, i.e. when incurred.	97,553
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. this is the amount by which the donation of assets to other governments of \$1,143,540 and depreciation totaling \$243,398 exceed capital outlay of \$723,796.	(663,142)

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 -TRANSFERS

During the year ended December 31, 2021, the General Fund transferred \$170,000 to the capital projects fund for future capital.

NOTE 8 INTERGOVERNMENTAL AND DEVELOPER AGREEMENTS

Second Amended and Restricted 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 SFE7'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 system development fees are collected for development within Stonegate Village they shall be paid over to Stonegate Village.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 INTERGOVERNMENTAL AND DEVELOPER AGREEMENTS (CONTINUED)

Amended and Restated Reimbursement Agreement

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.

As of December 31, 2020, the District had reported balances payable to the Developer of \$11,933,801 plus \$2,761,658 of accrued interest. However, during 2021, the District removed these liability balances as there is no specific dollar amount actually owed per the terms of the agreement, just the future Capital Fees to be collected through the final maturity date of December 15, 2037. During 2021 the District collected and remitted \$0 in Capital Fees to the Developer pursuant to the agreement.

NOTE 9 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to, 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 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 10 - 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, except Enterprises.

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.

**LINCOLN PARK
(DBA STONEGATE NORTH VILLAGES)
METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

During 2000, a majority of the District's electors exempted all revenue sources, including ad valorem property taxes, from some of the limitations of TABOR.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. The World Health Organization (WHO) declared a health emergency on January 20, 2020 and further declared a global pandemic on March 11, 2020. Due to the evolving nature of the COVID-19 pandemic, including variants of COVID-19 and the acceptance and effectiveness of the COVID-19 vaccines, the District cannot predict, the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic may have on the operations or revenues of the District.

In prior years, legislation has been passed which allowed the Board of County Commissioners with the approval of the County Treasurer to reduce, waive or suspend the interest accrued on delinquent property taxes with the effect of slowing down, for a period of time, the collection of these taxes.

SUPPLEMENTAL INFORMATION

LINCOLN PARK METROPOLITAN DISTRICT
(dba STONEGATE NORTH VILLAGES METROPOLITAN DISTRICT)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 2,009,534	\$ 2,009,534	\$ 2,009,537	\$ 3
Specific ownership taxes	180,858	180,858	193,796	12,938
Investment earnings	1,000	1,000	1,534	534
Total revenues	<u>2,191,392</u>	<u>2,191,392</u>	<u>2,204,867</u>	<u>13,475</u>
EXPENDITURES				
General government				
Treasurer's fees	30,143	30,143	30,158	(15)
Other	-	-	77	(77)
Contingency	10,000	10,000	-	10,000
Debt Service				
Principal	475,000	475,000	475,000	-
Interest	1,303,369	1,303,369	1,303,369	-
Paying agent fees	3,000	3,000	3,000	-
Total expenditures	<u>1,821,512</u>	<u>1,821,512</u>	<u>1,811,604</u>	<u>9,908</u>
NET CHANGE IN FUND BALANCES	369,880	369,880	393,263	23,383
FUND BALANCES - BEGINNING OF YEAR	<u>745,855</u>	<u>745,855</u>	<u>723,894</u>	<u>(21,961)</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,115,735</u>	<u>\$ 1,115,735</u>	<u>\$ 1,117,157</u>	<u>\$ (1,422)</u>

**LINCOLN PARK METROPOLITAN DISTRICT
(dba STONEGATE NORTH VILLAGES METROPOLITAN
DISTRICT) SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Road recovery fees	\$ 77,208	\$ 77,208	\$ 87,048	\$ 9,840
Capital recovery fees	68,784	68,784	68,784	-
Investment earnings	3,250	3,250	812	(2,438)
Total revenues	<u>149,242</u>	<u>149,242</u>	<u>156,644</u>	<u>7,402</u>
EXPENDITURES				
General government				
District management	5,000	5,000	-	5,000
Bank fees	-	-	177	(177)
Legal fees	-	-	819	(819)
Capital outlay				
Streets	-	-	5,150	(5,150)
Fencing	-	-	60,693	(60,693)
Pool	1,550,500	1,550,500	627,385	923,115
Signage	200,000	200,000	116,941	83,059
Landscaping	115,000	115,000	133,936	(18,936)
Other capital	-	-	76,747	(76,747)
Contingency	331,097	331,097	-	331,097
Total expenditures	<u>2,201,597</u>	<u>2,201,597</u>	<u>1,021,848</u>	<u>1,179,749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,052,355)</u>	<u>(2,052,355)</u>	<u>(865,204)</u>	<u>1,187,151</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	170,000	170,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>170,000</u>
NET CHANGE IN FUND BALANCES	<u>(2,052,355)</u>	<u>(2,052,355)</u>	<u>(695,204)</u>	<u>1,357,151</u>
FUND BALANCES - BEGINNING OF YEAR	<u>2,052,355</u>	<u>2,052,355</u>	<u>2,084,865</u>	<u>32,510</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,389,661</u>	<u>\$ 1,389,661</u>

**LINCOLN PARK METROPOLITAN DISTRICT
(dba STONEGATE NORTH VILLAGES METROPOLITAN
DISTRICT) SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 17,000	\$ 22,000	\$ 20,016	\$ (1,984)
Investment earnings	50	50	-	(50)
Total revenues	17,050	22,050	20,016	(2,034)
EXPENDITURES				
Capital outlay				
Capital outlay	17,050	22,050	20,016	2,034
Total expenditures	17,050	22,050	20,016	2,034
NET CHANGE IN FUND BALANCES	\$ -	\$ -	-	\$ -
FUND BALANCES - BEGINNING OF			-	
YEAR FUND BALANCES - END OF YEAR			\$ -	