

**ASPEN HILLS METROPOLITAN DISTRICT  
ANNUAL REPORT  
TO  
THE CITY OF COMMERCE CITY**

**FISCAL YEAR ENDING DECEMBER 31, 2020**

Pursuant to the Aspen Hills Metropolitan District Service Plan, the District is required to provide an annual report to the City of Commerce City within one hundred twenty (120) days after conclusion of the District's fiscal year beginning December 31, 2005. Such annual report shall include information concerning the following matters:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements entered into or proposed.
- C. Changes or proposed changes in the District's policies.
- D. Changes or proposed changes in the District's operations.
- E. Any significant changes in the financial status of the District including revenue projections or operating costs.
- F. A summary of any litigation involving the District.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of the construction of public improvements.
- I. The current assessed valuation in the District.

For the year ending December 31, 2020, the District makes the following report:

**A. Boundary changes made or proposed.**

No boundary changes were made in 2020.

**B. Intergovernmental Agreements entered into or proposed.**

The District did not enter into any new IGAs in 2020.

**C. Changes or proposed changes in the District's policies.**

There have been no changes in the District's policies.

**D. Changes or proposed changes in the District's operations.**

There were no changes in the District's operations.

**E. Any changes in the financial status of the District including revenue projections or operating costs.**

The current financial status of the District is reflected in the 2021 budget attached as Exhibit A. The District entered into a tax-free refunding loan with NBH Bank on December 23, 2020 in the amount of \$2,037,000 to refinance the District's 2004 bonds and to fund future capital improvements within the District.

**F. Summary of any litigation which involves the District.**

There is no litigation, of which we are aware, currently pending or anticipated against the District.

**G. Proposed plans for the year 2021.**

The District is initiating discussions with the HOA regarding options for taking over certain operations and facilities from the HOA, including landscaping and snow removal services, subject to financial and legal feasibility.

**H. Status of District's public improvement construction schedule.**

The District acquired or anticipates acquiring constructed capital improvements in 2021, including curb and gutter, sidewalks, and chase drain installations.

**I. Summary of the current assessed valuation in the District.**

The District has received a certification of valuation from the Adams County Assessor that reports a taxable assessed valuation for the District for 2020 of \$2,534,630 for collection in 2021. The District has certified a mill levy of 79.000 mills to be assessed against the property within the District.

**EXHIBIT A  
2021 BUDGET**

**ASPEN HILLS METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**ASPEN HILLS METROPOLITAN DISTRICT  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	4,151	\$ 1,955	\$ 903,117
REVENUES			
Property taxes	113,013	163,032	200,236
Specific ownership tax	9,221	11,900	14,017
Interest income	840	230	2,360
Facilities fees	10,500	12,000	15,000
Bond proceeds	-	2,050,000	-
Total revenues	<u>133,574</u>	<u>2,237,162</u>	<u>231,613</u>
TRANSFERS IN	<u>-</u>	<u>900,000</u>	<u>-</u>
Total funds available	<u>137,725</u>	<u>3,139,117</u>	<u>1,134,730</u>
EXPENDITURES			
General Fund	23,887	28,000	38,000
Debt Service Fund	111,883	1,308,000	136,000
Capital Projects Fund	-	-	917,250
Total expenditures	<u>135,770</u>	<u>1,336,000</u>	<u>1,091,250</u>
TRANSFERS OUT	<u>-</u>	<u>900,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>135,770</u>	<u>2,236,000</u>	<u>1,091,250</u>
ENDING FUND BALANCES	<u>\$ 1,955</u>	<u>\$ 903,117</u>	<u>\$ 43,480</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Residential	\$ 1,201,510	\$ 1,856,930	\$ 2,371,840
State assessed	-	910	53,810
Vacant land	210,580	167,730	108,980
Personal property	18,390	38,130	-
Other	70	-	-
Certified Assessed Value	<u>\$ 1,430,550</u>	<u>\$ 2,063,700</u>	<u>\$ 2,534,630</u>
<b>MILL LEVY</b>			
General	15.464	15.014	15.014
Debt Service	63.536	63.986	63.986
Total mill levy	<u>79.000</u>	<u>79.000</u>	<u>79.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 22,122	\$ 30,984	\$ 38,055
Debt Service	90,891	132,048	162,181
Levied property taxes	<u>113,013</u>	<u>163,032</u>	<u>200,236</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 113,013</u>	<u>\$ 163,032</u>	<u>\$ 200,236</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 22,122</b>	<b>\$ 30,984</b>	<b>\$ 38,055</b>
Debt Service	<b>90,891</b>	<b>132,048</b>	<b>162,181</b>
	<u><b>\$ 113,013</b></u>	<u><b>\$ 163,032</b></u>	<u><b>\$ 200,236</b></u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (111)	\$ (1,720)	\$ 1,294
REVENUES			
Property taxes	22,122	30,984	38,055
Specific ownership tax	-	-	2,664
Interest income	156	30	10
Total revenues	<u>22,278</u>	<u>31,014</u>	<u>40,729</u>
Total funds available	<u>22,167</u>	<u>29,294</u>	<u>42,023</u>
EXPENDITURES			
General and administrative			
Accounting	12,898	13,000	14,000
Audit	-	-	5,000
County Treasurer's fee	333	465	571
Directors' fees	-	1,000	1,600
Dues and licenses	258	271	300
Insurance and bonds	2,358	2,410	3,000
Legal services	7,972	8,000	9,000
Miscellaneous	68	-	-
Payroll taxes	-	77	122
Election expense	-	772	-
Repay developer advance	-	-	3,000
Contingency	-	2,005	1,407
Total expenditures	<u>23,887</u>	<u>28,000</u>	<u>38,000</u>
Total expenditures and transfers out requiring appropriation	<u>23,887</u>	<u>28,000</u>	<u>38,000</u>
ENDING FUND BALANCE	<u>\$ (1,720)</u>	<u>\$ 1,294</u>	<u>\$ 4,023</u>
EMERGENCY RESERVE	\$ 670	\$ 900	\$ 1,200
TOTAL RESERVE	<u>\$ 670</u>	<u>\$ 900</u>	<u>\$ 1,200</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 4,262	\$ 3,675	\$ 1,823
<b>REVENUES</b>			
Property taxes	90,891	132,048	162,181
Specific ownership tax	9,221	11,900	11,353
Interest income	684	200	100
Facilities fees	10,500	12,000	-
Bond proceeds	-	2,050,000	-
Total revenues	111,296	2,206,148	173,634
Total funds available	115,558	2,209,823	175,457
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	1,365	1,981	2,433
Paying agent fees	575	1,725	-
Contingency	-	1,821	2,750
Debt Service			
Bond interest - 2004 bonds	109,943	116,943	-
Bond interest - 2020 loan	-	-	55,817
Bond principal - 2004 bonds	-	1,065,000	-
Bond principal - 2020 loan	-	-	75,000
Bond issue costs	-	120,530	-
Total expenditures	111,883	1,308,000	136,000
<b>TRANSFERS OUT</b>			
Transfers to other fund	-	900,000	-
Total expenditures and transfers out requiring appropriation	111,883	2,208,000	136,000
ENDING FUND BALANCE	\$ 3,675	\$ 1,823	\$ 39,457

No assurance provided. See summary of significant assumptions.



**ASPEN HILLS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 900,000
REVENUES			
Interest income	-	-	2,250
System development fees	-	-	15,000
Total revenues	<u>-</u>	<u>-</u>	<u>17,250</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>900,000</u>	<u>-</u>
Total funds available	<u>-</u>	<u>900,000</u>	<u>917,250</u>
EXPENDITURES			
Capital Projects			
Streets	-	-	603,000
Storm drainage	-	-	70,000
Parks and recreation	-	-	244,250
Total expenditures	<u>-</u>	<u>-</u>	<u>917,250</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>917,250</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized to provide financing for design, acquisition, construction and installation of streets, traffic and safety controls, water facilities, sanitary sewer, storm drainage, parks and recreation, transportation, television relay and translator, and mosquito control and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the City of Commerce City in Adams County, Colorado.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The budget is in accordance with the TABOR Amendment limitations that were modified by voters in an election held in November 2002. District voters approved authorization to increase property tax up to \$50,000 annually to pay for the operations and maintenance expenditures of the District. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

**Revenues**

**Property Taxes**

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

The calculation of the taxes levied is displayed on page 2 of the Budget.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of 0.50%.

**ASPEN HILLS METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Facilities Fees**

The District imposes a facilities fee of \$500 for each residential unit constructed within the District, which is due at the time of sale of a residential unit to a purchaser. Facilities fees were pledged revenue for the payment of the Series 2004 bonds but are not pledged revenue for the 2020 Loan.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, election, accounting, insurance, banking, and meeting costs.

**Debt Service**

Debt service payments are provided based on the debt amortization schedule of the District's Series 2020 Tax-Free Refunding Loan.

**Capital Projects**

During 2021, the District anticipates acquiring public infrastructure from the Developer and/or entering into contracts for public improvements to complete the build out of District development.

**Debt and Leases**

**Bank Loan**

On December 23, 2020, the District issued a tax-free refunding loan (2020 Loan) in the amount of \$2,037,000 from NHB Bank N.A. at a fixed interest rate of 2.90% per annum. Interest is due on June 1 and December 1 beginning on June 1, 2021, and principal is due on December 1, beginning on December 1, 2021. The loan matures on December 1, 2040.

The 2020 Loan is secured by (1) the required mill levy, (2) that portion of the specific ownership taxes collected as the result of the required mill levy, and (3) any other legally available moneys which the Board determines to apply as pledged revenue. The required mill levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the loan payment fund, to pay the principal of and interest on the loan when due, but not in excess of 50 mills, subject to adjustment for any changes in the method of calculating assessed valuation since 2002. The adjusted maximum required mill levy for the 2021 budget is 63.986. When the debt to assessed ratio is 50% or less, the required mill levy is an ad valorem mill levy imposed upon all property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the loan when due, without limitation of rate and in amounts sufficient to make such payments when due. At December 31, 2020, the debt to assessed ratio was 80.4%.

**ASPEN HILLS METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Proceeds of the 2020 Loan were used to (1) repay the District's Series 2004 General Obligation Bonds, (2) fund future capital improvements of the District, and (3) pay the cost of issue of the 2020 Loan.

**Developer Advances**

In 2004 the District entered into an Advance and Reimbursement Agreement (Old Agreement) with the Developer. In 2016, the Old Agreement was terminated and all advances under the Old Agreement were assigned to a new Advance and Reimbursement Agreement (New Agreement). Advances under the New Agreement accrue interest at the rate of 6% per annum. Developer advances are not general obligation debt. Payments under the New Agreement are subject to annual appropriation from available funds not needed for operations or debt service. See below of the anticipated activity associated with the developer advances:

	Balance			Balance
	<u>12/31/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2020</u>
Developer advances				
Principal	\$ 45,700	\$ -	\$ -	\$ 45,700
Accrued interest	15,526	3,199	-	18,725
	<u>\$ 61,226</u>	<u>\$ 3,199</u>	<u>\$ -</u>	<u>\$ 64,425</u>
	Balance			Balance
	<u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2021</u>
Developer advances				
Principal	\$ 45,700	\$ -	\$ -	\$ 45,700
Accrued interest	18,725	3,199	3,000	18,924
	<u>\$ 64,425</u>	<u>\$ 3,199</u>	<u>\$ 3,000</u>	<u>\$ 64,624</u>

The District has no operating or capital leases.

**Reserve Funds**

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2021, as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**ASPEN HILLS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$2,030,000 Tax-Free Refunding Loan  
Series 2020A, Dated December 23, 2020  
Interest Rate of 2.90%  
Interest Payable June 1 and December 1,  
Principal Due December 1**

<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 72,000	\$ 55,463	\$ 127,463
2022	79,000	56,985	135,985
2023	81,000	54,694	135,694
2024	84,000	52,345	136,345
2025	86,000	49,909	135,909
2026	89,000	47,415	136,415
2027	91,000	44,834	135,834
2028	94,000	42,195	136,195
2029	97,000	39,469	136,469
2030	99,000	36,656	135,656
2031	102,000	33,785	135,785
2032	105,000	30,827	135,827
2033	108,000	27,782	135,782
2034	111,000	24,650	135,650
2035	115,000	21,431	136,431
2036	118,000	18,096	136,096
2037	121,000	14,674	135,674
2038	125,000	11,165	136,165
2039	128,000	7,540	135,540
2040	132,000	3,828	135,828
Total	<u>\$2,037,000</u>	<u>\$ 673,743</u>	<u>\$ 2,710,743</u>

No assurance provided. See summary of significant assumption.