

PARKER HOMESTEAD METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: (303) 987-0835
Fax: (303) 987-2032

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
James E. Marshall	President	2025/May 2025
Thomas J. Brinkman II	Treasurer	2025/May 2025
Lisa S. Brinkman	Assistant Secretary	2027/May 2027
Shelley Marshall	Assistant Secretary	2027/May 2027
VACANT		2025/May 2025

DATE: July 28, 2023

TIME: 2:30 p.m.

PLACE: Colorado Escrow and Title
10851 South Crossroads Drive, Suite B
Parker, CO 80134

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting notice and designate 24-hour posting location.

C. Review and approve the minutes of the October 11, 2022 Regular Meeting and December 12, 2022 Special Meeting (enclosure).

D. Discuss results of the cancelled of May 2, 2023 Regular Directors' Election (enclosure).

E. Confirm filing of Oaths of Office.

F. Discuss potential transition of management/administrative services.

G. Acknowledge resignation of Ann Finn as District Secretary.

H. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

I. Consider authorizing interested Board Members to attend the 2023 Special District Association’s Annual Conference in Keystone on September 12, 13 and 14, 2023

II. PUBLIC COMMENTS

A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.

III. FINANCIAL MATTERS

A. Review and ratify approval of the payment of claims as follows (enclosures):

Fund	Period Ending Jun. 30, 2022	Period Ending Jul. 31, 2022	Period Ending Aug. 31, 2022	Period Ending Sep. 30, 2022
General	\$ 4,502.41	\$ 2,942.42	\$ 2,259.29	\$ 3,175.62
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 4,502.41	\$ 2,942.42	\$ 2,259.29	\$ 3,175.62

Fund	Period Ending Oct. 31 2022	Period Ending Nov. 30, 2022	Period Ending Dec. 31, 2022	Period Ending Jan. 31, 2023
General	\$ 5,789.60	\$ 14,377.26	\$ 1,008.58	\$ 2,635.41
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 5,789.60	\$ 14,377.26	\$ 1,008.58	\$ 2,635.41

Fund	Period Ending Feb. 28, 2023	Period Ending Mar. 31, 2023	Period Ending Apr. 30, 2023	Period Ending May. 31, 2023
General	\$ 3,470.73	\$ 3,102.35	\$ 4,626.11	\$ 4,953.17
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 3,470.73	\$ 3,102.35	\$ 4,626.11	\$ 4,953.17

B. Review and accept unaudited financial statements through the period ending May 31, 2023 (enclosure).

- C. Review and consider approval of 2022 Audit and authorize execution of Representations Letter (draft audit – enclosed).
-

- D. Consider setting the date for a Public Hearing to adopt the 2024 Budget for October 10, 2023, at 2:30 p.m., to be held via Zoom Meeting.
-

IV. LEGAL MATTERS

- A. Discuss legislative changes.
-

- 1. Impact on the District/Annual Meeting requirement.

- 2. Potential impact on 2024 Budget process and strategy.

V. OTHER MATTERS

- A. Discuss scheduling a new Board Member Orientation.
-

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 10, 2023 – BUDGET HEARING.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PARKER HOMESTEAD METROPOLITAN DISTRICT (THE "DISTRICT") HELD OCTOBER 11, 2022

A Regular Meeting of the Board of Directors of the Parker Homestead Metropolitan District (referred to hereafter as "**Board**") was convened on Tuesday, October 11, 2022, at 2:30 p.m. The District Board meeting was held via conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall
Thomas J. Brinkman II
Lisa S. Brinkman

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.
Suzanne Meintzer, Esq; McGeady Becher P.C.
Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

Members of the Public in Attendance:

Betty Caveny

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

It was noted that a quorum was present, and Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that conflict disclosure statements were filed for all Directors with the Colorado Secretary of State by the statutory deadline. No additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed agenda for the District's Regular Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the agenda was approved.

Meeting Location/Manner and Posting of Meeting Notice: The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The District Board determined to conduct the meeting by conference call.

Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries have been received.

June 7, 2022 Meeting Minutes: The Board reviewed the Minutes of the June 7, 2022 Special Meeting.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director Marshall, upon vote, unanimously carried, the Minutes of the June 7, 2022 Special Meeting were approved.

Appointment of Shelley Marshall to the Board of Directors: The Board deferred discussion.

Resolution No. 2022-10-01 Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Ms. Finn discussed with the Board Resolution No. 2022-10-01 Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 2:30 p.m. on June 6, 2023, and October 10, 2023, via Zoom Meeting.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-01 Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

§32-1-809, C.R.S., Requirements (Transparency Notice): The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Marshall, seconded by Director L. Brinkman, upon vote, unanimously carried, the Board authorized the staff to post the Transparency Notice on the Special District Association Website.

PUBLIC COMMENT There were no public comments.

FINANCIAL MATTERS

Payment of Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending June 30, 2022	Period Ending July 31, 2022	Period Ending Aug. 31, 2022	Special Payment Aug. 31, 2022
General	\$ 4,502.41	\$ 2,942.42	\$ 2,259.29	\$ 266.24
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 4,502.41	\$ 2,942.42	\$ 2,259.29	\$ 266.24

Fund	Period Ending Sept. 31, 2022
General	\$ 3,175.62
Debt	\$ -0-
Capital	\$ -0-
Total	\$ 3,175.62

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director Marshall and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims as presented.

Unaudited Financial Statements: Mr. Weaver reviewed with the Board the unaudited financial statements through the period ending August 31, 2022.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director Marshall and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending August 31, 2022.

2022 Audit Preparation: The Board discussed the engagement of Simmons & Wheeler, PC to perform the 2022 Audit.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director Marshall and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, PC to perform the 2022 Audit, in an amount not to exceed \$5,000.

Public Hearing on 2022 Budget Amendment: The President opened the public hearing to consider an amendment to the 2022 Budget and discuss related issues.

RECORD OF PROCEEDINGS

It was noted that publication of notice stating that the Board would consider an amendment to the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

The Board determined that an amendment to the 2022 Budget was not necessary.

Public Hearing on 2023 Budget: The President opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that publication of notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Mr. Weaver reviewed the estimated year-end 2022 revenues and expenditures and the proposed 2023 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-10-02 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-10-03 to Set Mill Levies (14.918 mills in the General Fund and 34.000 mills in the Debt Service Fund, for a total mill levy of 48.918 mills).

Upon motion duly made by Director Marshall, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Resolutions were adopted, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022, and further subject to the approval from the Town of Parker. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government not later than December 15, 2022. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

Developer Reimbursement: The Board discussed a potential reimbursement to the developer, Parker Homestead Investments, LLC (the “Developer”), under the Project Funding and Reimbursement Agreement (the “PFRA”) and under the Facilities Acquisition and Reimbursement Agreement (“FARA”).

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board approved

RECORD OF PROCEEDINGS

the reimbursement to the Developer, in the amount of \$195,000 under the PFRA and FARA, collectively.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2022-10-04 Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-04 Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3, subject to authorization from the Town of Parker.

2024 Budget Preparation: The Board discussed the preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget.

LEGAL MATTERS

Resolution to Call the May 2, 2023 Regular Election: The Board discussed the upcoming election and Resolution No. 2022-10-05 to Call the May 2, 2023 Regular Election.

Following discussion, upon motion duly made by Director L. Brinkman, seconded by Director T. Brinkman and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-05 to Call the May 2, 2023 regular Election and appointed Ann Finn as the Designated Election Official and authorized her to perform all tasks required for the May 2, 2023 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

RECORD OF PROCEEDINGS

Conveyance of Property to the Heirloom Owners Association: The Board deferred discussion.

OPERATIONS AND MAINTENANCE

Request from the Town of Parker concerning Trail Maintenance: The Board discussed various requests received from residents concerning trail maintenance. Director Marshall addressed the homeowner in attendance regarding trail maintenance and noted the Town of Parker believes the Heirloom Homeowners Association (the “**HOA**”) is responsible for the trail maintenance.

Cost Estimates from BrightView Landscape Services, Inc. for Mowing and Weed Control Services: Following discussion, it was determined that the HOA is responsible for trail maintenance. It was also noted the District does not have the authority to provide operation and maintenance services, per the District’s Service Plan. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director T. Brinkman, seconded by Director Marshall and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PARKER HOMESTEAD METROPOLITAN DISTRICT (THE “DISTRICT”) HELD DECEMBER 12, 2022

A Special Meeting of the Board of Directors of the Parker Homestead Metropolitan District (referred to hereafter as “**Board**”) was convened on Monday, December 12, 2022, at 1:30 p.m. The District Board meeting was held via conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

James E. Marshall
Thomas J. Brinkman II
Lisa S. Brinkman

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.
Suzanne Meintzer, Esq; McGeady Becher P.C.
Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

It was noted that a quorum was present, and Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that conflict disclosure statements were filed for all Directors with the Colorado Secretary of State by the statutory deadline. No additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board’s review and approval a proposed agenda for the District’s Special Meeting.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the agenda was approved.

RECORD OF PROCEEDINGS

Meeting Location/Manner and Posting of Meeting Notice: The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The District Board determined to conduct the meeting by conference call.

Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries have been received.

PUBLIC COMMENT There were no public comments.

FINANCIAL MATTERS

Resolution Approving Adjustment of Mill Levies Resulting from Legislative or Constitutionally Mandated Reductions to the District's Service Plan: Attorney Meintzer reviewed with the Board Resolution No. 2022-12-01 of the Board of Directors of Parker Homestead Metropolitan District Appending Town of Parker Town Council Resolution No. 22-065, Series of 2022, A Resolution Approving Adjustment of Mill Levies Resulting from Legislative or Constitutionally Mandated Reductions, to the District's Service Plan.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-01 of the Board of Directors of Parker Homestead Metropolitan District Appending Town of Parker Town Council Resolution No. 22-065, Series of 2022, A Resolution Approving Adjustment of Mill Levies Resulting from Legislative or Constitutionally Mandated Reductions, to the District's Service Plan.

2023 Budget: The Board discussed the 2023 Budget.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board ratified the approval of the 2023 Budget.

LEGAL MATTERS There were no legal matters to discuss at this time.

OTHER MATTERS There were no other matters to discuss at this time.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

NOTICE OF CANCELLATION
and
CERTIFIED STATEMENT OF RESULTS
§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

NOTICE IS HEREBY GIVEN by the Parker Homestead Metropolitan District, Douglas County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 2, 2023 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Vacant	Next Regular Election, May 2025
Shelley Marshall	Second Regular Election, May 2027
Lisa Brinkman	Second Regular Election, May 2027

/s/ Ann Finn

(Designated Election Official)

Contact Person for the District:	Ann Finn
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	afinn@sdmsi.com

**Parker Homestead Metropolitan District
June-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20041 1612	5/31/2022	5/31/2022	\$ 897.00	Accounting	1-612
Marchetti & Weaver, LLC	20041 1612	5/31/2022	5/31/2022	\$ 87.05	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 05/2022	5/31/2022	5/31/2022	\$ 1,669.56	Legal - GF	1-675
McGeady Becher P.C.	1090M 04/2022	4/30/2022	4/30/2022	\$ 1,020.00	Legal - GF	1-675
Special District Management Services, Inc	May-22	5/31/2022	5/31/2022	\$ 181.80	Election	1-635
Special District Management Services, Inc	May-22	5/31/2022	5/31/2022	\$ 647.00	Management	1-614
				\$ 4,502.41		

**Parker Homestead Metropolitan District
June-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,502.41	\$ -	\$ -	\$ 4,502.41
Total Disbursements from Checking Acct	<u>\$ 4,502.41</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,502.41</u>

**Parker Homestead Metropolitan District
July-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20183	6/30/2022	6/30/2022	\$ 1,713.00	Accounting	1-612
Marchetti & Weaver, LLC	20183	6/30/2022	6/30/2022	\$ 88.82	Miscellaneous - GF	1-685
Special District Management Services, Inc	Jun-22	6/30/2022	6/30/2022	\$ 14.80	Election	1-635
Special District Management Services, Inc	Jun-22	6/30/2022	6/30/2022	\$ 1,125.80	Management	1-614
				\$ 2,942.42		

**Parker Homestead Metropolitan District
July-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,942.42	\$ -	\$ -	\$ 2,942.42
Total Disbursements from Checking Acct	<u>\$ 2,942.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,942.42</u>

**Parker Homestead Metropolitan District
August-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20309	7/31/2022	7/31/2022	\$ 348.50	Accounting	1-612
Marchetti & Weaver, LLC	20309	7/31/2022	7/31/2022	\$ 88.59	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 06/2022	6/30/2022	6/30/2022	\$ 1,084.50	Legal - GF	1-675
McGeady Becher P.C.	1090M 07/2022	7/31/2022	7/31/2022	\$ 337.50	Legal - GF	1-675
Special District Management Services, Inc	Jul-22	7/31/2022	7/31/2022	\$ 44.40	Election	1-635
Special District Management Services, Inc	Jul-22	7/31/2022	7/31/2022	\$ 355.80	Management	1-614
				\$ 2,259.29		

**Parker Homestead Metropolitan District
August-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,259.29	\$ -	\$ -	\$ 2,259.29
Total Disbursements from Checking Acct	\$ 2,259.29	\$ -	\$ -	\$ 2,259.29

**Parker Homestead Metropolitan District
September-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20437	8/31/2022	8/31/2022	\$ 685.50	Accounting	1-612
Marchetti & Weaver, LLC	20437	8/31/2022	8/31/2022	\$ 86.52	Miscellaneous - GF	1-685
Special District Management Services, Inc	Aug-22	8/31/2022	8/31/2022	\$ 2,403.60	Management	1-614
				\$ 3,175.62		

**Parker Homestead Metropolitan District
September-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,175.62	\$ -	\$ -	\$ 3,175.62
Total Disbursements from Checking Acct	<u>\$ 3,175.62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,175.62</u>

Parker Homestead Metropolitan District
October-22

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Community Media	67680	9/30/2022	9/30/2022	\$ 22.60	Legal Pub/Election Exp	1-680
Colorado Community Media	68426	10/7/2022	10/31/2022	\$ 23.48	Legal Pub/Election Exp	1-680
Colorado Special Districts Property and L	23WC-61114-0454	10/14/2022	10/14/2022	\$ 450.00	Prepaid Insurance	1-142
Colorado Special Districts Property and L	23PL-61114-1051	9/6/2022	9/6/2022	\$2,076.00	Prepaid Insurance	1-142
Marchetti & Weaver, LLC	20557	9/30/2022	9/30/2022	\$ 606.25	Accounting	1-612
Marchetti & Weaver, LLC	20557	9/30/2022	9/30/2022	\$ 87.03	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 08/2022	8/31/2022	8/31/2022	\$ 345.00	Legal - GF	1-675
Special District Management Services, Inc	Sep-22	9/30/2022	9/30/2022	\$1,684.24	Management	1-614
T Charles Wilson Insurance	11514	9/28/2022	9/28/2022	\$ 495.00	Prepaid Insurance	1-142
				\$5,789.60		

**Parker Homestead Metropolitan District
October-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 5,789.60	\$ -	\$ -	\$ 5,789.60
Total Disbursements from Checking Acct	\$ 5,789.60	\$ -	\$ -	\$ 5,789.60

Parker Homestead Metropolitan District
November-22

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20685	10/31/2022	10/31/2022	\$ 1,654.75	Accounting	1-612
Marchetti & Weaver, LLC	20685	10/31/2022	10/31/2022	\$ 85.49	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 09/2022	9/30/2022	9/30/2022	\$ 3,476.00	Legal - GF	1-675
McGeady Becher P.C.	1090M 10/2022	10/31/2022	10/31/2022	\$ 2,574.75	Legal - GF	1-675
Simmons & Wheeler, P.C.	34091	9/30/2022	9/30/2022	\$ 4,500.00	Audit	1-615
Special District Management Services, Inc	Oct-22	10/31/2022	10/31/2022	\$ 2,086.27	Management	1-614
				\$14,377.26		

**Parker Homestead Metropolitan District
November-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 14,377.26	\$ -	\$ -	\$ 14,377.26
Total Disbursements from Checking Acct	\$ 14,377.26	\$ -	\$ -	\$ 14,377.26

**Parker Homestead Metropolitan District
December-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20816	11/30/2022	11/30/2022	\$ 409.00	Accounting	1-612
Marchetti & Weaver, LLC	20816	11/30/2022	11/30/2022	\$ 86.51	Miscellaneous - GF	1-685
Special District Management Services, Inc	Nov-22	11/30/2022	11/30/2022	\$ 513.07	Management	1-614
				\$ 1,008.58		

**Parker Homestead Metropolitan District
December-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,008.58	\$ -	\$ -	\$ 1,008.58
Total Disbursements from Checking Acct	\$ 1,008.58	\$ -	\$ -	\$ 1,008.58

**Parker Homestead Metropolitan District
January-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Community Media	73990	12/9/2022	1/8/2023	\$ 23.92	Legal Pub/Election Exp	1-680
Douglas County Clerk & Recorder	Parker HS 12/3/22	12/3/2022	1/2/2023	\$ 25.00	Election	1-635
Marchetti & Weaver, LLC	20976	12/31/2022	12/31/2022	\$ 765.40	Accounting	1-612
Marchetti & Weaver, LLC	20976	12/31/2022	12/31/2022	\$ 91.89	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 11/2022	11/30/2022	11/30/2022	\$1,050.00	Legal - GF	1-675
Special District Management Services, Inc	Dec-22	12/31/2022	12/31/2022	\$ 679.20	Management	1-614
				\$2,635.41		

**Parker Homestead Metropolitan District
January-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,635.41	\$ -	\$ -	\$ 2,635.41
Total Disbursements from Checking Acct	<u>\$ 2,635.41</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,635.41</u>

**Parker Homestead Metropolitan District
February-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	21132	1/31/2023	1/31/2023	\$ 1,045.20	Accounting	1-612
Marchetti & Weaver, LLC	21132	1/31/2023	1/31/2023	\$ 37.18	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 12/2022	12/31/2022	12/31/2022	\$ 1,144.50	Legal - GF	1-675
Special District Association	SDA-2023	2/7/2023	2/7/2023	\$ 313.45	Insurance/SDA Dues	1-670
Special District Management Services, Inc	Jan-23	1/31/2023	1/31/2023	\$ 930.40	Management	1-614
				\$ 3,470.73		

**Parker Homestead Metropolitan District
February-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,470.73	\$ -	\$ -	\$ 3,470.73
Total Disbursements from Checking Acct	<u>\$ 3,470.73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,470.73</u>

**Parker Homestead Metropolitan District
March-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	21260	2/28/2023	2/28/2023	\$ 188.00	Accounting	1-612
Marchetti & Weaver, LLC	21260	2/28/2023	2/28/2023	\$ 43.47	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 01/2023	1/31/2023	1/31/2023	\$ 1,543.73	Legal - GF	1-675
Special District Management Services, Inc	Feb-23	2/28/2023	2/28/2023	\$ 631.00	Election	1-635
Special District Management Services, Inc	Feb-23	2/28/2023	2/28/2023	\$ 696.15	Management	1-614
				\$ 3,102.35		

**Parker Homestead Metropolitan District
March-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,102.35	\$ -	\$ -	\$ 3,102.35
Total Disbursements from Checking Acct	\$ 3,102.35	\$ -	\$ -	\$ 3,102.35

**Parker Homestead Metropolitan District
April-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Community Media	82057	3/24/2023	4/23/2023	\$ 24.36	Election	1-635
Marchetti & Weaver, LLC	21389	3/31/2023	3/31/2023	\$ 2,319.50	Accounting	1-612
Marchetti & Weaver, LLC	21389	3/31/2023	3/31/2023	\$ 64.47	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 02/2023	2/28/2023	2/28/2023	\$ 1,168.06	Legal - GF	1-675
Special District Management Services, Inc	Mar-23	3/31/2023	3/31/2023	\$ 242.40	Election	1-635
Special District Management Services, Inc	Mar-23	3/31/2023	3/31/2023	\$ 807.32	Management	1-614
				\$ 4,626.11		

**Parker Homestead Metropolitan District
April-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,626.11	\$ -	\$ -	\$ 4,626.11
Total Disbursements from Checking Acct	\$ 4,626.11	\$ -	\$ -	\$ 4,626.11

**Parker Homestead Metropolitan District
May-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	21528	4/30/2023	4/30/2023	\$ 328.50	Accounting	1-612
Marchetti & Weaver, LLC	21528	4/30/2023	4/30/2023	\$ 47.68	Miscellaneous - GF	1-685
McGeady Becher P.C.	1090M 04/2023	4/30/2023	4/30/2023	\$1,481.16	Legal - GF	1-675
McGeady Becher P.C.	1090M 03/2023	3/31/2023	3/31/2023	\$2,203.83	Legal - GF	1-675
Special District Management Services, Inc	Apr-23	4/30/2023	4/30/2023	\$ 64.00	Election	1-635
Special District Management Services, Inc	Apr-23	4/30/2023	4/30/2023	\$ 828.00	Management	1-614
				\$4,953.17		

**Parker Homestead Metropolitan District
May-23**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,953.17	\$ -	\$ -	\$ 4,953.17
Total Disbursements from Checking Acct	<u>\$ 4,953.17</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,953.17</u>

Parker Homestead Metropolitan District
Statement of Net Position
May 31, 2023

	<u>General Fund</u>	<u>Debt Service</u>	<u>Fixed Assets & LTD</u>	<u>Total</u>
ASSETS				
CASH				
FirstBank Checking	15,051			15,051
ColoTrust	297,478			297,478
BBVA-Surplus Fund		166,446		166,446
BBVA-Revenue Fund		128,973		128,973
Inter-Fund Balances	(182,283)	182,283		-
TOTAL CASH	130,246	477,702	-	607,948
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Taxes Receivable	102,936	234,604		337,539
Financial Guarantee				-
Prepaid Expenses	-	-		-
TOTAL OTHER CURRENT ASSETS	102,936	234,604	-	337,539
FIXED ASSETS				
Landscaping				-
Parks Equipment				-
Accumulated Depreciation				-
TOTAL FIXED ASSETS	-		-	-
TOTAL ASSETS	233,182	712,305	-	945,487
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	9,592			9,592
TOTAL CURRENT LIABILITIES	9,592	-	-	9,592
DEFERRED INFLOWS				
Deferred Property Taxes	102,936	234,604		337,539
TOTAL DEFERRED INFLOWS	102,936	234,604	-	337,539
LONG-TERM LIABILITIES				
Loan Payable-Series 2020			7,910,000	7,910,000
Loan Premium, Net of Amortization			359,398	359,398
Loan Loss on Refunding, Net			(389,863)	(389,863)
Developer Payable- Ops			-	-
Developer Payable- Cap			101,382	101,382
Accrued Interest- Dev Adv- Ops			15,884	15,884
Accrued Interest- Dev Adv- Cap			943,897	943,897
Accrued Interest - Bonds			20,896	20,896
TOTAL LONG-TERM LIABILITIES	-		8,961,594	8,961,594
TOTAL LIAB & DEF INFLOWS	112,528	234,604	8,961,594	9,308,726
NET POSITION				
Net Investment in Capital Assets			-	-
Amount to be Provided for Debt			(8,961,594)	(8,961,594)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	3,706	477,702		481,408
Fund Balance- Unassigned	116,948			116,948
TOTAL NET POSITION	120,654	477,702	(8,961,594)	(8,363,238)

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Parker Homestead Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Date Printed: 07/24/23

	2022 Prelim Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 05/31/23 Actual	YTD Thru 05/31/23 Budget	Variance Favorable (Unfavor)	2024 Preliminary Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	14,996,450	14,629,110	-	14,629,110				20,000,000	May Abstract = \$21,450,450
Mill Levy Breakdown:									
Mill Levy - Operations	15.103	14.918	-	14.918				22.918	Remainder Available
Mill Levy - Debt	32.500	34.000	-	34.000				26.000	Amt Needed To Cover Debt Pmts
Total	47.603	48.918	-	48.918				48.918	35 mills gallagherized
Property Tax Revenue - Operations	226,491	218,237	-	218,237				458,360	AV * Mill Levy / 1,000
Property Tax Revenue - Debt	487,385	497,390	-	497,390				520,000	AV * Mill Levy / 1,000
Total	713,876	715,627	-	715,627				978,360	
COMBINED FUNDS									
REVENUE									
Property Taxes	713,877	715,627	-	715,627	378,088	393,595	(15,507)	978,360	AV * Mill Levy / 1,000
Specific Ownership Taxes	63,128	57,250	-	57,250	21,719	19,083	2,635	68,485	7% of Taxes
Interest	5,559	12,000	2,000	14,000	6,275	5,000	1,275	15,000	Based on 2023 Forecast
TOTAL REVENUE	782,564	784,877	2,000	786,877	406,082	417,678	(11,597)	1,061,845	
EXPENDITURES									
Administration & Contingency	58,632	81,905	5,136	76,768	28,464	30,562	2,098	90,087	All Non-Debt Repayment Costs
Developer Repayments	195,000	175,000	(5,000)	180,000	-	-	-	425,000	Use Available Funds
Bond Principal & Interest	534,465	535,747	-	535,747	-	-	-	541,713	See Debt Service Fund
Capital	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	788,097	792,652	136	792,515	28,464	30,562	2,098	1,056,800	
REVENUE OVER / (UNDER) EXP	(5,533)	(7,775)	2,136	(5,639)	377,617	387,116	(9,499)	5,045	
OTHER SOURCES / (USES)									
Bond Proceeds	-	-	-	-	-	-	-	-	
Bond Premium	-	-	-	-	-	-	-	-	
Bond Defeasance	-	-	-	-	-	-	-	-	
Cost of Issuance	-	-	-	-	-	-	-	-	
Transfer to Debt Service Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	(5,533)	(7,775)	2,136	(5,639)	377,617	387,116	(9,499)	5,045	
BEGINNING FUND BALANCE	226,271	211,288	9,450	220,739	220,739	211,288	9,450	215,100	
ENDING FUND BALANCE	220,739	203,513	11,587	215,100	598,356	598,404	(48)	220,145	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
1-142 Nonspendable	3,021	4,410	(909)	3,501	-	-	-	3,830	Prepaid Insurance
Restricted for Emergencies	7,221	-	14,863	14,863	3,706	-	-	14,863	Shown as an expense
Restricted For Debt Service	199,218	188,749	9,142	197,891	477,702	-	-	199,479	See Debt Service Fund
Restricted for Capital	-	0	(0)	-	-	-	-	-	Capital Fund Closed Out
Unassigned/ Other	11,278	10,354	(11,509)	(1,155)	116,948	-	-	1,973	Reaminder of General Fund
TOTAL ENDING FUND BALANCE	220,739	203,513	11,587	215,100	598,356	598,404	(48)	220,145	
	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Parker Homestead Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Date Printed: 07/24/23

	2022 Prelim Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 05/31/23 Actual	YTD Thru 05/31/23 Budget	Variance Favorable (Unfavor)	2024 Preliminary Budget	Notes/Assumptions	
GENERAL FUND										
REVENUE										
1-510	Property Taxes	226,492	218,237	-	218,237	115,301	120,030	(4,729)	458,360	AV * Mill Levy / 1,000
1-515	Specific Ownership Taxes	20,029	17,459	-	17,459	6,623	5,820	804	32,085	7% of Taxes
1-560	Interest & Other Income	1,669	5,000	(1,000)	4,000	1,607	2,083	(477)	5,000	Based on 2023 Forecast
TOTAL REVENUE		248,189	240,696	(1,000)	239,696	123,531	127,933	(4,402)	495,445	
EXPENDITURES										
Administration										
1-612	Accounting	10,167	14,000	(3,000)	17,000	5,254	5,833	580	18,000	Assume take over SDMS functions
1-614	District Management	11,934	13,500	5,500	8,000	4,011	5,625	1,614	-	Assume consolidated into accounting/legal
1-675	Legal	14,839	13,000	(7,000)	20,000	8,588	5,417	(3,171)	21,000	Assume take over SDMS functions
1-615	Audit	4,500	4,850	-	4,850	-	-	-	5,100	Based on 2023 Forecast with 5% Increase
1-635	Election	1,285	3,000	1,750	1,250	1,216	3,000	1,784	1,000	Prep Work for May 2025 Election
1-670	Insurance & SDA Dues	3,673	4,200	866	3,334	3,334	4,200	865	3,647	Based on 2023 Forecast with 10% Increase
1-685	Miscellaneous Expense	1,466	1,300	-	1,300	265	542	277	1,365	Based on 2023 Forecast with 5% Increase
1-700	Treasurer's Fees	3,401	3,274	-	3,274	1,730	1,800	71	6,875	1.5% of Property Taxes
	Emergencies		7,221	7,221	-				-	Held in Reserve
1-795	Contingency		5,000	-	5,000				10,000	Unforeseen Needs
Total Administration		51,264	69,344	5,336	64,008	24,397	26,417	2,020	66,987	
Debt Service										
1-710	Developer Repayment- Ops Principal	-	-	-	-	-	-	-	-	Paid off in 2019
1-711	Developer Repayment- Cap Principal	195,000	101,382	-	101,382	-	-	-	-	Pay off in 2023
	Developer Repayment- Ops Interest		15,884	-	15,884				-	Pay off in 2023
	Developer Repayment- Cap Interest		57,733	(5,000)	62,733				425,000	Continue Paying Down in 2024
Total Debt Service		195,000	175,000	(5,000)	180,000	-	-	-	425,000	
TOTAL EXPENDITURES		246,264	244,344	336	244,008	24,397	26,417	2,020	491,987	
REVENUE OVER / (UNDER) EXP		1,925	(3,648)	(664)	(4,311)	99,134	101,517	(2,383)	3,458	
OTHER SOURCES / (USES)										
1-894	Transfer to Capital Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)		-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE		1,925	(3,648)	(664)	(4,311)	99,134	101,517	(2,383)	3,458	
1-450	BEGINNING FUND BALANCE	19,595	18,411	3,109	21,520	21,520	18,411	3,109	17,209	
ENDING FUND BALANCE		21,520	14,763	2,445	17,209	120,654	119,928	726	20,666	

Parker Homestead Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Date Printed: 07/24/23

	2022 Prelim Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 05/31/23 Actual	YTD Thru 05/31/23 Budget	Variance Favorable (Unfavor)	2024 Preliminary Budget	Notes/Assumptions	
DEBT SERVICE FUND										
REVENUE										
2-510	Property Taxes	487,385	497,390	-	497,390	262,786	273,564	(10,778)	520,000	AV * Mill Levy / 1,000
2-515	Specific Ownership Taxes	43,100	39,791	-	39,791	15,095	13,264	1,832	36,400	7% of Taxes
2-560	Interest Income	3,890	7,000	3,000	10,000	4,669	2,917	1,752	10,000	Based on 2023 Forecast
TOTAL REVENUE		534,375	544,181	3,000	547,181	282,550	289,745	(7,194)	566,400	
EXPENDITURES										
2-607	Bond Principal- 2016	-	-	-	-	-	-	-	-	Defeased in 2020
2-608	Bond Interest- 2016	-	-	-	-	-	-	-	-	Defeased in 2020
2-609	Loan Principal- 2020	275,000	285,000	-	285,000	-	-	-	300,000	Per Amortization Schedule
2-610	Loan Interest- 2020	259,465	250,747	-	250,747	-	-	-	241,713	Per Amortization Schedule 3.170% Rate
2-668	Paying Agent Fees	-	-	-	-	-	-	-	-	Direct Placement- No Fee
2-685	Bank Fees / Misc Expense	50	100	(200)	300	125	42	(83)	300	Based on 2023 Forecast
2-700	Treasurer's Fees	7,318	7,461	-	7,461	3,942	4,103	162	7,800	1.5% of Property Taxes
	Contingency	-	5,000	-	5,000	-	-	-	15,000	Unforeseen Needs
TOTAL EXPENDITURES		541,832	548,308	(200)	548,508	4,067	4,145	78	564,813	
REVENUE OVER / (UNDER) EXP		(7,458)	(4,127)	2,800	(1,327)	278,483	285,600	(7,116)	1,588	
OTHER SOURCES / (USES)										
2-523	Bond Proceeds	-	-	-	-	-	-	-	-	
2-730	Bond Premium	-	-	-	-	-	-	-	-	
2-736	Bond Defeasance	-	-	-	-	-	-	-	-	
2-618	Cost of Issuance	-	-	-	-	-	-	-	-	
2-750	Developer Repayment- Capital Transfer from General Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)		-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE		(7,457.59)	(4,127)	2,800	(1,327)	278,483	285,600	(7,116)	1,588	
2-450	BEGINNING FUND BALANCE	206,676	192,876	6,342	199,218	199,218	192,876	6,342	197,891	
ENDING FUND BALANCE		199,218	188,749	9,142	197,891	477,702	478,476	(774)	199,479	
COMPONENTS OF FUND BALANCE:										
2-128	Surplus Fund Requirement	164,925	163,782	-	163,782	166,446			163,782	Maintain at \$163,782 Cap
	Restricted for Debt Service	34,293	24,967	9,142	34,109	311,256			35,697	
TOTAL FUND BALANCE		199,218	188,749	9,142	197,891	477,702			199,479	
Loan Balance- Beginning of Year		=	=	=	=	=	=	=	=	
Assessed Valuation			7,910,000		7,910,000				7,910,000	
Debt to Assessed Ratio			14,629,110		14,629,110				20,000,000	
Mill levy cap released once below 50%			54%		54%				40%	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

DRAFT 6/14/2023

PARKER HOMESTEAD METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022

with

Independent Auditors' Report

DRAFT 6/14/2023

CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Debt Service Fund	22

Independent Auditors' Report

Board of Directors
Parker Homestead Metropolitan District
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Parker Homestead Metropolitan District (the "District") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Parker Homestead Metropolitan District as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

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

Supplementary 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 individual fund budgetary schedules and property tax information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The budgetary schedules have 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 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 budgetary schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Englewood, CO

XXXXXXXXXX

DRAFT 6/14/2023

PARKER HOMESTEAD METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2022

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	\$ 14,629	\$ -	\$ 14,629	\$ -	\$ 14,629
Cash and investments - restricted	7,221	196,127	203,348	-	203,348
Receivable - County Treasurer	1,437	3,091	4,528	-	4,528
Property taxes receivable	218,237	497,390	715,627	-	715,627
Prepaid expenses	<u>3,021</u>	<u>-</u>	<u>3,021</u>	<u>-</u>	<u>3,021</u>
Total Assets	<u>\$ 244,545</u>	<u>\$ 696,608</u>	<u>\$ 941,153</u>	<u>-</u>	<u>941,153</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	389,863	389,863
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	389,863	389,863
Total Assets and Deferred Outflows of Resources	<u>\$ 244,545</u>	<u>\$ 696,608</u>	<u>\$ 941,153</u>		
LIABILITIES					
Accounts payable	\$ 4,788	\$ -	\$ 4,788	-	4,788
Accrued interest - bonds	-	-	-	20,896	20,896
Long-term liabilities:					
Due within one year	-	-	-	285,000	285,000
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	9,045,560	9,045,560
Total Liabilities	<u>4,788</u>	<u>-</u>	<u>4,788</u>	9,351,456	9,356,244
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>218,237</u>	<u>497,390</u>	<u>715,627</u>	<u>-</u>	<u>715,627</u>
Total Deferred Inflows of Resources	<u>218,237</u>	<u>497,390</u>	<u>715,627</u>	<u>-</u>	<u>715,627</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	3,021	-	3,021	(3,021)	-
Restricted:					
Emergencies	7,221	-	7,221	(7,221)	-
Debt service	-	199,218	199,218	(199,218)	-
Unassigned	<u>11,278</u>	<u>-</u>	<u>11,278</u>	<u>(11,278)</u>	<u>-</u>
Total Fund Balances	<u>21,520</u>	<u>199,218</u>	<u>220,738</u>	<u>(220,738)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 244,545</u>	<u>\$ 696,608</u>	<u>\$ 941,153</u>		
Net Position:					
Net investment in capital assets				(8,924,813)	(8,924,813)
Restricted for:					
Emergencies				7,221	7,221
Debt service				199,218	199,218
Unrestricted				<u>(22,481)</u>	<u>(22,481)</u>
Total Net Position				<u>\$ (8,740,855)</u>	<u>\$ (8,740,855)</u>

The notes to the financial statements are an integral part of these statements.

DRAFT 6/14/2023

PARKER HOMESTEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
Accounting	\$ 10,167	\$ -	\$ 10,167	\$ -	\$ 10,167
Audit	4,500	-	4,500	-	4,500
Election expense	1,285	-	1,285	-	1,285
Insurance	3,673	-	3,673	-	3,673
Legal	14,839	-	14,839	-	14,839
Management fees	11,934	-	11,934	-	11,934
Miscellaneous expenses	1,466	50	1,516	-	1,516
Treasurer's fees	3,401	7,318	10,719	-	10,719
Loan principal	-	275,000	275,000	(275,000)	-
Interest expense	-	259,465	259,465	(5,401)	254,064
Repay developer advances	195,000	-	195,000	(195,000)	-
Total Expenditures	<u>246,265</u>	<u>541,833</u>	<u>788,098</u>	<u>(475,401)</u>	<u>312,697</u>
GENERAL REVENUES					
Property taxes	226,492	487,385	713,877	-	713,877
Specific ownership taxes	20,029	43,100	63,129	-	63,129
Interest income	1,669	3,890	5,559	-	5,559
Total General Revenues	<u>248,190</u>	<u>534,375</u>	<u>782,565</u>	<u>-</u>	<u>782,565</u>
NET CHANGES IN FUND BALANCES	1,925	(7,458)	(5,533)	5,533	
CHANGE IN NET POSITION				469,868	469,868
FUND BALANCES/NET POSITION (DEFICIT):					
BEGINNING OF YEAR	<u>19,595</u>	<u>206,676</u>	<u>226,271</u>	<u>(9,436,994)</u>	<u>(9,210,723)</u>
END OF YEAR	<u>\$ 21,520</u>	<u>\$ 199,218</u>	<u>\$ 220,738</u>	<u>\$ (8,961,593)</u>	<u>\$ (8,740,855)</u>

The notes to the financial statements are an integral part of these statements.

DRAFT 6/14/2023

PARKER HOMESTEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2022

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 226,491	\$ 226,492	\$ 1
Specific ownership taxes	18,119	20,029	1,910
Interest income	<u>5,000</u>	<u>1,669</u>	<u>(3,331)</u>
Total Revenues	<u>249,610</u>	<u>248,190</u>	<u>(1,420)</u>
EXPENDITURES			
Accounting	13,000	10,167	2,833
Audit	4,500	4,500	-
Election expense	3,000	1,285	1,715
Insurance	3,700	3,673	27
Legal	14,500	14,839	(339)
Management fees	12,500	11,934	566
Miscellaneous expenses	1,200	1,466	(266)
Treasurer's fees	3,397	3,401	(4)
Repay developer advances	185,000	195,000	(10,000)
Contingency	7,500	-	7,500
Emergency reserve	<u>1,939</u>	<u>-</u>	<u>1,939</u>
Total Expenditures	<u>250,236</u>	<u>246,265</u>	<u>3,971</u>
NET CHANGE IN FUND BALANCE	(626)	1,925	2,551
FUND BALANCE:			
BEGINNING OF YEAR	<u>14,883</u>	<u>19,595</u>	<u>4,712</u>
END OF YEAR	<u>\$ 14,257</u>	<u>\$ 21,520</u>	<u>\$ 7,263</u>

The notes to the financial statements are an integral part of these statements.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Parker Homestead Metropolitan District, located in Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on March 15, 2011, as a quasi-municipal corporation and political subdivision established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes and developer advances. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB Pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District.

The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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*.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgetary Accounting

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

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. These amounts are eliminated in the Statement of Net Position.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial 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 assets that applies to a future period(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include infrastructure assets (e.g. roads, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2022.

All capital assets were conveyed to other entities in prior years.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Original Issue Premium and Deferred Loss on Refunding

The original issue premium from the Series 2020 Loan is being amortized over the life of the loan using the effective interest method. The 2020 deferred loss on refunding is being amortized over the life of the Series 2020 Loan using the straight-line method. Accumulated amortization of the original issue premium and deferred loss on refunding amounted to \$92,952 and \$54,141, respectively, at December 31, 2022.

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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$3,021 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$7,221 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$199,218 is restricted for the payment of the debt service costs associated with the Series 2020 Loan (see Note 3).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

As of December 31, 2022, cash is classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 14,629
Cash and Investments - Restricted	<u>203,348</u>
Total	<u>\$ 217,977</u>

DRAFT 6/14/2023

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Cash as of December 31, 2022, consists of the following:

Deposits with financial institutions	\$ 198,329
Investments - COLOTRUST	<u>19,648</u>
	\$ <u>217,977</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. 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.

The District does not have a formal policy for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Investment Valuation

Certain investments are measured at fair value 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.

Credit Risk

The District has adopted an investment policy by which it follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2022, the District had the following investments:

COLOTRUST

As of December 31, 2022, the District invested in the Colorado Local Governmental Liquid Asset Trust ("COLOTRUST"), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value ("NAV") of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. COLOTRUST Plus+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the next asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor's. At December 31, 2022, the District had \$19,648 invested in COLOTRUST PLUS+.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Note 3: Long Term Obligations

The following is an analysis of changes in long-term obligations for the period ending December 31, 2022:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Current Portion
<u>Direct Placements:</u>					
Series 2020 Loan	\$ 8,185,000	\$ -	\$ 275,000	\$ 7,910,000	\$ 285,000
Series 2020 Loan - premium	394,234	-	34,836	359,398	-
	8,579,234	-	309,836	8,269,398	285,000
<u>Other:</u>					
Developer Advances:					
Operations:					
Accrued interest	15,884	-	-	15,884	-
Capital:					
Principal	296,382	-	195,000	101,382	-
Accrued interest	935,394	8,502	-	943,896	-
	1,247,660	8,502	195,000	1,061,162	-
Total	\$ 9,826,894	\$ 8,502	\$ 504,836	\$ 9,330,560	\$ 285,000

A description of the long-term obligations as of December 31, 2022, is as follows:

\$8,300,000 Taxable Converting to Tax-Exempt General Obligation Refunding Loan, Series 2020
On August 13, 2020, the District entered into a Loan Agreement with BBVA Mortgage Corporation for the amount of \$8,300,000 (“Series 2020 Loan”) plus an original issue premium of \$452,350 for the purpose of refunding the District’s Series 2016 Bonds and paying down the balance owed to the Developer for project costs. The Series 2020 Loan matures on December 1, 2040 with interest payable on June 1 and December 1 of each year beginning June 1, 2021. The Series 2020 Loan bears interest at a taxable rate of 3.950% until the date that the loan converts to tax-exempt when the rate changes to 3.170%. The District exercised its option to convert this loan to tax-exempt during 2021.

The Series 2020 Loan is subject to redemption prior to maturity at the option of the District, in whole, or, with the consent of the Lender, in part, on any Interest Payment Date, on or after December 1, 2028 upon payment to the Lender of the principal amount and a) accrued interest, b) any Prepayment Fee, and c) the applicable redemption price as set forth in Exhibit D of the Loan Agreement.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

The Series 2020 Loan is secured by Pledged Revenues which include the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, any PILOT revenue, and any other legally available moneys as determined by the District.

As a result of the issuance of the Series 2020 Loan, the Series 2016 Bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by \$444,004. This amount is recorded as a deferred outflow and is being amortized over the life of the Series 2020 Loan. The refunding resulted in an economic gain of \$1,817,580 due to the lower interest rate on the Series 2020 Loan compared to the interest rate on the Series 2016 Bonds.

Events of Default as defined by the Loan Agreement include a) failure by the District to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Loan Agreement, b) insufficiency of funds in the Revenue Fund and Surplus Fund to pay the interest and/or principal on the Loan when due, c) failure by the District to perform any material covenants, agreements, duties, or condition required by the Series Loan documents and fails to remedy the default within 30 days of notice by the Lender, d) determination that any representation or warranty made by the District proves to be untrue or incomplete in any material respect, e) the pledge of the Pledged Revenue, the Collateral, or any other security interest fails to be fully enforceable, f) judgement or court order exceeding insurance coverage in excess of \$100,000 is rendered against the District and the District fails to pay or satisfy such judgment for 30 days, g) a change occurs in the financial or operating condition of the District which the Lender judges to have a material adverse impact on the District and its ability to satisfy its obligations, h) the District commences any case, proceeding, or other action relating to bankruptcy, insolvency, reorganization, relief of debtors or appointment of a receiver, trustee or custodian, i) any financing document related to the Series 2020 Loan or pledge or security interest related to such documents ceases to be valid or enforceable, j) the District shall become involved in proceeding to dissolve, consolidate, or cease to exist, and k) any funds or investments on deposit become subject to writ, judgement, warrant, attachment, execution, or similar process. Remedies are available to the Lender as described in the Loan Agreement, however, except for the application of the interest rate being changed to a Default Rate, no remedy will be available solely because of the failure of the District to pay principal of, or interest on, the Loan when due. Acceleration of the Loan is also not an available remedy for an Event of Default.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2020 Loan:

	Principal	Interest	Total
2023	\$ 285,000	\$ 250,747	\$ 535,747
2024	300,000	241,713	541,713
2025	315,000	232,203	547,203
2026	335,000	222,217	557,217
2027	345,000	211,598	556,598
2028 - 2032	2,010,000	881,894	2,891,894
2033 - 2037	2,510,000	533,194	3,043,194
2038 - 2040	1,810,000	116,656	1,926,656
	\$ 7,910,000	\$ 2,690,222	\$ 10,600,222

There are no unused Lines of Credit as of December 31, 2022.

Project Funding and Reimbursement Agreement

The District entered into a Project Funding and Reimbursement Agreement with Parker Homestead Investments, LLC, a Colorado limited liability company (the “Developer”) dated March 23, 2011, with an effective date of March 15, 2011, as amended by the First Amendment to the Project Funding and Reimbursement Agreement dated March 15, 2014, and the Second Amendment to the Project Funding and Reimbursement Agreement dated November 14, 2016, with an effective date of March 15, 2011 (the “Project Agreement”), which provides for certain procedures for the funding of public improvements to be constructed by the Developer and the procedures for the District to acquire such public improvements upon completion.

Per the Project Agreement, the District will reimburse the Developer for advances made for district organization and construction related expenses up to \$8,182,984, which includes amounts advanced under the Development Agreement. For advances made for organization expenses, simple interest shall accrue from the date of organization of the District until paid at the rate of 8% per annum. For construction related expenses, simple interest shall accrue on each developer advance from the date of deposit into the District’s account until paid at the rate of 8% per annum. The reimbursement obligations under the Project Agreement were subordinate to the Chambers Road Costs from the IGA between the District and the Town of Parker (“Town”), which obligation was satisfied in full in 2016 and the costs of the South Newlin Gulch Trail as part of the Development Agreement.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Per the Project Agreement, payments by the District to the Developer under the Project Agreement will be applied first to the principal amount due and then to accrued and unpaid interest.

Per the Project Agreement, the parties agreed that, in lieu of advancing funds to the District for Construction Related Expenses (as defined therein), the Developer may construct or cause the construction of all or a portion of the Improvements (as defined therein), subject to certain conditions precedent to the District's obligation to reimburse Construction Related Expenses incurred by the Developer, including: (1) with respect to Improvements to be acquired by the District, as-built drawings and such other documentation as may be required by the District to verify that there are no outstanding amounts due to contractors, subcontractors, material providers or suppliers; (2) with respect to Improvements to be dedicated to the Town, Parker Water and Sanitation District or other appropriate jurisdiction, evidence satisfactory to the District that the Improvements have been finally accepted by such jurisdiction; and (3) with respect to all Developer constructed Improvements, certification of an independent engineer. Additionally, any such reimbursements shall be subject to the same terms and conditions as apply to reimbursement of Developer advances under the Project Agreement.

The term of the Project Agreement will expire on December 31, 2041. Any principal and accrued interest outstanding on December 31, 2041 shall be deemed forever discharged and satisfied in full.

Facilities Acquisition and Reimbursement Agreement

The District entered into a Facilities Acquisition and Reimbursement Agreement with the Developer dated March 19, 2014 (the "FARA"), as amended in the First Amendment to the Facilities Acquisition and Reimbursement Agreement ("First Amendment"), dated and effective October 6, 2016, by and between the District and the Developer, pursuant to which the Developer deposited land sale proceeds into an escrow account established pursuant to a purchase and sale agreement with Lennar Colorado, LLC ("Lennar"). The proceeds in the escrow account were advanced by the Developer, to pay costs incurred by Lennar up to a maximum of \$600,000, for the construction of certain street, water, sanitary sewer, drainage and landscape improvements (the "Lennar Improvements"), acquire the Lennar Improvements from Lennar, and then convey the Lennar Improvements to the District. Pursuant to the First Amendment, the parties amended the maximum amount that the District will reimburse the Developer for funds advanced for the Lennar Improvements under the FARA, from \$600,000 up to \$1,788,779.06, together with interest thereon. Under the FARA, simple interest accrues at the rate of 8% per annum until paid.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

When the District's 2015 Audit was prepared, the FARA capped the reimbursable amount to \$600,000, and at that time that the District had no obligation nor sufficient funds to reimburse the \$1,119,081 incurred for construction of the Lennar Improvements. In turn, the \$1,119,081 was characterized as a "Developer Contribution" to acknowledge the full amount advanced by the Developer for these improvements.

Subsequent development of property within the District increased its assessed valuation to the extent that the District did have the financial capacity to reimburse the Developer for the additional costs and the District asked its independent engineer, 2N Civil, to verify District-eligible costs of the Lennar Improvements. By letter dated October 3, 2016, 2N Civil verified costs totaling \$1,719,080.97. The District thus amended the FARA in the First Amendment on October 6, 2016, to increase the amount reimbursable under the FARA to \$1,788,779.06, and this amount was accepted by the Board at its October 13, 2016, meeting.

On August 6, 2020, the agreement was modified by the Second Amendment to Facilities Acquisition and Reimbursement Agreement to clarify the intention of the parties regarding the Series 2020 Loan and the outstanding principal and interest outstanding under the FARA moving forward. Modifications included a) use of the proceeds of the Series 2020 Loan to pay a portion of the outstanding principal owed under the FARA as long as the loan is closed and disbursed on or before September 30, 2020, b) use of the proceeds to remit \$300,000 to Developer as partial payment of principal under the FARA, and c) write-off of \$400,000 of interest under this agreement by the Developer and reduction of the interest rate on the remaining principal balance from 8.0% to 4.0%.

At December 31, 2022, \$101,382 in principal and \$943,896 in interest is due to the Developer for capital advances under the Project Agreement and the FARA.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Operation Funding Agreements

The District and Developer have entered into Operation Funding Agreements for each of the years 2011, 2012, 2013, 2014, 2015 and 2016 (“Operation Funding Agreements”), pursuant to which the Developer agreed to advance funds to the District for operations and maintenance expenses to the extent that other District revenues are insufficient to pay such expenses. Simple interest will accrue on each Developer advance from the date of deposit into the District’s account at the rate of 8% per annum until paid. The District’s intent is to repay the Developer to the extent it has funds available from the imposition of its taxes, rates, toll, penalties and charges or other legally available revenue, after payment of its annual debt service obligations and annual operations and maintenance expenses. The term of the reimbursement obligation under each Operation Funding Agreement is 30 years, and any principal and accrued interest outstanding at the end of such 30-year period shall be deemed forever discharged and satisfied in full. All of the Operation Funding Agreements have been amended at the Developer’s request to provide for the payment of principal before interest.

As no additional advances will be required by the District, the Operation Funding Agreements were terminated as of August 6, 2020. At December 31, 2022, \$15,884 is due to the Developer under the 2011, 2012, 2013, 2014, 2015 and 2016 Operation Funding Agreements, \$0 of principal and \$15,884 of accrued interest.

Debt Authorization

As of December 31, 2022, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

Authorization Used and Remaining from 2010 Election					
Purpose	Principal Amount Voted	Principal Amount Used by 2014 Loan Agreement	Principal Amount Used by Series 2016 Bonds	Principal Amount Used by Series 2020 Loan	Principal Amount Remaining
Water	\$ 8,300,000	\$ (1,367,123)	\$ (818,651)	\$ (64,472)	\$ 6,049,754
Sanitation	8,300,000	(810,147)	(927,139)	(73,016)	6,489,698
Streets	8,300,000	(2,481,076)	(796,436)	(62,723)	4,959,765
Park and Recreation	8,300,000	(405,074)	(1,160,404)	(91,387)	6,643,135
Operations	1,000,000	-	-	-	1,000,000
Refunding	16,600,000	-	(4,597,370)	(8,239,154)	3,763,476
IGA Debt	8,300,000	-	-	-	8,300,000
TOTAL	\$ 59,100,000	\$ (5,063,420)	\$ (8,300,000)	\$ (8,530,752)	\$ 37,205,828

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Per the District's Service Plan, for any portion of the District's outstanding debt which exceeds 50% of the District's assessed valuation, the maximum debt mill levy for such portion of debt shall be 35 mills (as adjusted for what is commonly referred to as the "Gallagher Amendment" on or after January 1, 2000) less the number of mills necessary to pay District administrative operating expenses and the number of mills necessary to pay unlimited mill levy debt.

However, in November 2020, the State of Colorado's (the "**State**") voters approved Amendment B, which repealed the Gallagher Amendment and provided the State's General Assembly with the authority to decrease the assessment rate in the future. Since the repeal of the Gallagher Amendment, the General Assembly has passed legislation in each year that has reduced the assessment rate for different classes of property and there have also been numerous initiative petitions that have sought to permanently reduce the assessment rate for different classes of property.

The Town has since determined that metropolitan districts within the Town whose service plans were approved prior to the repeal of the Gallagher Amendment may continue to adjust their maximum debt service mill levy in a manner consistent with that of the now repealed Gallagher Amendment.

Note 4: Related Party

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 5: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

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.

On November 2, 2010, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 6: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

PARKER HOMESTEAD METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2022

Note 7: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

- 1) Long-term liabilities such as loans, developer advances payable and accrued developer advance interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 2) governmental funds report developer advances and loan proceeds as revenue; and,
- 3) 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.

DRAFT 6/14/2023

SUPPLEMENTAL INFORMATION

DRAFT 6/14/2023

PARKER HOMESTEAD METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2022

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 487,385	\$ 487,385	\$ -
Specific ownership taxes	38,991	43,100	4,109
Interest income	<u>500</u>	<u>3,890</u>	<u>3,390</u>
Total Revenues	<u>526,876</u>	<u>534,375</u>	<u>7,499</u>
EXPENDITURES			
Treasurer's fees	7,311	7,318	(7)
Loan principal	275,000	275,000	-
Interest expense	259,465	259,465	-
Miscellaneous expenses	-	50	(50)
Contingency	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>546,776</u>	<u>541,833</u>	<u>4,943</u>
NET CHANGE IN FUND BALANCE	(19,900)	(7,458)	12,442
FUND BALANCE:			
BEGINNING OF YEAR	<u>201,877</u>	<u>206,676</u>	<u>4,799</u>
END OF YEAR	<u>\$ 181,977</u>	<u>\$ 199,218</u>	<u>\$ 17,241</u>

The notes to the financial statements are an integral part of these statements.