

# ASPEN RESERVE METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254

Fax: 303-987-2032

[www.aspenreservemd.colorado.gov](http://www.aspenreservemd.colorado.gov)

## NOTICE OF A REGULAR MEETING AND AGENDA

| <u>Board of Directors:</u> | <u>Office:</u>      | <u>Term/Expiration:</u> |
|----------------------------|---------------------|-------------------------|
| Traci DelReal              | President           | 2027/May 2027           |
| Beth Carmichael            | Assistant Secretary | 2027/May 2027           |
| Micale Medina              | Assistant Secretary | 2025/May 2025           |
| <b>VACANT</b>              |                     | 2027/May 2025           |
| <b>VACANT</b>              |                     | 2025/May 2025           |

DATE: June 6, 2023 (Tuesday)

TIME: 6:30 P.M.

PLACE: *This meeting will be held via telephone conference without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:*

The meeting can be joined through the directions below:

Join Zoom Meeting

<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRTWkRyUjZZc1VMWTJFZjFHdz09>

Meeting ID: 862 6755 0643

Passcode: 987572

Dial In: 1-719-359-4580

### I. PUBLIC COMMENT

A. \_\_\_\_\_

### II. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

\_\_\_\_\_

B. Confirm quorum. Approve Agenda, confirm location of the meeting and posting of meeting notices.

\_\_\_\_\_

C. Review and approve Minutes of the April 5, 2023 and April 10, 2023 Special Meetings (enclosures).

\_\_\_\_\_

- D. Confirm filing of Oaths of Office.

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- E. Discuss vacancies on the Board and consider the appointment of eligible elector, Kaarl Hoopes, to the Board of Directors of the District. Administer Oath of Office.

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- F. Consider appointment of Officers:

President \_\_\_\_\_

Treasurer \_\_\_\_\_

Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

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

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- H. Discuss the TCW Risk Management Safety and Loss Prevention Grants.

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### III. COVENANT CONTROL/COMMUNITY MANAGEMENT MATTERS

- A. Review and discuss Community Manager's Report.

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### III. FINANCIAL MATTERS

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

| Fund         | Period Ending<br>December 31, 2022 | Period Ending<br>January 31, 2023 | Period Ending<br>February 28, 2023 | Period Ending<br>March 31, 2023 |
|--------------|------------------------------------|-----------------------------------|------------------------------------|---------------------------------|
| General      | \$ 16,301.23                       | \$ 6,845.81                       | \$ 9,977.42                        | \$ 17,342.81                    |
| Debt         | \$ -0-                             | \$ -0-                            | \$ -0-                             | \$ -0-                          |
| Capital      | \$ -0-                             | \$ -0-                            | \$ -0-                             | \$ -0-                          |
| <b>Total</b> | <b>\$ 16,301.23</b>                | <b>\$ 6,845.81</b>                | <b>\$ 9,977.42</b>                 | <b>\$ 17,342.81</b>             |

| Fund         | Period Ending<br>April 30, 2023 | Period Ending<br>May 31, 2023 |
|--------------|---------------------------------|-------------------------------|
| General      | \$ 10,789.05                    | \$ 15,380.27                  |
| Debt         | \$ -0-                          | \$ -0-                        |
| Capital      | \$ -0-                          | \$ -0-                        |
| <b>Total</b> | <b>\$ 10,789.05</b>             | <b>\$ 15,380.27</b>           |

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- B. Review and accept unaudited financial statements through the period ending March 31, 2023 and updated cash position statement dated March 31, 2023 (enclosure).

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- C. Conduct Public Hearing to consider Amendment to 2023 Budget (if necessary) and consider adoption of a Resolution to Amend the 2023 Budget.

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- D. Review and consider approval of 2022 Audit and authorize execution of Representations Letter (enclosures).

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VI. OPERATION AND MAINTENANCE MATTERS

- A. Mulch Replacement
  - 1. Review and consider approval of proposal from Nature's Workforce for mulch replacement, in the amount of \$28,417.20 (enclosure).

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  - 2. Review and consider approval of proposal from GreenEarth Southeast, LLC for mulch bed topdress, in the amount of \$10,139.61 (enclosure).

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- B. Review and consider approval of proposal from DoodyCalls Pet Waste Management for waste removal (enclosure).

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- C. Ratify approval of proposal from Property Solutions Team ("PST") for fence section repair, in the amount of \$611.82 (enclosure).

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- D. Review and consider approval of proposal from PST for fence repair and power wash, in the amount of \$9,043 (enclosure).

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IV. OTHER BUSINESS

- A. 

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V ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 5, 2023 ~ BUDGET HEARING.**

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE ASPEN RESERVE METROPOLITAN DISTRICT (THE “DISTRICT”) HELD APRIL 5, 2023

A Special Meeting of the Board of Directors of the Aspen Reserve Metropolitan District (referred to hereafter as the “Board”) was convened on Wednesday, April 5, 2023, at 6:00 p.m. This District special meeting was held via Zoom and at Anythink Wright Farms Library, 5877 East 120th Avenue, Thornton, Colorado 80602. The meeting was open to the public.

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**Directors In Attendance Were:**

Traci DelReal  
Karl Hoopes  
Micale Medina

The absence of Director Carmichael was excused.

**Also In Attendance Were:**

Peggy Ripko; Special District Management Services, Inc.  
Paula Williams, Esq. and Tim O’Connor, Esq.; McGeady Becher P.C.  
Melissa Buck; UMB Financial Services  
Tiffany Leichman, Esq.; Sherman & Howard L.L.C.

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**PUBLIC COMMENT** There were no public comments.

**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. Attorney Williams requested that the Directors consider whether they had any conflicts of interest to disclose. Ms. Ripko noted for the record that the Directors are District residents so there were no disclosures of potential conflicts of interest filed with the Secretary of State, and that there were no new disclosures made by the Directors present at the meeting.

**ADMINISTRATIVE  
MATTERS**

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

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Hoopes, seconded by Director Medina, and upon vote unanimously carried, the agenda was approved, and the absence of Director Carmichael was excused.

**Confirmation of Meeting Location/Posting of Notice:** Ms. Ripko confirmed the presence of a quorum. The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director Hoopes and seconded by Director Medina, and upon vote unanimously carried, the Board determined to conduct the meeting via Zoom and at a physical location located within 20 miles of the District's boundaries, and that Director DelReal was present at the meeting location. It was further noted that notice of the time, date and location/manner of meeting, and the meeting access information was duly posted and that no objections to the location or manner of meeting, nor any requests that the meeting place be changed by taxpaying electors within the District's boundaries were received.

**Results of the May 2, 2023 Election:** Ms. Finn advised the Board that the May 2, 2023 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. It was noted that Director Medina was deemed elected to a 2-year term ending in May, 2025. Directors Carmichael and DelReal were each deemed elected to 4-year terms ending in May, 2027.

**December 6, 2022, February 7, 2023, and March 13, 2023 Meeting Minutes:** The Board reviewed the Minutes of the December 6, 2022 Regular Meeting and the Minutes of the February 7, 2023 and March 13, 2023 Special Meetings.

Following discussion, upon motion duly made by Director DelReal, and seconded by Director Medina and, upon vote, unanimously carried, the Board approved the Minutes of the December 6, 2022 Regular Meeting and the Minutes of the February 7, 2023 and March 13, 2023 Special Meetings.

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### **FINANCIAL MATTERS**

**Engagement of Sherman & Howard LLC as Bond Counsel:** The Board reviewed an engagement letter from Sherman & Howard LLC as bond counsel.

Following discussion, upon motion duly made by Director Medina, and seconded by Director Hoopes and, upon vote, unanimously carried, the Board approved the engagement of Sherman & Howard LLC as bond counsel.

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### **OTHER BUSINESS**

There was no other business to discuss.

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## RECORD OF PROCEEDINGS

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**CONTINUATION OF MEETING** There being no further business to come before the Board at this time, upon motion duly made by Director Hoopes, seconded by Director DelReal and, upon vote unanimously carried, the meeting was continued to April 10, 2023 at 6:00 p.m.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF A CONTINUED SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE ASPEN RESERVE METROPOLITAN DISTRICT HELD APRIL 10, 2023

A Continued Special Meeting of the Board of Directors of the Aspen Reserve Metropolitan District (referred to hereafter as the “Board”) was convened on Wednesday, April 10, 2023, at 6:00 p.m. This District Continued Special Meeting was held via Zoom and at Anythink Wright Farms Library, 5877 East 120th Avenue, Thornton, Colorado 80602. The meeting was open to the public.

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#### **Directors In Attendance Were:**

Traci DelReal  
Karl Hoopes  
Beth Carmichael  
Micale Medina

#### **Also In Attendance Were:**

Peggy Ripko; Special District Management Services, Inc.  
Paula Williams, Esq. and Tim O’Connor, Esq.; McGeady Becher P.C.  
Melissa Buck and Kathryn Pong; UMB Financial Services  
Tiffany Leichman, Esq.; Sherman & Howard L.L.C.

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**PUBLIC COMMENT** There were no public comments.

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#### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. Attorney Williams requested that the Directors consider whether they had any conflicts of interest to disclose. Ms. Ripko noted for the record that the Directors are District residents so there were no disclosures of potential conflicts of interest filed with the Secretary of State, and that there were no new disclosures made by the Directors present at the meeting.

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#### **ADMINISTRATIVE MATTERS**

**Agenda:** Ms. Ripko distributed for the Board’s review and approval a proposed agenda for the District's Continued Special Meeting.

Following discussion, upon motion duly made by Director Hoopes, seconded by Director Medina, and upon vote unanimously carried, the agenda was approved.

## RECORD OF PROCEEDINGS

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**Confirmation of Meeting Location/Posting of Notice:** Ms. Ripko confirmed the presence of a quorum. The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director Hoopes and seconded by Director Medina, and upon vote unanimously carried, the Board determined to conduct the meeting via Zoom and at a physical location located within 20 miles of the District's boundaries, and that Ms. Ripko was present at the meeting location. It was further noted that notice of the time, date and location/manner of meeting, and the meeting access information was duly posted and that no objections to the location or manner of meeting, nor any requests that the meeting place be changed by taxpaying electors within the District's boundaries were received.

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### **FINANCIAL MATTERS**

**Resolution Authorizing the Execution and Delivery of the District's Series 2023 Loan Agreement and Promissory Note with Zions Bancorporation, N.A., d/b/a Vectra Bank, Colorado, in the Approximate Aggregate Principal Amount of up to \$3,800,000, for the Purpose of Refunding the District's Outstanding Series 2017A General Obligation Limited Tax Convertible to Unlimited Tax Bonds and Series 2017B Subordinate General Obligation Limited Tax Bonds:** The Board reviewed a Resolution authorizing the execution and delivery of the District's Series 2023 Loan Agreement and Promissory Note with Zions Bancorporation, N.A., d/b/a Vectra Bank, Colorado, in the approximate aggregate principal amount of up to \$3,800,000 for the purpose of refunding the District's outstanding Series 2017A General Obligation Limited Tax Convertible to Unlimited Tax Bonds (the "2017A Bonds") and Series 2017B Subordinate General Obligation Limited Tax Bond (the "2017B Bonds," collectively with the 2017A Bonds, the "Bonds") (the "2023 Loan").

Following discussion, upon motion duly made by Director Hoopes, and seconded by Director DelReal and, upon vote, unanimously carried, the Board adopted the Resolution authorizing the execution and delivery of the District's Series 2023 Loan Agreement and Promissory Note with Zions Bancorporation, N.A., d/b/a Vectra Bank, Colorado, in the approximate aggregate principal amount of up to \$3,800,000, for the purpose of refunding the outstanding Bonds, and other related documents and instruments; authorized, approved, ratified, and confirmed other actions; made determinations and findings as to other matters related to the 2023 Loan; authorized incidental action; and repealed prior inconsistent actions.

**Public Hearing on Amendment to 2023 Budget:** Director DelReal opened the public hearing to consider an amendment to the 2023 Budget.



## RECORD OF PROCEEDINGS

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It was noted that publication of Notice stating that the Board would consider amendment 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 the public hearing.

No public comments were received, and the public hearing was closed.

Following discussion, upon motion duly made by Director DelReal, seconded by Director Carmichael, and upon vote unanimously carried, the Board adopted a Resolution to Amend the 2023 Budget.

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### **OTHER BUSINESS**

There was no other business to discuss.

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### **ADJOURNMENT**

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

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

**Aspen Reserve Metropolitan District**  
**December-22**

| Vendor                         | Invoice #              | Date       | Due Date   | Amount in USD | Expense Account         | Account Number |
|--------------------------------|------------------------|------------|------------|---------------|-------------------------|----------------|
| City of Thornton               | 044761 November 2022   | 11/9/2022  | 11/22/2022 | \$ 763.42     | Utilities               | 1730           |
| City of Thornton               | 044349 November 2022   | 11/9/2022  | 11/22/2022 | \$ 525.62     | Utilities               | 1730           |
| Colorado Special Districts P&L | 23PL-61529-2017        | 10/20/2022 | 10/20/2022 | \$ 7,210.00   | Prepaid Expenses        | 1143           |
| Keesen Landscape               | COM 205370             | 11/29/2022 | 12/29/2022 | \$ 196.00     | Snow Removal            | 1729           |
| Keesen Landscape               | COM 204009             | 11/15/2022 | 12/15/2022 | \$ 294.00     | Snow Removal            | 1729           |
| Keesen Landscape               | COM 204342             | 11/18/2022 | 12/18/2022 | \$ 490.00     | Snow Removal            | 1729           |
| Keesen Landscape               | COM 205080             | 12/2/2022  | 1/1/2023   | \$ 2,293.00   | Landscape Maintenance   | 1726           |
| McGeady Becher, P.C.           | 1296W 10-2022          | 10/31/2022 | 10/31/2022 | \$ 189.00     | Legal                   | 1675           |
| Poop 911                       | 6240142                | 11/9/2022  | 11/9/2022  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                       | 6240144                | 11/23/2022 | 11/23/2022 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                       | 6240145                | 11/30/2022 | 11/30/2022 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                       | 6240141                | 11/2/2022  | 11/2/2022  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                       | 6240143                | 11/16/2022 | 11/16/2022 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Special Dist Management Srvs   | Nov-22                 | 11/30/2022 | 11/30/2022 | \$ 1,480.00   | Property Management     | 1710           |
| Special Dist Management Srvs   | Nov-22                 | 11/30/2022 | 11/30/2022 | \$ 962.00     | Accounting              | 1612           |
| Special Dist Management Srvs   | Nov-22                 | 11/30/2022 | 11/30/2022 | \$ 168.34     | Miscellaneous           | 1685           |
| Special Dist Management Srvs   | Nov-22                 | 11/30/2022 | 11/30/2022 | \$ 336.00     | Billing Services        | 1715           |
| Special Dist Management Srvs   | Nov-22                 | 11/30/2022 | 11/30/2022 | \$ 636.40     | Management              | 1680           |
| United Power                   | 19193702 November 2022 | 11/3/2022  | 11/4/2022  | \$ 25.41      | Utilities               | 1730           |
| United Power                   | 19193803 November 2022 | 11/3/2022  | 11/23/2022 | \$ 21.05      | Utilities               | 1730           |
| United Power                   | 19193503 November 2022 | 11/3/2022  | 11/23/2022 | \$ 20.61      | Utilities               | 1730           |
| Xpress Bill Pay                | 69954                  | 11/30/2022 | 12/5/2022  | \$ 15.38      | Billing Services        | 1715           |
|                                |                        |            |            | \$ 16,301.23  |                         |                |

**Aspen Reserve Metropolitan District  
December-22**

|                            | General      | Debt | Capital | Totals       |
|----------------------------|--------------|------|---------|--------------|
| <b>Disbursements</b>       | \$ 16,301.23 |      | \$ -    | \$ 16,301.23 |
|                            |              | -    | -       | -            |
| <hr/>                      |              |      |         |              |
| <b>Total Disbursements</b> | \$ 16,301.23 | \$ - | \$ -    | \$ 16,301.23 |

**Aspen Reserve Metropolitan District**  
**January-23**

| Vendor                           | Invoice #             | Date       | Due Date   | Amount in USD | Expense Account         | Account Number |
|----------------------------------|-----------------------|------------|------------|---------------|-------------------------|----------------|
| Animal & Pest Control Specialist | 88920                 | 11/30/2022 | 11/30/2022 | \$ 295.00     | Miscellaneous           | 1685           |
| Animal & Pest Control Specialist | 89492                 | 1/4/2023   | 1/4/2023   | \$ 175.00     | Miscellaneous           | 1685           |
| City of Thornton                 | 044761 December 2022  | 12/9/2022  | 12/22/2022 | \$ 18.94      | Utilities               | 1730           |
| City of Thornton                 | 044349 December 2022  | 12/9/2022  | 12/22/2022 | \$ 14.26      | Utilities               | 1730           |
| Diversified Underground, Inc.    | 26864                 | 12/31/2022 | 1/30/2023  | \$ 10.00      | Locates                 | 1678           |
| Keesen Landscape                 | COM 206701            | 12/22/2022 | 1/21/2023  | \$ 392.00     | Snow Removal            | 1729           |
| Keesen Landscape                 | COM 207641            | 12/28/2022 | 1/27/2023  | \$ 260.00     | Snow Removal            | 1729           |
| McGeady Becher, P.C.             | 1296W 11-2022         | 11/30/2022 | 11/30/2022 | \$ 1,362.50   | Legal                   | 1675           |
| Poop 911                         | 6348981               | 12/7/2022  | 12/7/2022  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6348984               | 12/28/2022 | 12/28/2022 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6348982               | 12/14/2022 | 12/14/2022 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6348983               | 12/19/2022 | 12/19/2022 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Special Dist Management Svcs     | Dec-22                | 12/31/2022 | 12/31/2022 | \$ 1,170.00   | Property Management     | 1710           |
| Special Dist Management Svcs     | Dec-22                | 12/31/2022 | 12/31/2022 | \$ 103.60     | Election                | 1635           |
| Special Dist Management Svcs     | Dec-22                | 12/31/2022 | 12/31/2022 | \$ 873.20     | Accounting              | 1612           |
| Special Dist Management Svcs     | Dec-22                | 12/31/2022 | 12/31/2022 | \$ 90.75      | Miscellaneous           | 1685           |
| Special Dist Management Svcs     | Dec-22                | 12/31/2022 | 12/31/2022 | \$ 294.00     | Billing Services        | 1715           |
| Special Dist Management Svcs     | Dec-22                | 12/31/2022 | 12/31/2022 | \$ 1,142.80   | Management              | 1680           |
| UNCC                             | 222120076             | 12/31/2022 | 12/31/2022 | \$ 2.60       | Miscellaneous           | 1685           |
| United Power                     | 19193702December 2022 | 12/5/2022  | 12/27/2022 | \$ 26.24      | Utilities               | 1730           |
| United Power                     | 19193803December2022  | 12/5/2022  | 12/27/2022 | \$ 22.16      | Utilities               | 1730           |
| United Power                     | 19193503December 2022 | 12/5/2022  | 12/27/2022 | \$ 21.38      | Utilities               | 1730           |
| Xpress Bill Pay                  | 70710                 | 12/31/2022 | 1/5/2023   | \$ 31.38      | Billing Services        | 1715           |
|                                  |                       |            |            | \$ 6,845.81   |                         |                |

Aspen Reserve Metropolitan District  
January-23

|                     | General     | Debt | Capital | Totals      |
|---------------------|-------------|------|---------|-------------|
| Disbursements       | \$ 6,845.81 | \$ - | \$ -    | \$ 6,845.81 |
|                     |             | -    | -       | -           |
|                     |             |      |         |             |
| Total Disbursements | \$ 6,845.81 | \$ - | \$ -    | \$ 6,845.81 |

**Aspen Reserve Metropolitan District  
February-23**

| Vendor                           | Invoice #           | Date       | Due Date   | Amount in USD | Expense Account         | Account Number |
|----------------------------------|---------------------|------------|------------|---------------|-------------------------|----------------|
| Animal & Pest Control Specialist | 90527               | 2/1/2023   | 2/1/2023   | \$ 295.00     | Miscellaneous           | 1685           |
| Diversified Underground, Inc.    | 27009               | 1/31/2023  | 3/2/2023   | \$ 5.00       | Locates                 | 1678           |
| Keesen Landscape                 | COM 208755          | 1/3/2023   | 2/2/2023   | \$ 490.00     | Snow Removal            | 1729           |
| Keesen Landscape                 | COM 210873          | 1/19/2023  | 2/18/2023  | \$ 686.00     | Snow Removal            | 1729           |
| McGeady Becher, P.C.             | 1296W 12-2022       | 12/31/2022 | 12/31/2022 | \$ 2,701.00   | Legal                   | 1675           |
| Poop 911                         | 6459867             | 1/25/2023  | 1/25/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6459865             | 1/11/2023  | 1/11/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Special Dist Management Srvs     | Jan-23              | 1/31/2023  | 1/31/2023  | \$ 1,306.80   | Property Management     | 1710           |
| Special Dist Management Srvs     | Jan-23              | 1/31/2023  | 1/31/2023  | \$ 112.00     | Election                | 1635           |
| Special Dist Management Srvs     | Jan-23              | 1/31/2023  | 1/31/2023  | \$ 1,568.00   | Accounting              | 1612           |
| Special Dist Management Srvs     | Jan-23              | 1/31/2023  | 1/31/2023  | \$ 187.74     | Miscellaneous           | 1685           |
| Special Dist Management Srvs     | Jan-23              | 1/31/2023  | 1/31/2023  | \$ 661.20     | Billing Services        | 1715           |
| Special Dist Management Srvs     | Jan-23              | 1/31/2023  | 1/31/2023  | \$ 1,142.80   | Management              | 1680           |
| Special District Association     | 2023 Renewal        | 2/3/2023   | 2/3/2023   | \$ 399.14     | Insurance/SDA Dues      | 1670           |
| UNCC                             | 223010071           | 1/31/2023  | 1/31/2023  | \$ 1.29       | Miscellaneous           | 1685           |
| United Power                     | 19193803January2023 | 1/5/2023   | 1/6/2023   | \$ 22.16      | Utilities               | 1730           |
| United Power                     | 19193503January2023 | 1/5/2023   | 1/25/2023  | \$ 21.38      | Utilities               | 1730           |
| United Power                     | 19193702January2023 | 1/5/2023   | 1/6/2023   | \$ 26.57      | Utilities               | 1730           |
| Xpress Bill Pay                  | 71464               | 1/31/2023  | 2/5/2023   | \$ 81.34      | Billing Services        | 1715           |
|                                  |                     |            |            | \$ 9,977.42   |                         |                |

Aspen Reserve Metropolitan District  
February-23

|                     | General     | Debt | Capital | Totals      |
|---------------------|-------------|------|---------|-------------|
| Disbursements       | \$ 9,977.42 | \$ - | \$ -    | \$ 9,977.42 |
|                     |             | -    | -       | -           |
|                     |             |      |         |             |
| Total Disbursements | \$ 9,977.42 | \$ - | \$ -    | \$ 9,977.42 |

**Aspen Reserve Metropolitan District**  
**March-23**

| Vendor                           | Invoice #            | Date      | Due Date  | Amount in USD | Expense Account         | Account Number |
|----------------------------------|----------------------|-----------|-----------|---------------|-------------------------|----------------|
| Animal & Pest Control Specialist | 91280                | 3/1/2023  | 3/1/2023  | \$ 295.00     | Miscellaneous           | 1685           |
| Diversified Underground, Inc.    | 27167                | 2/28/2023 | 3/30/2023 | \$ 450.00     | Locates                 | 1678           |
| Keesen Landscape                 | 213242               | 2/16/2023 | 3/18/2023 | \$ 294.00     | Snow Removal            | 1729           |
| Keesen Landscape                 | 214324               | 3/1/2023  | 3/31/2023 | \$ 2,651.46   | Landscape Maintenance   | 1726           |
| Keesen Landscape                 | 214322               | 2/1/2023  | 3/3/2023  | \$ 2,651.45   | Landscape Maintenance   | 1726           |
| McGeady Becher, P.C.             | 1296W 1-2023         | 1/31/2023 | 1/31/2023 | \$ 3,225.81   | Legal                   | 1675           |
| Poop 911                         | 6577161              | 2/21/2023 | 2/21/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6577159              | 2/6/2023  | 2/6/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6577158              | 2/3/2023  | 2/3/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6577160              | 2/14/2023 | 2/14/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Special Dist Management Srvs     | Feb-23               | 2/28/2023 | 2/28/2023 | \$ 1,825.20   | Property Management     | 1710           |
| Special Dist Management Srvs     | Feb-23               | 2/28/2023 | 2/28/2023 | \$ 1,008.00   | Election                | 1635           |
| Special Dist Management Srvs     | Feb-23               | 2/28/2023 | 2/28/2023 | \$ 2,864.20   | Accounting              | 1612           |
| Special Dist Management Srvs     | Feb-23               | 2/28/2023 | 2/28/2023 | \$ 160.06     | Miscellaneous           | 1685           |
| Special Dist Management Srvs     | Feb-23               | 2/28/2023 | 2/28/2023 | \$ 364.80     | Billing Services        | 1715           |
| Special Dist Management Srvs     | Feb-23               | 2/28/2023 | 2/28/2023 | \$ 887.30     | Management              | 1680           |
| UNCC                             | 223020070            | 2/28/2023 | 2/28/2023 | \$ 7.74       | Miscellaneous           | 1685           |
| United Power                     | 19193803February2023 | 2/3/2023  | 2/23/2023 | \$ 22.16      | Utilities               | 1730           |
| United Power                     | 19193503February2023 | 1/1/2023  | 2/23/2023 | \$ 21.38      | Utilities               | 1730           |
| United Power                     | 19193702February2023 | 1/1/2023  | 2/23/2023 | \$ 26.35      | Utilities               | 1730           |
| Xpress Bill Pay                  | 72230                | 2/28/2023 | 3/5/2023  | \$ 47.90      | Billing Services        | 1715           |
|                                  |                      |           |           | \$ 17,342.81  |                         |                |



**Aspen Reserve Metropolitan District  
March-23**

|                            | <b>General</b> |           | <b>Debt</b> | <b>Capital</b> |    | <b>Totals</b>  |
|----------------------------|----------------|-----------|-------------|----------------|----|----------------|
| <b>Disbursements</b>       | \$             | 17,342.81 |             | \$             | -  | \$ 17,342.81   |
|                            |                |           | -           |                | -  | -              |
| <hr/>                      |                |           |             |                |    |                |
| <b>Total Disbursements</b> | \$             | 17,342.81 | \$          | -              | \$ | - \$ 17,342.81 |

**Aspen Reserve Metropolitan District**  
**April-23**

| Vendor                        | Invoice #         | Date      | Due Date  | Amount in USD | Expense Account         | Account Number |
|-------------------------------|-------------------|-----------|-----------|---------------|-------------------------|----------------|
| Colorado Community Media      | 82171             | 3/24/2023 | 4/23/2023 | \$ 57.52      | Miscellaneous           | 1685           |
| Diversified Underground, Inc. | 27347             | 3/31/2023 | 4/30/2023 | \$ 5.00       | Locates                 | 1678           |
| Keesen Landscape              | COM 215313        | 4/1/2023  | 5/1/2023  | \$ 2,651.45   | Landscape Maintenance   | 1726           |
| McGeady Becher, P.C.          | 1296W 2-2023      | 2/28/2023 | 2/28/2023 | \$ 1,499.87   | Legal                   | 1675           |
| Poop 911                      | 6690275           | 3/29/2023 | 3/29/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                      | 6690274           | 3/22/2023 | 3/22/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                      | 6690272           | 3/8/2023  | 3/8/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                      | 6690273           | 3/15/2023 | 3/15/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                      | 6690271           | 3/1/2023  | 3/1/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Special Dist Management Svcs  | Mar-23            | 3/31/2023 | 3/31/2023 | \$ 1,015.20   | Property Management     | 1710           |
| Special Dist Management Svcs  | Mar-23            | 3/31/2023 | 3/31/2023 | \$ 224.00     | Election                | 1635           |
| Special Dist Management Svcs  | Mar-23            | 3/31/2023 | 3/31/2023 | \$ 1,824.00   | Accounting              | 1612           |
| Special Dist Management Svcs  | Mar-23            | 3/31/2023 | 3/31/2023 | \$ 85.56      | Miscellaneous           | 1685           |
| Special Dist Management Svcs  | Mar-23            | 3/31/2023 | 3/31/2023 | \$ 410.40     | Billing Services        | 1715           |
| Special Dist Management Svcs  | Mar-23            | 3/31/2023 | 3/31/2023 | \$ 1,808.20   | Management              | 1680           |
| UNCC                          | 223030075         | 3/31/2023 | 3/31/2023 | \$ 1.29       | Miscellaneous           | 1685           |
| United Power                  | 19193503March2023 | 3/3/2023  | 3/23/2023 | \$ 21.38      | Utilities               | 1730           |
| United Power                  | 19193702April2023 | 4/4/2023  | 4/24/2023 | \$ 26.12      | Utilities               | 1730           |
| United Power                  | 19193803April2023 | 3/31/2023 | 4/24/2023 | \$ 21.73      | Utilities               | 1730           |
| United Power                  | 19193803March2023 | 3/3/2023  | 3/23/2023 | \$ 22.06      | Utilities               | 1730           |
| United Power                  | 19193702March2023 | 3/3/2023  | 3/23/2023 | \$ 25.79      | Utilities               | 1730           |
| United Power                  | 19193503April2023 | 4/4/2023  | 4/24/2023 | \$ 21.38      | Utilities               | 1730           |
| Xpress Bill Pay               | 73000             | 3/31/2023 | 4/5/2023  | \$ 393.10     | Billing Services        | 1715           |
|                               |                   |           |           | \$ 10,789.05  |                         |                |

Aspen Reserve Metropolitan District  
April-23

|                     | General      | Debt | Capital | Totals       |
|---------------------|--------------|------|---------|--------------|
| Disbursements       | \$ 10,789.05 | \$ - | \$ -    | \$ 10,789.05 |
|                     |              | -    | -       | -            |
|                     |              |      |         |              |
| Total Disbursements | \$ 10,789.05 | \$ - | \$ -    | \$ 10,789.05 |

**Aspen Reserve Metropolitan District**  
**May-23**

| Vendor                           | Invoice #       | Date      | Due Date  | Amount in USD | Expense Account         | Account Number |
|----------------------------------|-----------------|-----------|-----------|---------------|-------------------------|----------------|
| Animal & Pest Control Specialist | 91780           | 4/27/2023 | 4/27/2023 | \$ 430.00     | Miscellaneous           | 1685           |
| Diversified Underground, Inc.    | 27519           | 4/30/2023 | 5/30/2023 | \$ 340.00     | Locates                 | 1678           |
| McGeady Becher, P.C.             | 1296W 3-2023    | 3/31/2023 | 3/31/2023 | \$ 7,703.26   | Legal                   | 1675           |
| Poop 911                         | 6822984         | 4/19/2023 | 4/19/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6822983         | 4/12/2023 | 4/12/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6822985         | 4/26/2023 | 4/26/2023 | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6947986         | 5/4/2023  | 5/4/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Poop 911                         | 6822982         | 4/5/2023  | 4/5/2023  | \$ 135.00     | Repairs and Maintenance | 1725           |
| Special Dist Management Srvs     | Apr-23          | 4/30/2023 | 4/30/2023 | \$ 1,198.80   | Property Management     | 1710           |
| Special Dist Management Srvs     | Apr-23          | 4/30/2023 | 4/30/2023 | \$ 112.00     | Election                | 1635           |
| Special Dist Management Srvs     | Apr-23          | 4/30/2023 | 4/30/2023 | \$ 1,728.00   | Accounting              | 1612           |
| Special Dist Management Srvs     | Apr-23          | 4/30/2023 | 4/30/2023 | \$ 128.09     | Miscellaneous           | 1685           |
| Special Dist Management Srvs     | Apr-23          | 4/30/2023 | 4/30/2023 | \$ 638.40     | Billing Services        | 1715           |
| Special Dist Management Srvs     | Apr-23          | 4/30/2023 | 4/30/2023 | \$ 2,257.20   | Management              | 1680           |
| UNCC                             | 223040079       | 4/30/2023 | 4/30/2023 | \$ 21.93      | Miscellaneous           | 1685           |
| United Power                     | 19193503May2023 | 5/3/2023  | 5/4/2023  | \$ 21.38      | Utilities               | 1730           |
| United Power                     | 19193803May2023 | 5/3/2023  | 5/4/2023  | \$ 21.37      | Utilities               | 1730           |
| United Power                     | 19193702May2023 | 5/3/2023  | 5/4/2023  | \$ 25.91      | Utilities               | 1730           |
| Xpress Bill Pay                  | 73775           | 4/30/2023 | 5/5/2023  | \$ 78.93      | Billing Services        | 1715           |
|                                  |                 |           |           | \$ 15,380.27  |                         |                |

**Aspen Reserve Metropolitan District**  
**May-23**

|                            | <u>General</u> |           | <u>Debt</u> | <u>Capital</u> |    | <u>Totals</u>  |
|----------------------------|----------------|-----------|-------------|----------------|----|----------------|
| <b>Disbursements</b>       | \$             | 15,380.27 |             | \$             | -  | \$ 15,380.27   |
|                            |                |           | -           |                | -  | -              |
| <hr/>                      |                |           |             |                |    |                |
| <b>Total Disbursements</b> | \$             | 15,380.27 | \$          | -              | \$ | - \$ 15,380.27 |

**ASPEN RESERVE METROPOLITAN DISTRICT**  
**Schedule of Cash Position**  
**March 31, 2023**

|                         | <u>Rate</u> | <u>Operating</u>    | <u>Debt Service</u>    | <u>Total</u>           |
|-------------------------|-------------|---------------------|------------------------|------------------------|
| <b>Checking:</b>        |             |                     |                        |                        |
| Cash in Bank-First Bank |             | \$ (4,942.58)       | \$ 14,600.00           | \$ 9,657.42            |
| Xpress Deposit Account  |             | 24,950.00           | -                      | 24,950.00              |
| <b>Trustee:</b>         |             |                     |                        |                        |
| 2017A UMB Bond Fund     |             | -                   | 127,201.74             | 127,201.74             |
| 2017A UMB Surplus Fund  |             | -                   | 326,830.78             | 326,830.78             |
| 2017A UMB Reserve Fund  |             | -                   | 196,837.46             | 196,837.46             |
| 2017B UMB Bond Fund     |             | -                   | 462,601.56             | 462,601.56             |
| <b>TOTAL FUNDS:</b>     |             | <u>\$ 20,007.42</u> | <u>\$ 1,128,071.54</u> | <u>\$ 1,148,078.96</u> |

**2023 Mill Levy Information**

|                   |               |
|-------------------|---------------|
| General Fund      | 10.000        |
| Debt Service Fund | <u>55.664</u> |
| Total             | <u>65.664</u> |

**Board of Directors**

- \* Kaarl Hoopes
- \* Traci M. DelReal
- Micale Medina
- Beth Carmichael

\*authorized signer on checking account

**ASPEN RESERVE METROPOLITAN DISTRICT**  
**FINANCIAL STATEMENTS**  
**March 31, 2023**

**ASPEN RESERVE METROPOLITAN DISTRICT**  
**Combined Balance Sheet- All Fund Types and Account Groups**  
**March 31, 2023**

|  | <u>GENERAL</u>          | <u>DEBT<br/>SERVICE</u>    | <u>LONG-TERM<br/>DEBT</u>  | <u>TOTAL</u>               |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| <b>Assets</b>  |                         |                            |                            |                            |
| Cash in Bank-First Bank  | \$ (4,943)              | \$ 14,600                  | \$ -                       | \$ 9,657                   |
| Xpress Deposit Account   | 24,950                  | -                          | -                          | 24,950                     |
| 2017A UMB Bond Fund  | -                       | 127,202                    | -                          | 127,202                    |
| 2017A UMB Surplus Fund   | -                       | 326,831                    | -                          | 326,831                    |
| 2017A UMB Reserve Fund   | -                       | 196,837                    | -                          | 196,837                    |
| 2017B UMB Bond Fund  | -                       | 462,602                    | -                          | 462,602                    |
| Property Taxes Receivable  | 26,276                  | 146,264                    | -                          | 172,540                    |
| Accounts Receivable  | 18,283                  | -                          | -                          | 18,283                     |
| Total Current Assets   | <u>64,566</u>           | <u>1,274,336</u>           | <u>-</u>                   | <u>1,338,901</u>           |
| <b>Other Debits</b>  |                         |                            |                            |                            |
| Amount in Debt Service Fund  | -                       | -                          | 1,128,072                  | 1,128,072                  |
| Amount to be Provided for Debt   | -                       | -                          | 2,750,024                  | 2,750,024                  |
| Total Other Debits   | <u>-</u>                | <u>-</u>                   | <u>3,878,095</u>           | <u>3,878,095</u>           |
| <b>Total Assets</b>  | <u><u>\$ 64,566</u></u> | <u><u>\$ 1,274,336</u></u> | <u><u>\$ 3,878,095</u></u> | <u><u>\$ 5,216,997</u></u> |
| <b>Liabilities</b>   |                         |                            |                            |                            |
| 2017A G.O. Bond Payable  | \$ -                    | \$ -                       | \$ 2,965,000               | \$ 2,965,000               |
| 2017B Bond Payable   | -                       | -                          | 527,000                    | 527,000                    |
| Unpaid Interest on 2017B Bonds   | -                       | -                          | 234,966                    | 234,966                    |
| Developer Advance-Operations   | -                       | -                          | 80,343                     | 80,343                     |
| Developer Advance-Capital  | -                       | -                          | 24,637                     | 24,637                     |
| Developer Advance-General Int  | -                       | -                          | 33,746                     | 33,746                     |
| Developer Advance-Capital Int  | -                       | -                          | 12,403                     | 12,403                     |
| Total Liabilities  | <u>-</u>                | <u>-</u>                   | <u>3,878,095</u>           | <u>3,878,095</u>           |
| <b>Deferred Inflows of Resources</b>   |                         |                            |                            |                            |
| Deferred Property Taxes  | 26,276                  | 146,264                    | -                          | 172,540                    |
| Total Deferred Inflows of Resources  | <u>26,276</u>           | <u>146,264</u>             | <u>-</u>                   | <u>172,540</u>             |
| <b>Fund Balance</b>  |                         |                            |                            |                            |
| Fund Balance   | 17,740                  | 992,950                    | -                          | 1,010,690                  |
| Current Year Earnings  | 20,550                  | 135,122                    | -                          | 155,671                    |
| Total Fund Balances  | <u>38,290</u>           | <u>1,128,072</u>           | <u>-</u>                   | <u>1,166,361</u>           |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balance</b> | <u><u>\$ 64,566</u></u> | <u><u>\$ 1,274,336</u></u> | <u><u>\$ 3,878,095</u></u> | <u><u>\$ 5,216,997</u></u> |



**ASPEN RESERVE METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the 3 Months Ending**  
**March 31, 2023**

|  | <u>Period Actual</u> | <u>YTD Actual</u> | <u>Budget</u>    | <u>Favorable<br/>(Unfavorable)<br/>Variance</u> | <u>% of<br/>Budget</u> |
|--|----------------------|-------------------|------------------|---|------------------------|
| <b>Revenues</b>                                      |                      |                   |                  |   |                        |
| Property Tax Revenue                                 | \$ 22,633            | \$ 22,633         | \$ 48,909        | \$ (26,276)                                     | 46.3%                  |
| Specific Ownership Taxes                             | 542                  | 542               | 2,935            | (2,393)   | 18.5%                  |
| Transfer Fee   | -                    | -                 | 1,000            | (1,000)   | 0.0%                   |
| Operations Fee                                       | 30,340               | 30,340            | 108,000          | (77,660)  | 28.1%                  |
| Review Fees  | 200                  | 200               | 200              | -   | 100.0%                 |
| <b>Total Revenues</b>                                | <u>53,715</u>        | <u>53,715</u>     | <u>161,044</u>   | <u>(107,329)</u>                                | <u>33.4%</u>           |
| <b>Expenditures</b>                                  |                      |                   |                  |   |                        |
| Accounting   | 4,432                | 4,432             | 11,900           | 7,468   | 37.2%                  |
| Audit  | -                    | -                 | 5,000            | 5,000   | 0.0%                   |
| Election   | 1,120                | 1,120             | 1,000            | (120)   | 112.0%                 |
| Insurance/SDA Dues                                   | 8,059                | 8,059             | 8,500            | 441   | 94.8%                  |
| Legal  | 3,226                | 3,226             | 5,000            | 1,774   | 64.5%                  |
| Locates  | 455                  | 455               | -                | (455)   | -                      |
| Management   | 2,030                | 2,030             | 8,600            | 6,570   | 23.6%                  |
| Miscellaneous  | 1,564                | 1,564             | 3,000            | 1,436   | 52.1%                  |
| Treasurer's Fees                                     | 339                  | 339               | 734              | 395   | 46.3%                  |
| Property Management                                  | 3,132                | 3,132             | 11,000           | 7,868   | 28.5%                  |
| Billing Services                                     | 1,155                | 1,155             | 5,400            | 4,245   | 21.4%                  |
| Repairs and Maintenance                              | 810                  | 810               | 4,000            | 3,190   | 20.3%                  |
| Landscape Maintenance                                | 5,303                | 5,303             | 27,516           | 22,213  | 19.3%                  |
| Irrigation Repair                                    | -                    | -                 | 4,000            | 4,000   | 0.0%                   |
| Snow Removal   | 1,470                | 1,470             | 10,000           | 8,530   | 14.7%                  |
| Utilities  | 70                   | 70                | 25,000           | 24,930  | 0.3%                   |
| Detention Pond Maintenance                           | -                    | -                 | 1,500            | 1,500   | 0.0%                   |
| Prairie Dog Control                                  | -                    | -                 | 3,600            | 3,600   | 0.0%                   |
| Contingency  | -                    | -                 | 5,000            | 5,000   | 0.0%                   |
| Emergency Reserve                                    | -                    | -                 | 4,840            | 4,840   | 0.0%                   |
| <b>Total Expenditures</b>                            | <u>33,165</u>        | <u>33,165</u>     | <u>165,590</u>   | <u>132,425</u>                                  | <u>20.0%</u>           |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 20,550               | 20,550            | (4,546)          | 25,096  |                        |
| Beginning Fund Balance                               | 17,740               | 17,740            | 22,861           | (5,121)   |                        |
| <b>Ending Fund Balance</b>                           | <u>\$ 38,290</u>     | <u>\$ 38,290</u>  | <u>\$ 18,315</u> | <u>\$ 19,975</u>                                |                        |

**ASPEN RESERVE METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Debt Service Fund**  
**For the 3 Months Ending**  
**March 31, 2023**

|  | <u>Period Actual</u> | <u>YTD Actual</u>   | <u>Budget</u>       | <u>Favorable<br/>(Unfavorable)<br/>Variance</u> | <u>% of Budget</u> |
|--|----------------------|---------------------|---------------------|---|--------------------|
| <b>Revenues</b>                                      |                      |                     |                     |   |                    |
| Property Tax Revenue                                 | \$ 125,984           | \$ 125,984          | \$ 272,248          | \$ (146,264)                                    | 46.3%              |
| Specific Ownership                                   | 3,016                | 3,016               | 16,335              | (13,319)  | 18.5%              |
| Interest Income                                      | 8,325                | 8,325               | 300                 | 8,025   | 2775.1%            |
| <b>Total Revenues</b>                                | <u>137,326</u>       | <u>137,326</u>      | <u>288,883</u>      | <u>(151,557)</u>                                | <u>47.5%</u>       |
| <b>Expenditures</b>                                  |                      |                     |                     |   |                    |
| 2017A Bond Principal                                 | -                    | -                   | 30,000              | 30,000  | 0.0%               |
| 2017A Bond Interest                                  | -                    | -                   | 174,194             | 174,194   | 0.0%               |
| Paying Agent/Trustee Fees                            | 314                  | 314                 | 5,600               | 5,286   | 5.6%               |
| Miscellaneous  | -                    | -                   | 1,500               | 1,500   | 0.0%               |
| Treasurer's Fees                                     | 1,890                | 1,890               | 4,084               | 2,194   | 46.3%              |
| <b>Total Expenditures</b>                            | <u>2,204</u>         | <u>2,204</u>        | <u>215,378</u>      | <u>213,174</u>                                  | <u>1.0%</u>        |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 135,122              | 135,122             | 73,505              | 61,617  |                    |
| Beginning Fund Balance                               | 992,950              | 992,950             | 982,173             | 10,777  |                    |
| <b>Ending Fund Balance</b>                           | <u>\$ 1,128,072</u>  | <u>\$ 1,128,072</u> | <u>\$ 1,055,678</u> | <u>\$ 72,394</u>                                |                    |

**ASPEN RESERVE  
METROPOLITAN DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

DRAFT 5/25/2023  
SUBJECT TO REVISION

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## SCHILLING & COMPANY, INC.

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

### **Independent Auditor's Report**

Board of Directors  
Aspen Reserve Metropolitan District  
Adams County, Colorado

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Aspen Reserve Metropolitan District (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Aspen Reserve Metropolitan District, as of December 31, 2022, and the respective changes in financial position and the 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibility of Management for the Financial Statements**

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

## **Required Supplemental Information**

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

## **Supplementary Information**

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

## **Other Information**

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Highlands Ranch, Colorado  
\_\_\_\_\_, 2023

**BASIC FINANCIAL STATEMENTS**

DRAFT 5/25/2023  
SUBJECT TO REVISION



**ASPEN RESERVE METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**December 31, 2022**

**ASSETS**

|                                     |                  |
|-------------------------------------|------------------|
| Cash and investments - unrestricted | \$ 24,850        |
| Cash and investments - restricted   | 985,530          |
| Cash with County Treasurer          | 1,931            |
| Accounts receivable                 | 18,283           |
| Property taxes receivable           | 321,157          |
| Prepaid expense                     | 450              |
| Total assets                        | <u>1,352,201</u> |

**LIABILITIES**

|                                       |                  |
|---------------------------------------|------------------|
| Accounts payable                      | 17,162           |
| Accrued interest payable              | 14,516           |
| Bonds and developer advances payable: |                  |
| Due within one year                   | 30,000           |
| Due in more than one year             | <u>3,901,375</u> |
| Total liabilities                     | <u>3,963,053</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |                |
|-------------------------------------|----------------|
| Property tax revenue                | <u>321,157</u> |
| Total deferred inflows of resources | <u>321,157</u> |

**NET POSITION**

|                                 |                       |
|---------------------------------|-----------------------|
| Restricted for emergencies      | 5,100                 |
| Restricted for debt service     | 718,631               |
| Restricted for capital projects | -                     |
| Unrestricted                    | <u>(3,655,740)</u>    |
| Total net position              | <u>\$ (2,932,009)</u> |

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

**ASPEN RESERVE METROPOLITAN DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES**  
**Year Ended December 31, 2022**

| Functions/Programs          | Program Revenues  |                         |   | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|-----------------------------|-------------------|-------------------------|---|--|
|                             | Expenses          | Charges for<br>Services | Operating<br>Grants<br>and<br>Contributions |  |
| General government          | \$ 147,638        | \$ 112,900              | \$ -  | \$ (34,738)  |
| Interest and fiscal charges | 245,344           | -                       | -   | (245,344)  |
|                             | <u>\$ 392,982</u> | <u>\$ 112,900</u>       | <u>\$ -</u>                                 | <u>(280,082)</u>   |

General revenues:

Taxes:

Property taxes

Specific ownership taxes

Net investment income

Total general revenues

Change in net position

Net position - beginning

Net position - ending

|                       |
|-----------------------|
| 327,838               |
| 23,903                |
| 6,598                 |
| <u>359,871</u>        |
| <u>79,789</u>         |
| (3,011,798)           |
| <u>\$ (2,932,009)</u> |

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

**ASPEN RESERVE METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2022**

|   | <u>General</u>   | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|------------------|-------------------------|-----------------------------|---|
| <b>ASSETS</b>   |                  |                         |                             |   |
| Cash and investments - unrestricted   | \$ 24,850        | \$ -                    | \$ -                        | \$ 24,850                               |
| Cash and investments - restricted   | -                | 985,530                 | -                           | 985,530                                 |
| Cash with County Treasurer  | 294              | 1,637                   | -                           | 1,931                                   |
| Accounts receivable   | 18,283           | -                       | -                           | 18,283                                  |
| Property tax receivable   | 48,909           | 272,248                 | -                           | 321,157                                 |
| Prepaid expense   | 450              | -                       | -                           | 450                                     |
| Due from other fund   | -                | 4,168                   | -                           | 4,168                                   |
| <b>TOTAL ASSETS</b>   | <u>\$ 92,786</u> | <u>\$ 1,263,583</u>     | <u>\$ -</u>                 | <u>\$ 1,356,369</u>                     |
| <b>LIABILITIES</b>  |                  |                         |                             |   |
| Accounts payable  | \$ 17,162        | \$ -                    | \$ -                        | \$ 17,162                               |
| Due to other fund   | 4,168            | -                       | -                           | 4,168                                   |
| Total liabilities   | <u>21,330</u>    | <u>-</u>                | <u>-</u>                    | <u>21,330</u>                           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                  |                         |                             |   |
| Deferred property tax revenue   | 48,909           | 272,248                 | -                           | 321,157                                 |
| Total deferred inflows of resources   | <u>48,909</u>    | <u>272,248</u>          | <u>-</u>                    | <u>321,157</u>                          |
| <b>FUND BALANCES</b>  |                  |                         |                             |   |
| Nonspendable - prepaid items  | 450              | -                       | -                           | 450                                     |
| Spendable:  |                  |                         |                             |   |
| Restricted for:   |                  |                         |                             |   |
| Emergencies   | 5,100            | -                       | -                           | 5,100                                   |
| Debt service  | -                | 991,335                 | -                           | 991,335                                 |
| Assigned for subsequent year's expenditures                                   | 4,546            | -                       | -                           | 4,546                                   |
| Unassigned  | 12,451           | -                       | -                           | 12,451                                  |
| Total fund balances (deficits)  | <u>22,547</u>    | <u>991,335</u>          | <u>-</u>                    | <u>1,013,882</u>                        |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> | <u>\$ 92,786</u> | <u>\$ 1,263,583</u>     | <u>\$ -</u>                 |   |

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some liabilities, including bonds payable and other accrued payables, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

|   |                    |
|---|--------------------|
| General obligation bonds payable              | (3,492,000)        |
| Developer advances                            | (104,980)          |
| Accrued interest payable - bonds              | (14,516)           |
| Unpaid interest on 2017B Bonds                | (290,317)          |
| Accrued interest payable - developer advances | (44,078)           |
|   | <u>(3,945,891)</u> |

|   |                       |
|---|-----------------------|
| Net position of governmental activities | <u>\$ (2,932,009)</u> |
|---|-----------------------|

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

**ASPEN RESERVE METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS  
Year Ended December 31, 2022**

|  | General          | Debt<br>Service   | Capital<br>Projects | Total<br>Governmental<br>Funds |
|--|------------------|-------------------|---------------------|--------------------------------|
| <b>REVENUES</b>  |                  |                   |                     |                                |
| Property tax   | \$ 49,927        | \$ 277,911        | \$ -                | \$ 327,838                     |
| Specific ownership tax                                       | 3,640            | 20,263            | -                   | 23,903                         |
| Net investment income  | -                | 6,598             | -                   | 6,598                          |
| Transfer fee   | 2,700            | -                 | -                   | 2,700                          |
| Operations fee   | 108,750          | -                 | -                   | 108,750                        |
| Review fee   | 1,450            | -                 | -                   | 1,450                          |
| Miscellaneous  | 1,532            | -                 | -                   | 1,532                          |
| Total revenues   | <u>167,999</u>   | <u>304,772</u>    | <u>-</u>            | <u>472,771</u>                 |
| <b>EXPENDITURES</b>  |                  |                   |                     |                                |
| Current  |                  |                   |                     |                                |
| Management fees  | 9,705            | -                 | -                   | 9,705                          |
| Accounting   | 12,003           | -                 | -                   | 12,003                         |
| Audit  | 4,700            | -                 | -                   | 4,700                          |
| Legal  | 14,498           | -                 | -                   | 14,498                         |
| Insurance  | 7,645            | -                 | -                   | 7,645                          |
| Election expense   | 977              | -                 | -                   | 977                            |
| Property management  | 8,810            | -                 | -                   | 8,810                          |
| Repairs and maintenance                                      | 9,282            | -                 | -                   | 9,282                          |
| Landscape maintenance  | 34,545           | -                 | -                   | 34,545                         |
| Snow removal   | 4,719            | -                 | -                   | 4,719                          |
| Utilities  | 22,803           | -                 | -                   | 22,803                         |
| Miscellaneous  | 5,948            | -                 | -                   | 5,948                          |
| County Treasurer's fees                                      | 749              | 4,169             | -                   | 4,918                          |
| Billing services   | 7,085            | -                 | -                   | 7,085                          |
| Debt service   |                  |                   |                     |                                |
| Paying agent fees and other fees                             | -                | 5,786             | -                   | 5,786                          |
| Bond principal   | -                | 30,000            | -                   | 30,000                         |
| Bond interest  | -                | 175,956           | -                   | 175,956                        |
| Total expenditures   | <u>143,469</u>   | <u>215,911</u>    | <u>-</u>            | <u>359,380</u>                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES</b> | <u>24,530</u>    | <u>88,861</u>     | <u>-</u>            | <u>113,391</u>                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |                   |                     |                                |
| Transfer (to) from other funds                               | -                | 162               | (162)               | -                              |
| Total other financing sources (uses)                         | <u>-</u>         | <u>162</u>        | <u>(162)</u>        | <u>-</u>                       |
| <b>NET CHANGE IN FUND BALANCES</b>                           | 24,530           | 89,023            | (162)               | 113,391                        |
| <b>FUND BALANCES (DEFICITS) -<br/>BEGINNING OF YEAR</b>      | <u>(1,983)</u>   | <u>902,312</u>    | <u>162</u>          | <u>900,491</u>                 |
| <b>FUND BALANCES - END OF YEAR</b>                           | <u>\$ 22,547</u> | <u>\$ 991,335</u> | <u>\$ -</u>         | <u>\$ 1,013,882</u>            |

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

**ASPEN RESERVE METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2022**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

|   |                         |
|---|-------------------------|
| Net change in fund balances - Total governmental funds  | <u>\$ 113,391</u>       |
| The repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, it has no effect on net position.                             |                         |
| Bond principal payments   | <u>30,000</u>           |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. |                         |
| Change in accrued interest payable - bonds  | 147                     |
| Change in unpaid accrued interest payable - bonds   | (55,351)                |
| Change in accrued interest payable - developer advances   | (8,398)                 |
|   | <u>(63,602)</u>         |
| Change in net position - Governmental activities  | <u><u>\$ 79,789</u></u> |

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

**ASPEN RESERVE METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2022**

|   | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>Actual</b>    | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|---|--|---------------------------------------|------------------|---|
| <b>REVENUES</b>                                       |  |                                       |                  |   |
| Property tax  | \$ 49,927                                | \$ 49,927                             | \$ 49,927        | \$ -  |
| Specific ownership taxes                              | 3,000                                    | 3,000                                 | 3,640            | 640   |
| Transfer fee  | 1,000                                    | 1,000                                 | 2,700            | 1,700   |
| Operations fee  | 108,000                                  | 108,000                               | 108,750          | 750   |
| Review fee  | 200                                      | 200                                   | 1,450            | 1,250   |
| Miscellaneous   | -  | -                                     | 1,532            | 1,532   |
| Total Revenues  | <u>162,127</u>                           | <u>162,127</u>                        | <u>167,999</u>   | <u>5,872</u>  |
| <b>EXPENDITURES</b>                                   |  |                                       |                  |   |
| Management fees                                       | 8,000                                    | 8,000                                 | 9,705            | (1,705)   |
| Accounting  | 11,000                                   | 11,000                                | 12,003           | (1,003)   |
| Audit   | 5,000                                    | 5,000                                 | 4,700            | 300   |
| Legal   | 5,000                                    | 14,500                                | 14,498           | 2   |
| Insurance   | 8,500                                    | 8,500                                 | 7,645            | 855   |
| Election expense                                      | 2,000                                    | 2,000                                 | 977              | 1,023   |
| Property management                                   | 10,200                                   | 10,200                                | 8,810            | 1,390   |
| Repairs and maintenance                               | 13,100                                   | 13,100                                | 9,282            | 3,818   |
| Landscape maintenance                                 | 27,516                                   | 34,600                                | 34,545           | 55  |
| Snow removal  | 10,000                                   | 10,000                                | 4,719            | 5,281   |
| Utilities   | 25,000                                   | 25,000                                | 22,803           | 2,197   |
| Miscellaneous   | 2,500                                    | 2,500                                 | 5,948            | (3,448)   |
| County Treasurer's fees                               | 749                                      | 749                                   | 749              | -   |
| Billing services                                      | 5,000                                    | 5,000                                 | 7,085            | (2,085)   |
| Contingency   | 5,000                                    | 5,000                                 | -                | 5,000   |
| Emergency reserves                                    | 4,870                                    | 4,870                                 | -                | 4,870   |
| Total Expenditures                                    | <u>143,435</u>                           | <u>160,019</u>                        | <u>143,469</u>   | <u>16,550</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                     | 18,692                                   | 2,108                                 | 24,530           | 22,422  |
| <b>FUND BALANCE (DEFICIT) -<br/>BEGINNING OF YEAR</b> | <u>119</u>                               | <u>(1,983)</u>                        | <u>(1,983)</u>   | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>                     | <u>\$ 18,811</u>                         | <u>\$ 125</u>                         | <u>\$ 22,547</u> | <u>\$ 22,422</u>  |

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

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Aspen Reserve Metropolitan District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was established to provide financing for the acquisition, construction, installation and/or operation of street improvements, water, sanitation, safety protection, park and recreation and transportation services and all other services allowed under the Colorado Special District Act, except as limited in the District's Service Plan. All facilities constructed by the District are to be conveyed to the City of Thornton or other appropriate jurisdictions or owner's associations for perpetual maintenance except park and recreation facilities and certain drainage areas.

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District, the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, being reported as net position.

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.

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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 related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

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

**Budgets**

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



**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

For the year ended December 31, 2022, the District amended the budgets of the General Fund and Capital Projects Fund.

### **Pooled Cash and Investments**

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

### **Capital Assets**

Capital assets, which include land and infrastructure improvements, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated.

### **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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

### **Deferred Inflows/Outflows of Resources**

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 position or fund balance that applies to a

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are property taxes levied for the ensuing year.

**Debt Issue Costs and Original Issue Discount/Premium**

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method, with the unamortized amount included as a component of the debt. Debt issuance costs are treated as a period cost and expensed in the year incurred.

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

**Fund Balances – Governmental Funds**

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

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

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

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

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

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

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

has provided otherwise in its commitment or assignment actions.

**Operations and Transfer Fees**

The District has imposed an Operations Fee in the amount of \$800 per year on each residential lot within the District. The Operations Fee is billed in quarterly amounts of \$200 and is to be used for operations and maintenance costs.

The District has imposed a Transfer Fee in order to offset administrative costs associated with a transfer of ownership of any unit located within the District. The Transfer Fee is \$300 per lot and is due and payable at the time of any sale, transfer or re-sale of any single-family dwelling which has a certificate of occupancy.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

|                                     |                     |
|-------------------------------------|---------------------|
| Cash and investments - unrestricted | \$ 24,850           |
| Cash and investments - restricted   | 985,530             |
|                                     | <u>\$ 1,010,380</u> |

Cash and investments as of December 31, 2022, consist of the following:

|                                      |                     |
|--------------------------------------|---------------------|
| Deposits with financial institutions | \$ 531,155          |
| Investments                          | 479,225             |
|                                      | <u>\$ 1,010,380</u> |

**Cash Deposits**

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

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

As of December 31, 2022, the District's cash deposits had a bank balance of \$531,052 and carrying balance of \$531,155.

**Investments**

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

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

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

| <b><u>Investment</u></b> | <b><u>Maturity</u></b>            | <b><u>Carrying Value</u></b> |
|--------------------------|-----------------------------------|------------------------------|
| COLOTRUST Plus+          | Weighted average<br>under 60 days | \$ <u>479,225</u>            |

## **COLOTRUST**

As of December 31, 2022, the District has invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE portfolio is rated AAAs/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at [www.colotrust.com](http://www.colotrust.com).

## **Investment Valuation**

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: 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.

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

**Restricted Cash and Investments**

As of December 31, 2022, cash and investments in the amount of \$985,530 are restricted for debt service in accordance with the indenture of trust related to the Series 2017A and 2017B General Obligation Bonds (See Note 4).

**NOTE 4 – LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

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

|                     | Balance<br>December 31,<br>2021 | Additions        | Retirements        | Balance<br>December 31,<br>2022 | Due<br>Within<br>One Year |
|---------------------|---------------------------------|------------------|--------------------|---------------------------------|---------------------------|
| GO Bonds            |                                 |                  |                    |                                 |                           |
| 2017A               | \$ 2,995,000                    | \$ -             | \$ (30,000)        | \$ 2,965,000                    | \$ 30,000                 |
| 2017B               | 527,000                         | -                | -                  | 527,000                         | -                         |
| Unpaid interest on  |                                 |                  |                    |                                 |                           |
| 2017B               | 234,966                         | 55,351           | -                  | 290,317                         | -                         |
| Developer Advances  | 104,980                         | -                | -                  | 104,980                         | -                         |
| Accrued interest on |                                 |                  |                    |                                 |                           |
| Developer advances  | 35,680                          | 8,398            | -                  | 44,078                          | -                         |
|                     | <u>\$ 3,897,626</u>             | <u>\$ 63,749</u> | <u>\$ (30,000)</u> | <u>\$ 3,931,375</u>             | <u>\$ 30,000</u>          |

**General Obligation Limited Tax Bonds, Series 2017A and 2017B**

Series 2017A

On April 21, 2017, the District issued \$3,000,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2017A, (2017A Bonds), with interest of 5.875%. Proceeds of the 2017A Bonds were used for issuance costs and to reimburse the developer for capital construction costs. The 2017A Bonds mature on December 1, 2047 with mandatory sinking

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

fund payments each year beginning December 1, 2022. Interest is due each June 1 and December 1, commencing December 1, 2017. The 2017A Bonds are subject to optional redemption, as a whole or in integral multiples of \$1,000 on any date, upon payment of par and accrued interest plus a redemption premium in varying rates beginning on December 1, 2022.

The 2017A Bonds are payable from pledged revenue, which includes the District's covenant to levy the required mill levy on all taxable property within the District to pay for debt scheduled payments, specific ownership taxes, capital fees and any other revenues designated as such and pledged to the payment of the 2017A Bonds by a resolution adopted by the Board. Prior to the Conversion Date (first date on which both the debt to assessed ratio is 50% or less; and no amounts of principal or interest on the 2017A Bonds are due but unpaid), the District is required to impose a mill levy sufficient to pay principal and interest on the 2017A Bonds as they come due, and if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (1) not in excess of 50.000 mills, and (2) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50.000 mills; provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2004, any change in law, change in method of calculation, the minimum and maximum mill levies shall be increased or decreased to reflect such changes. On and after the Conversion Date, the District is to impose a mill levy in an amount sufficient to pay the principal and interest on the bonds as they come due.

Pursuant to the Indenture of Trust, the District is required to establish a Reserve Fund for the Series 2017A Bonds with bond proceeds in the amount of \$193,188. As of December 31, 2022, the balance was \$194,003.

Pledged revenue not required for the payment of the 2017A Bonds or the Reserve Fund shall be credited to the Surplus Fund in a maximum amount of \$325,000. The Surplus Fund was initially funded with bond proceeds in the amount of \$65,000. As of December 31, 2022, the balance was \$283,235.

Series 2017B

On April 21, 2017, the District issued \$527,000 Subordinate General Obligation Limited Tax Bonds, Series 2017B (2017B Bonds), with interest of 8.000%. Proceeds of the 2017B Bonds were used for issuance costs and to reimburse the developer for capital construction costs. The 2017B Bonds mature on December 15, 2047. Interest is payable on December 15 of each year, commencing on December 15, 2017. Unpaid interest shall compound annually on December 15 of each year. The balance of unpaid interest as of December 31, 2022, is \$290,317.

The 2017B Bonds are only payable in any particular year to the extent that there are amounts available in the Subordinate Pledged Revenue Fund. The Subordinate Pledged Revenue Fund is to be funded from the Subordinate Required Mill Levy, specific ownership taxes, capital fees and any other revenues designated as such and pledged to the payment of the 2017B Bonds by a resolution adopted by the Board. The Subordinate Required Mill Levy is 50.000 mills less the 2017A mill levy; provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2004, any change in law, change in method of calculation, the minimum and maximum mill levies shall be increased or decreased to reflect such changes.



**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**2016 Operation Funding Agreement**

The District and Meritage Homes of Colorado, Inc (the Developer) entered into an Operation Funding Agreement on August 10, 2016, with an effective date of July 27, 2016 (2016 OFA). The 2016 OFA provides for the Developer to advance funds for ongoing operations expense incurred by the District through December 31, 2016, in an amount not to exceed \$50,000. Any obligation of the Developer to advance funds will expire on March 15, 2017. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. Any obligation of the District to reimburse the developer shall expire on December 31, 2056.

**2017 Operation Funding Agreements**

The District and the Developer, entered into the 2017 Operation Funding Agreement on November 4, 2016, with an effective date of January 1, 2017, with the Developer, as amended by the First Amendment dated November 7, 2017, and by the Second Amendment dated June 13, 2019 (2017 OFA). The 2017 OFA provides for the Developer to advance funds for ongoing operations expense incurred by the District through December 31, 2019. Any obligation of the Developer to advance funds will expire on March 15, 2020, in an amount not to exceed \$135,790. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. Any obligation for the District to reimburse the Developer shall expire December 31, 2059.

As of December 31, 2022, the District owed a total of \$80,343 in principal and \$32,161 in accrued interest under the 2016 OFA and 2017 OFA.

**Facilities Funding and Acquisition Agreement**

The District and the Developer entered into a Facilities Funding and Acquisition Agreement (FFA Agreement) on August 10, 2016, effective July 27, 2016.

*Organization Costs*

According to the terms of the FFA Agreement, the District shall reimburse the Developer for organization expenses incurred. Simple interest accrues on the organization expenses at a rate of 8% from the date the cost was incurred by the Developer.

*Construction Costs*

The parties to the FFA Agreement acknowledge that the District will incur construction related expenses in connection with the construction of certain public improvements in reliance upon the Developer's commitment to provide funding. In addition, the Developer has or will design, construct and complete certain improvements for District acquisition upon completion. To the extent that the public improvements are not designed, constructed and completed by the Developer for the District's acquisition upon completion, the Developer shall advance funds to the District necessary to fund the construction related expenses up to \$5,000,000 less the

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

aggregate amount of verified construction costs incurred by the Developer for 2016-2020. Simple interest accrues from the date the costs are incurred by the Developer at a rate of 8%. The District anticipates payment of the developer advances and/or verified costs to be from the proceeds of debt incurred by the District. Any obligation of the District to reimburse the developer shall expire on December 31, 2056.

As of December 31, 2022, the District owed a total of \$24,637 in principal and \$11,917 in accrued interest under the FFA Agreement for construction costs.

The District's 2017A Bonds will mature as follows:

| <b>Year Ending<br/>December 31,</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|-------------------------------------|---------------------|---------------------|---------------------|
| 2023                                | \$ 30,000           | \$ 174,194          | 204,194             |
| 2024                                | 35,000              | 172,431             | 207,431             |
| 2025                                | 40,000              | 170,375             | 210,375             |
| 2026                                | 45,000              | 168,025             | 213,025             |
| 2027                                | 45,000              | 165,381             | 210,381             |
| 2028-2032                           | 330,000             | 778,436             | 1,108,436           |
| 2033-2037                           | 490,000             | 663,581             | 1,153,581           |
| 2038-2042                           | 725,000             | 494,382             | 1,219,382           |
| 2043-2047                           | 1,225,000           | 247,339             | 1,472,339           |
|                                     | <u>\$ 2,965,000</u> | <u>\$ 3,034,144</u> | <u>\$ 5,999,144</u> |

Annual debt service requirements of the District's 2017B Bonds are not currently determinable since they are payable only from funds available from Subordinate Pledged Revenue.

**NOTE 5 – DEBT AUTHORIZATION**

As of December 31, 2022, the District had the following authorized by unissued indebtedness:

|                       | <b>Authorized<br/>May 3,<br/>2016 Election</b> | <b>Authorization<br/>Used</b> | <b>Remaining<br/>December 31,<br/>2022</b> |
|-----------------------|--|-------------------------------|--|
| Streets               | \$ 5,000,000                                   | \$ 927,276                    | \$ 4,072,724                               |
| Parks and recreation  | 5,000,000                                      | -                             | 5,000,000                                  |
| Water                 | 5,000,000                                      | 751,096                       | 4,248,904                                  |
| Sanitation            | 5,000,000                                      | 1,848,628                     | 3,151,372                                  |
| Public transportation | 5,000,000                                      | -                             | 5,000,000                                  |
| Mosquito control      | 5,000,000                                      | -                             | 5,000,000                                  |
| Safety Protection     | 5,000,000                                      | -                             | 5,000,000                                  |
| Fire Protection       | 5,000,000                                      | -                             | 5,000,000                                  |
| TV relay              | 5,000,000                                      | -                             | 5,000,000                                  |
| Security services     | 5,000,000                                      | -                             | 5,000,000                                  |
| Operations            | 5,000,000                                      | -                             | 5,000,000                                  |
| Refunding             | 5,000,000                                      | -                             | 5,000,000                                  |
| IGA Debt              | 5,000,000                                      | -                             | 5,000,000                                  |
|                       | <u>\$ 65,000,000</u>                           | <u>\$ 3,527,000</u>           | <u>\$ 61,473,000</u>                       |

The District's Service Plan limits the total debt issued to \$5,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued debt.



**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 – FUND EQUITY**

As of December 31, 2022, the District reported the following classifications of fund equity.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$450 is comprised of prepaid amounts which are not in spendable form.

**Restricted Fund Balance**

The restricted fund balance in the General Fund in the amount of \$5,100 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9). The restricted fund balance in the Debt Service Fund in the amount of \$991,335 is to be used exclusively for debt service requirements (see Note 4).

**Assigned Fund Balance**

The amount classified as "assigned for subsequent year's expenditures" as December 31, 2022, represents the amount appropriated for use in the budget for the year ending December 31, 2023.

**NOTE 7 - NET POSITION**

The District's net position consists of two components – restricted and unrestricted.

The restricted portion of net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position as of December 31, 2022 is as follows:

Restricted net position:

|                                 |                   |
|---------------------------------|-------------------|
| Emergency reserves (see Note 9) | \$ 5,100          |
| Debt Service                    | 718,631           |
|                                 | <u>\$ 723,731</u> |

The District's unrestricted net position as of December 31, 2022 totaled a deficit of \$(3,655,740). This deficit amount was a result of the District being responsible for repayment of bonds issued for public improvements conveyed to other governmental entities.

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**ASPEN RESERVE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

On May 3, 2016, the District's electors authorized the District to increase taxes \$5,000,000 annually or by a lesser annual amount as may be necessary to pay the District's operations and maintenance and other expenses without limitation of rate. Further the District's electors authorized the District to collect, keep and expend all District revenues received in 2016 and each year thereafter, of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTAL INFORMATION**

DRAFT 5/25/2023  
SUBJECT TO REVISION

**ASPEN RESERVE METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended December 31, 2022**

|   | <b>Original<br/>and Final<br/>Budgeted<br/>Amounts</b> | <b>Actual</b>     | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|---|--|-------------------|---|
| <b>REVENUES</b>                         |  |                   |   |
| Property taxes                          | \$ 278,676   | \$ 277,911        | \$ (765)  |
| Specific ownership tax                  | 16,721   | 20,263            | 3,542   |
| Net investment income                   | 8,000  | 6,598             | (1,402)   |
| Total Revenues                          | <u>303,397</u>   | <u>304,772</u>    | <u>1,375</u>  |
| <b>EXPENDITURES</b>                     |  |                   |   |
| Bond principal                          | 5,000  | 30,000            | (25,000)  |
| Bond interest                           | 176,250  | 175,956           | 294   |
| Paying agent and other fees             | 5,600  | 5,786             | (186)   |
| County treasurer's fees                 | 4,180  | 4,169             | 11  |
| Miscellaneous                           | 1,500  | -                 | 1,500   |
| Total Expenditures                      | <u>192,530</u>   | <u>215,911</u>    | <u>(23,381)</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>       | 110,867  | 89,023            | (21,844)  |
| <b>FUND BALANCE - BEGINNING OF YEAR</b> | <u>747,297</u>   | <u>902,312</u>    | <u>155,015</u>  |
| <b>FUND BALANCE - END OF YEAR</b>       | <u>\$ 858,164</u>                                      | <u>\$ 991,335</u> | <u>\$ 133,171</u>   |

**ASPEN RESERVE METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2022**

|  | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | Actual | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------------------|------------------------------|--------|---|
| <b>REVENUES</b>  |                                 |                              |        |   |
| Total Revenues   | \$ -                            | \$ -                         | \$ -   | \$ -  |
| <b>EXPENDITURES</b>  |                                 |                              |        |   |
| Total Expenditures   | -                               | -                            | -      | -   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | -                               | -                            | -      | -   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                 |                              |        |   |
| Transfers to other funds                                     | -                               | (162)                        | (162)  | -   |
| Total other financing sources (uses)                         | -                               | (162)                        | (162)  | -   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | -                               | (162)                        | (162)  | -   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                      | -                               | 162                          | 162    | -   |
| <b>FUND BALANCE - END OF YEAR</b>                            | \$ -                            | \$ -                         | \$ -   | \$ -  |

**OTHER INFORMATION**

DRAFT 5/25/2023  
SUBJECT TO REVISION

**ASPEN RESERVE METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION , MILL LEVY  
AND PROPERTY TAXES COLLECTED  
Year Ended December 31, 2022**

| Year Ended<br>December 31,                           | Prior Year<br>Assessed<br>Valuation<br>for Current<br>Year Property<br>Tax Levy | Percent<br>Change | Mills Levied |        |        | Property Taxes |                | Percentage<br>Collected<br>to Levied |
|--|---|-------------------|--------------|--------|--------|----------------|----------------|--------------------------------------|
|  |   |                   | General      | Debt   | Total  | Levied         | Collected      |                                      |
| 2017   | \$ 78,570   | N/A               | 60.000       | 0.000  | 60.000 | \$ 4,714       | \$ 4,703       | 99.8%                                |
| 2018   | \$ 2,467,880  | 3041.0%           | 10.000       | 55.277 | 65.277 | \$ 161,096     | \$ 161,107     | 100.0%                               |
| 2019   | \$ 3,648,570  | 47.8%             | 10.000       | 55.277 | 65.277 | \$ 238,168     | \$ 238,168     | 100.0%                               |
| 2020   | \$ 4,447,030  | 21.9%             | 10.000       | 55.664 | 65.664 | \$ 292,009     | \$ 292,009     | 100.0%                               |
| 2021   | \$ 5,006,390  | 12.6%             | 10.000       | 55.664 | 65.664 | \$ 328,740     | \$ 328,607     | 100.0%                               |
| 2022   | \$ 4,992,650  | -0.3%             | 10.000       | 55.664 | 65.664 | \$ 327,838     | \$ 327,838     | 100.0%                               |
| Estimated for<br>year ending<br>December 31,<br>2022 | \$ 4,890,920  | -2.0%             | 10.000       | 55.664 | 65.664 | \$ 321,157     | \$ 165,586 (a) |                                      |

**NOTE:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

(a) - amount collected through April 30, 2023

**ASPEN RESERVE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2022**

**\$3,000,000 General Obligation Limited Tax  
(Convertible to Unlimited Tax) Bonds, Series 2017A  
Dated April 21, 2017  
Interest Rate of 5.875%  
Principal Due December 1  
Interest Due June 1 and December 1**

| <b>Year Ending<br/>December 31,</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|-------------------------------------|---------------------|---------------------|---------------------|
| 2023                                | \$ 30,000 *         | \$ 174,194          | \$ 204,194          |
| 2024                                | 35,000 *            | 172,431             | 207,431             |
| 2025                                | 40,000 *            | 170,375             | 210,375             |
| 2026                                | 45,000 *            | 168,025             | 213,025             |
| 2027                                | 45,000 *            | 165,381             | 210,381             |
| 2028                                | 55,000 *            | 162,737             | 217,737             |
| 2029                                | 60,000 *            | 159,506             | 219,506             |
| 2030                                | 65,000 *            | 155,981             | 220,981             |
| 2031                                | 70,000 *            | 152,162             | 222,162             |
| 2032                                | 80,000 *            | 148,050             | 228,050             |
| 2033                                | 85,000 *            | 143,350             | 228,350             |
| 2034                                | 90,000 *            | 138,356             | 228,356             |
| 2035                                | 95,000 *            | 133,069             | 228,069             |
| 2036                                | 105,000 *           | 127,487             | 232,487             |
| 2037                                | 115,000 *           | 121,319             | 236,319             |
| 2038                                | 125,000 *           | 114,563             | 239,563             |
| 2039                                | 130,000 *           | 107,219             | 237,219             |
| 2040                                | 145,000 *           | 99,581              | 244,581             |
| 2041                                | 155,000 *           | 91,063              | 246,063             |
| 2042                                | 170,000 *           | 81,956              | 251,956             |
| 2043                                | 175,000 *           | 71,969              | 246,969             |
| 2044                                | 195,000 *           | 61,688              | 256,688             |
| 2045                                | 205,000 *           | 50,231              | 255,231             |
| 2046                                | 220,000 *           | 38,188              | 258,188             |
| 2047                                | 430,000             | 25,263              | 455,263             |
|                                     | <u>\$ 2,965,000</u> | <u>\$ 3,034,144</u> | <u>\$ 5,999,144</u> |

\* sinking fund redemptions



**ASPEN RESERVE METROPOLITAN DISTRICT  
LARGEST TAXPAYERS WITHIN THE DISTRICT  
Year Ended December 31, 2022  
(UNAUDITED)**

| <b>Name</b>          | <b>2022<br/>Assessed<br/>Valuation</b> | <b>Percent of District<br/>Total Assessed<br/>Valuation<sup>1</sup></b> |
|----------------------|--|---|
| Xcel Energy          | \$ 46,340                              | 0.95%   |
| Individual Homeowner | 40,780                                 | 0.83%   |
| Individual Homeowner | 40,540                                 | 0.83%   |
| Individual Homeowner | 40,510                                 | 0.83%   |
| Individual Homeowner | 40,510                                 | 0.83%   |
| Individual Homeowner | 40,340                                 | 0.82%   |
| Individual Homeowner | 38,870                                 | 0.79%   |
| Individual Homeowner | 38,770                                 | 0.79%   |
| Individual Homeowner | 38,750                                 | 0.79%   |
| Individual Homeowner | 38,640                                 | 0.79%   |
| Total                | <u>\$ 404,050</u>                      | <u>8.25%</u>  |

<sup>1</sup> Based on District 2022 assessed valuation of \$4,890,920 to be collected in 2023.

Source: Adams County Assessor's Office

## ***ASPEN RESERVE METROPOLITAN DISTRICT***

June 6, 2023

Schilling & Company, Inc.  
PO Box 631579  
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audit of the financial statements of Aspen Reserve Metropolitan District, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2022, and the respective changes in financial for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report, the following representations made to you during your audit.

### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 5, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable, including the following:
  - a) The appropriateness and consistency of the measurement processes used by management in determining accounting estimates.

- b) That the assumptions appropriately reflect management's intent and ability to carry out specific courses of action.
  - c) That the disclosures related to accounting estimates are complete and appropriate.
  - d) That no subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
  - 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
  - 8) We have reviewed the attached Exhibit I of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
  - 9) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter as Exhibit II.
  - 10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
  - 11) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 12) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the District or those designated by the District from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - a) Management,
  - b) Others where the fraud could have a material effect on the financial statements.

- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

**Government—specific**

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by GASBS No. 84 , if any.
- 32) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended.
- 33) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (restricted and unrestricted), and classifications of fund balance (nonspendable, restricted, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following GASB Statement No. 54, to determine the fund balance classifications for financial reporting purposes.
- 44) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 45) With respect to the Supplementary Information as listed in the table of contents to the financial statements:
  - a) We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplementary Information have not changed from those used in the prior period, and

we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

46) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.

47) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

ASPEN RESERVE METROPOLITAN DISTRICT

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Member of the Board of Directors

---

District Manager

Adj. Journal Entries  
Aspen Reserve Metropolitan District  
December 31, 2022  
Exhibit I

4/12/2023 9:19:22 AM

|           |       |        |
|-----------|-------|--------|
| Done by:  | Date: | Index: |
| Reviewer: | Date: |        |

| AJE<br>No. | Account<br>Description    | W/P<br>Ref | Account<br>Number | Debits    | Credits  |
|------------|---------------------------|------------|-------------------|-----------|----------|
| 1          | Cash in Bank - First Bank | A-1        | 1-100             | 14,929.74 |          |
| 1          | Accounts Payable          |            | 1-310             |           | 7,719.74 |
| 1          | Prepaid Expenses          |            | 1-143             |           | 7,210.00 |

To reclassify December Bill.com payments not made until January 2023 to accounts payable at 12/31/22

|   |                           |    |       |          |          |
|---|---------------------------|----|-------|----------|----------|
| 2 | Cash in Bank - First Bank | TB | 1-100 | 4,167.95 |          |
| 2 | Due to Other Funds        |    | 1-332 |          | 4,167.95 |
| 2 | Due from Other Funds      |    | 2-145 | 4,167.95 |          |
| 2 | Cash in Bank - First Bank |    | 2-100 |          | 4,167.95 |

To reclassify negative cash balance to Due to other funds at 12/31/22

|   |                           |    |       |          |          |
|---|---------------------------|----|-------|----------|----------|
| 3 | Cash in Bank - First Bank | GL | 1-100 | 4,806.65 |          |
| 3 | Utilities                 |    | 1-730 |          | 4,806.65 |

To adjust for duplicate City of Thornton payments

|        |  |  |  |                  |                  |
|--------|--|--|--|------------------|------------------|
| Totals |  |  |  | <u>28,072.29</u> | <u>28,072.29</u> |
|--------|--|--|--|------------------|------------------|

|           |       |        |
|-----------|-------|--------|
| Done by:  | Date: | Index: |
| Reviewer: | Date: |        |

| PAJE<br>No.                                | Account<br>Description | W/P<br>Ref | Account<br>Number | Asset        | Liability   | Equity      | Revenue<br>Expense |
|--|------------------------|------------|-------------------|--------------|-------------|-------------|--------------------|
| 1  | Accounts Receivable    | B-1        | 1-142             | 894.04       |             |             |                    |
| 1  | Operations Fee         |            | 1-564             |              |             |             | -894.04            |
| To adjust acccounts receivable at 12/31/22 |                        |            |                   |              |             |             |                    |
| PAJE Totals By Classification              |                        |            |                   | 894.04       | 0.00        | 0.00        | -894.04            |
| Classification Totals Before PAJE          |                        |            |                   | 1,356,369.04 | -342,486.61 | -900,489.75 | -113,392.68        |





# SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

\_\_\_\_\_, 2023

To the Board of Directors  
Aspen Reserve Metropolitan District  
Adams County, Colorado

We have audited the financial statements of the governmental activities and the major funds of Aspen Reserve Metropolitan District (District) for the year ended December 31, 2022, and have issued our report thereon dated \_\_\_\_\_, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated to such information in our engagement letter dated January 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no accounting estimates that are considered particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing the audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached Exhibit I of material misstatements detected as a result of audit procedures were corrected by management.

The attached Exhibit II summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that there were no such disagreements during the course of the audit.

### *Management Representation*

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

### Other Matters

We were engaged to report on supplementary information (as listed in the table of contents to the basic financial statements), which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the

information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information (as listed in the table of contents to the basic financial statements), which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Schilling & Company, Inc.

Adj. Journal Entries  
Aspen Reserve Metropolitan District  
December 31, 2022

4/12/2023 9:19:22 AM

## Exhibit I

|           |       |        |
|-----------|-------|--------|
| Done by:  | Date: | Index: |
| Reviewer: | Date: |        |

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|------------|---------------------------|------------|-------------------|-----------|----------|
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| 3 | Utilities                 |    | 1-730 |          | 4,806.65 |

To adjust for duplicate City of Thornton payments

|        |  |  |  |                  |                  |
|--------|--|--|--|------------------|------------------|
| Totals |  |  |  | <u>28,072.29</u> | <u>28,072.29</u> |
|--------|--|--|--|------------------|------------------|

DRAFT 5/25/2023  
SUBJECT TO REVISION

## Exhibit II

|           |       |        |
|-----------|-------|--------|
| Done by:  | Date: | Index: |
| Reviewer: | Date: |        |

| PAJE<br>No. | Account<br>Description | W/P<br>Ref | Account<br>Number | Asset  | Liability | Equity | Revenue<br>Expense |
|-------------|------------------------|------------|-------------------|--------|-----------|--------|--------------------|
| 1           | Accounts Receivable    | B-1        | 1-142             | 894.04 |           |        |                    |
| 1           | Operations Fee         |            | 1-564             |        |           |        | -894.04            |

To adjust acccounts receivable at 12/31/22

|                                   |              |             |             |             |
|-----------------------------------|--------------|-------------|-------------|-------------|
| PAJE Totals By Classification     | 894.04       | 0.00        | 0.00        | -894.04     |
| Classification Totals Before PAJE | 1,356,369.04 | -342,486.61 | -900,489.75 | -113,392.68 |

DRAFT 5/25/2023  
SUBJECT TO REVISION



**303-471-1522**  
naturesworkforce.com

|  |  |
|--|--|
| <b>To:</b> SDMS  | <b>Contact:</b> Travis Hunsaker                        |
| <b>Address:</b> 141 Union Boulevard, Suite 150<br>Lakewood, CO 80228 | <b>Phone:</b> 303-987-0835<br><b>Fax:</b> 303-987-2032 |
| <b>Project Name:</b> Aspen Reserve - 2023 Mulch Proposal             | <b>Bid Number:</b>                                     |
| <b>Project Location:</b> Thornton, CO                                | <b>Bid Date:</b> 5/3/2023                              |
| <b>Addendum #:</b> N/a   |  |

| Item Description                   | Estimated Quantity | Unit | Unit Price | Total Price        |
|------------------------------------|--------------------|------|------------|--------------------|
| Gorilla Hair Wood Mulch - 3" Depth | 14,280.00          | SF   | \$1.99     | \$28,417.20        |
| <b>Total Bid Price:</b>            |                    |      |            | <b>\$28,417.20</b> |

**Notes:**

- **This proposal will be subject to a change order for material price increases, if material market pricing escalates at the time of installation, from the date of proposal.**
- Irrigation rates will be \$ 80.00 per hour for a irrigation technician and any necessary materials will be additional.
- This proposal assumes mulch can be delivered to the site.
- **This proposal is good for 30 days following the date given on the proposal.**
- **Nature's Workforce, a Consolidated Divisions, Inc. company.**  
**An Equal Opportunity Employer**

**Payment Terms:**

Payment due 30 days from invoice.

|   |  |
|---|--|
| <b>ACCEPTED:</b><br>The above prices, specifications and conditions are satisfactory and hereby accepted.<br><b>Buyer:</b> _____<br><b>Signature:</b> _____<br><b>Date of Acceptance:</b> _____ | <b>CONFIRMED:</b><br><b>Nature's Workforce</b><br><br><b>Authorized Signature:</b> _____<br><b>Estimator:</b> Cory France<br>303-501-5697 coryf@cdi-services.com |
|---|--|



## Proposal #30771

Date: 4/3/2023

### Primary Contact

Travis Hunsaker  
141 Union Boulevard  
Suite 150  
Lakewood , CO 80228-1898

### Landscape Service Provider:

GreenEarth MidWest, LLC  
1877 Vista View Drive  
Longmont, CO 80504

Constitutes the entire agreement between the aforementioned parties and includes the scope of service, guarantees, terms and conditions, pricing, and payment responsibilities for landscape management services provided at:

### Property:

Villas @ Aspen Reserve Metro  
District  
7025 E 123rd Ave  
Thornton , CO

## Villas @ Aspen Reserve Mulch install

This section not utilized in this template

### Soft-scape Installation

#### Mulch Bed Topdress

Delivery and installation of 1" layer of shredded cedar wood mulch to be placed and spread over existing wood mulch beds throughout the community including the central park area and tracts along 122nd Ave and within perimeter tracts that surrounded by native grass. 12,434 SF

#### Items

Cascade Cedar Mulch

Unit  
Cubic Yard

Quantity  
40

**Mulch Bed Topdress:** \$10,139.61

**PROJECT TOTAL:** \$10,139.61

### Payment Schedule

| Schedule                 | Price              | Sales Tax     | Total Price        |
|--------------------------|--------------------|---------------|--------------------|
| Deposit Due at Signing   | \$5,069.80         | \$0.00        | \$5,069.80         |
| Amount Due at Completion | \$5,069.81         | \$0.00        | \$5,069.81         |
|                          | <b>\$10,139.61</b> | <b>\$0.00</b> | <b>\$10,139.61</b> |

### Your and Our Acceptance:

This Agreement will become effective only after acceptance as evidenced by the respective signatures of the parties' authorized representatives. This Agreement includes all of your and our obligations. No person has authority to make any claim, representation, promise or condition on our behalf that is not documented within this Agreement.

By \_\_\_\_\_

Jeremy Durgan

Date 4/3/2023

GreenEarth Southeast, LLC

By \_\_\_\_\_

Date

Villas @ Aspen Reserve Metro  
District

### Terms & Conditions

#### DEFINITIONS:

You should note the following words have special meaning throughout this Agreement:

1. "You" and "Your" mean Villas @ Aspen Reserve Metro District and all of their representatives.
2. "We", "Our", "Ours" and "Us" mean GreenEarth MidWest, LLC and all of its representatives.
3. "Labor" means our normal work day labor hours, overtime labor hours (time-and-one-half), travel labor hours, equipment use, and all out-of-pocket travel expenses associated with labor.

#### OUR RESPONSIBILITIES INCLUDE:

1. Performance of the Scope of Work with management of the work functions to assure quality delivery in a timely and professional manner.
2. Coordinate all work with you to assure safety and minimal disruption at your site.
3. When our work is completed we, along with you or your representative, will jointly conduct a final inspection of our work. If there are any discrepancies with our work and the Scope of Work, we will work to correct them.

#### YOUR RESPONSIBILITIES INCLUDE:

1. Inform us of whom we should work with at your site to assure the proper coordination of our work.
2. Provide us with your protocols and regulations regarding working at your site, such as: parking, security procedures, emergency contacts, and other appropriate information.
3. Upon completion of our work, assure that you or your representative participates in our joint final inspection of our work.
4. Provide us with your critique of our services and suggestions for on-going improvements.

#### TERMS AND CONDITIONS

**Accessibility:** In order for us to perform the required services for you in a cost-effective manner and for the estimated Agreement Price quoted in this Agreement, you agree to permit free and timely access to the necessary areas of your site to perform required services. All planned work under this Agreement will be performed during our normal working hours unless otherwise stipulated elsewhere in this Agreement.

**Taxes:** You agree to be responsible for all applicable taxes on the services and/or materials used or provided in connection with the services to be provided under this Agreement.

**Payment Terms:** You agree to promptly pay invoices within ten (10) days of receipt. Should a payment become forty-five (45) days or more delinquent, we may stop all work under this Agreement without notice and/or cancel this Agreement. A late charge of 1 ½% per month will be charged on all amounts that become thirty (30) days or more delinquent. If any check you tender for payment is refused due to insufficient funds, you hereby agree to a "Return Check Fee" of \$25.00 per item, in addition to any other remedies.



available to us under Florida law.

**Attorney's Fees:** In the event we must commence third-party collection or arbitration proceedings in order to recover any amount payable under this Agreement, you agree to reimburse us for all costs and attorneys' fees incurred as a result of said activities, including those fees/costs incurred on appeal and/or those fees/costs incurred to litigate the amount of fees/costs due us pursuant to this Section.

**Payment by Credit Card:** As an added convenience to our clients, payment due under this Agreement may be made by credit card. If choosing to pay by credit card, you hereby consent by signing this Agreement below that no disputes regarding fees or costs billed to you shall be adjudicated by the credit card company. Any charges for fees/costs made to your credit card are non-refundable and cannot be reversed by the credit card company. Any disputes over fees and/or costs paid by credit card shall be settled directly between you and us, pursuant to the terms of this Agreement.

**Permits:** Unless otherwise required by law, you agree to obtain and bear all costs incurred in connection with obtaining any necessary permits for the services provided pursuant to this Agreement.

**Concealed Conditions:** Concealed conditions, such as underground utilities, invisible fence, rock, debris, poor drainage situations, etc., not readily apparent at the time of providing the estimated Agreement Price quoted in this Agreement may cause us to incur additional costs, including without limitation additional materials and labor, which will be an extra charge (fixed price amount to be negotiated or on a time-and-material basis at our rates then in effect) over the Agreement Price.

**Extra Work:** Unless otherwise stated elsewhere in this Agreement, this Agreement does not include repairs to any system(s), the provision or installation of materials outside the Scope of Work, or service calls requested by you. If requested, you will be charged for these services at our rates then in effect.

If you require any alteration to or deviation from this Agreement involving extra work, you agree that the cost of material and/or labor will be an extra charge (fixed price amount to be negotiated or on a time-and-material basis at our rates then in effect) over the Agreement Price.

**Work Performed by Others:** Unless otherwise stated elsewhere in this Agreement, we will not be responsible for work that is performed by anyone other than us. Therefore, you agree to permit only our personnel or agent(s) to perform the work included in the Scope of Work. Should anyone other than us perform such work, we may, at our option, terminate this Agreement.

**Hold Harmless:** In the event that there is a claim, damage, loss, or expense that is caused in whole or in part by any active or passive act or omission by you, anyone directly or indirectly employed by you, or for anyone whose act you may be liable, then, to the fullest extent permitted by law, you will defend, indemnify and hold harmless our representatives and us from and against these claims, damages, losses, and expenses including, but not limited to, attorneys' fees arising out of or resulting from the performance of our work under this Agreement.

**Delays Outside Our Control:** In the event that there is a delay, loss, damage, or detention caused by unavailability of equipment or materials, delay of carriers, strikes, lockouts, civil or military authority, priority regulations, insurrection or riot, action of the elements, forces of nature, or by any cause beyond our control, you agree that we will not be liable for this delay, loss, damage, or detention.

**Loss of Profits:** Under no circumstances, whether arising in contract, tort (including negligence and strict liability), equity or otherwise, will we be responsible for loss of use, loss of profits, anticipatory damages, increased operating or maintenance expenses, claims of your tenants or clients, or any special, indirect, consequential, incidental, exemplary or punitive damages, arising at any time from any cause related to or concerning this Agreement.

**Limits of Liability:** We guarantee that our performance of services under this Agreement will be in accordance with generally accepted practices for similar services. In case of any failure to perform our obligations under this Agreement, our liability is limited to correcting, repairing, or replacing, at our option, the deficient work. You acknowledge and agree that such correction, repair, or replacement shall be the sole remedy available to you and in no event will our liability exceed the total amount of compensation we receive for services rendered.

**Site Damage:** We accept responsibility to repair any physical damage to your site directly caused by us during performance of work covered by this agreement.

**Dispute Resolution:** Should a dispute arise between you and us relating to this Agreement, or the making, performance or interpretation of the rights and obligations set forth herein, for reasons other than non-payment, either party may, upon written notice, seek binding relief through the procedure of the American Arbitration Association (AAA). Such arbitration shall take place in Walton County, Florida. A single arbitrator shall decide all disputes. Judgment may be entered upon the award in the highest state or federal court having jurisdiction over the matter. The decision of the arbitrator shall be binding on both parties, and any right to judicial action on any matter subject to arbitration hereunder is hereby waived, unless otherwise provided by applicable law, except suit to enforce the arbitration award or in the event arbitration is not available for any reason. The prevailing party shall recover all costs, including attorneys' fees, incurred as a result of the dispute. For purposes of this Agreement, a "prevailing party" shall be defined as a party that recovers at least 75% of its total claims or that is required to pay no more than 25% of the claims made against it. In the event of any dispute regarding non-payment by you, you hereby agree that we have an absolute right to seek redress through Chapter 713, Florida Statutes (the "Lien Laws"), and that any lien(s) filed by us pursuant to the Lien Laws shall not be subject to arbitration.

We both agree that any action through arbitration relating to plant material warranty must be commenced within one (1) year of the documented plant material failure.

**Limited Warranty:** We warrant that our workmanship on all installations and repairs shall be performed in a good and workmanlike manner. For a period of one (1) year from installation we will replace any plant materials that may die during this period, provided that such plants have received proper care, as we determine, in our sole discretion, or have been maintained by us under a separate

Landscape Management Agreement. This warranty shall not apply if the plant material fails to survive due to accident, alteration, abuse, misuse, or acts of nature including, but not limited to, flood, drought, insects, or prolonged freeze. This warranty does not include damage or plant death due to: vandalism, Acts of God, deer damage, improper watering by any party other than us, or irrigation system management by any party other than us. There is no warranty on transplanted plant material, herbaceous perennials, or ground covers (e.g. pachysandra, ivy or vinca).

You acknowledge that we are NOT the manufacturer of the installed materials and equipment and that we make no representations or warranties as to the installed materials and equipment or their specifications, fitness for a particular purpose, performance or merchantability other than as set forth in the preceding paragraph. You agree to look solely to said manufacturer to remedy any alleged deficiency in the installed materials and equipment and damages related directly or indirectly thereto. We warrant that any parts repaired or replaced by us will be free from defects in workmanship and material for one (1) year. **WE HEREBY DISCLAIM ALL OTHER WARRANTIES ON THE MATERIALS FURNISHED UNDER THIS AGREEMENT, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

**Changes:** This Agreement shall not be subject to change or modification other than by a writing to which both parties are signatories.

**Termination:** In the event that you terminate or otherwise breach this Agreement ("Default"), you agree to pay: (i) all costs for the work performed in connection with this Agreement up to and including the date of termination; and (ii) all costs of any materials ordered by us in connection with this Agreement. Further, you hereby agree that any amounts due by you as a result of your Default shall be subject to a Claim of Lien pursuant to Chapter 713, Florida Statutes.

**Notice:** Notice to either party to this Agreement shall be sufficient if made to the respective address shown herein.

**Purchase Orders:** This Agreement constitutes the entire contract between the parties. The entire contract is embodied in this writing and this writing constitutes the final expression of the parties' agreement. No change is allowed to this Agreement, nor shall they become part of this Agreement whatsoever by our acknowledgment or acceptance of your purchase order forms that contain different provisions whether in addition to or not identical to the terms set forth herein. You acknowledge and agree that any purchase order issued by you, in accordance with this Agreement, is intended only to establish payment authority for your internal accounting purposes. No purchase order shall be considered to be a counteroffer, amendment, modification, or other revision to the terms of this Agreement. No term or condition included in the purchase order will have any force or effect.

**Severability:** Any provision of this Agreement that in any way contravenes the law of any state or country in which this Agreement is effective will, to the extent the law is contravened, be considered separable and inapplicable and will not affect any other provision or provisions of this Agreement.

**Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Electronically signed, faxed, and scanned & emailed signatures shall be treated as original and binding upon the signing party.

**Governing Law; Venue:** This Agreement shall be construed in accordance with and governed by the laws of the State of Florida. Further, in the event any dispute arises from this Agreement, the undersigned parties hereby agree that the venue for said dispute(s) shall lie exclusively in Walton County, Florida.

Date: 5/31/2023

Property Name: Aspen Reserve  
Service Address: 8021 E 121<sup>st</sup> Place

Manager Name: Travis Hunsaket

Thank you for allowing DoodyCalls to prepare a pet waste management proposal for Aspen reserve

Pet waste removal is a crucial service for communities. Pet waste left on the ground can pose a health hazard and seep into our water supply. DoodyCalls provides a professional, reliable, and affordable solution for pet waste removal. Our goal is to make the world a happier and healthier place for people and pets.

**Unmatched Expertise** – With more than a decade of experience helping communities, homeowner associations, apartment complexes, local governments and municipalities successfully manage pet waste; DoodyCalls is the definitive subject matter expert on all things related to the “fecal” matter.

**Comprehensive Pet Waste Management Plans** – Eliminating pet waste takes a well-rounded approach. When you work with DoodyCalls, you get a comprehensive pet waste management plan that is tailored to meet the specific needs and budget of your community.

**We Go beyond pet waste pickup** – At DoodyCalls, we openly share our expertise by making available an extensive library of professionally written newsletter articles designed to educate residents about the importance of keeping pet waste off the ground. We also have a Pet Waste Management Handbook, which helps community managers like you design and implement comprehensive pet waste management plans.

**Caring for the community at large** – DoodyCalls is dedicated to making the world a better place to live, one scoop at a time. With our environmentally-friendly pet waste management practices, we not only keep your community clean and safe for families and pets to enjoy, but we work to improve the local environment as well.

DoodyCalls is dedicated to providing top-quality pet waste removal services. Our team of experienced and trained professionals, combined with our commitment to health and safety, make us the best choice for pet waste removal. With affordable pricing and flexible scheduling options, we are confident that we can provide a solution to meet the needs of your community.



## Contract

### **Pet Waste Removal Service**

Weekly Service - \$60.00 per visit

### **Pet Station Service – 4 Stations**

Weekly Service - \$20.00 per visit

Roll bags replaced at \$7.00 per roll

\*\*30 Day written notice for cancelation

If approved to move forward, please sign and return.

Community Name\_\_\_\_\_

Name\_\_\_\_\_

Signature\_\_\_\_\_Date\_\_\_\_\_

DoodyCalls

Name\_\_\_\_\_

Signature\_\_\_\_\_Date\_\_\_\_\_





# Invoice

4191 Inca St; Denver, CO 80211  
Phone (303) 232-8888 / (303) 350-4778

Date: 4/11/2023  
Inv/Job #: 8034MNT

Aspen Reserve  
Special District Mgmt Services  
7060 E 121st Pl  
Thornton, CO 80602

Description: Fence Section Repair

Property Solutions Team (PST) was contacted by the property manager to review failed section of fence near the property address noted above.

*To complete the project, the following steps were performed:*

- 1 Inspect property to get a list of needed materials for job
- 2 Removed section of fence
- 3 Cleanup fence section
- 4 Install section of fence using screws (leveled, etc.)
- 5 Cleaned up job debris and discarded off-site

\*\* Inspection of fence/findings will be sent in separate communication.

|           |           |
|-----------|-----------|
| Total Due | \$ 611.82 |
|-----------|-----------|

Respectfully Submitted,

Accounts Receivable - Water Extraction Team / Property Solutions Team

Collections and Attorney Fees, Costs, and Interest. Any invoice more than thirty (30) days past due may be referred to collections. Water Extraction Team/Property Solutions Team reserves the right to charge Client for all costs of collections, including, without limitation, reasonable attorney fees, costs, and pre-judgment and post-judgment interest at the rate of 8% per annum on the unpaid balance.



# Estimate

4191 Inca St  
Denver CO 80211  
Phone (303) 350-4778 Fax (303) 232-3344

Aspen Reserve  
SDMS - John Haubert  
7060 E. 121st Pl  
Thornton CO 80602

Date: 4/13/2023  
Job # 8035MNT

Bid Description: Estimate to repair fence as needed and power wash.

Items:

|   |            |           |
|---|------------|-----------|
| I | Item Name: | Item Cost |
|---|------------|-----------|

Notes - PST was contacted by the property manager to provide an estimate to power wash the fence and repair as needed. A property walk was performed and the fence was inspected. The following is PST's recommendations for the needed work.  
This estimate includes only the exterior side of the fence and no power washing or staining on the homeowners side of fence if numbers are requested for that linear footage estimate will change.

- 1) Install screws at all needed areas of the pickets.
- 2) Install screws at all needed areas of the railings.
- 3) Install screws at all needed areas of the posts.
- 4) Power Washing of the entire exterior side of the fence 955 In ft.
- 5) Re-Stain the entire exterior side of the fence 955 In ft. Paint will be Sherwin Williams Paint Color chosen by HOA.



Example of existing conditions.

Notes

- 1) Job will take 3 day to complete, weather dependent.
- 2) Any items not listed above or unforeseen conditions will result in change order.
- 3) 30% commencement required for order of material.

Total

\$ 9,043.00

Respectfully submitted by \_\_\_\_\_  
David Lian, Property Solutions Team

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## ACCEPTANCE OF PROPOSAL / CONTRACT

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.  
Payment will be made as outlined above.



Accepted by: \_\_\_\_\_

Printed Name & Title: \_\_\_\_\_

#### Terms and Conditions & Exclusions:

\* All material is guaranteed to be as specified, the work to be performed in accordance with the drawings and/or specifications submitted (if any), and the job completed in a substantial workmanlike manner.

\* This Proposal is based on our interpretation of the plans, specifications, or description of the work supplied by Owner. Estimate subject to equitable adjustment due to Owner directed changes in anticipated specifications, sequence, scope, or schedule.

Excludes any utility relocates or repairs that may be required.

Excludes any and all associated cost with winter conditions and will be addressed on a time and material bases if required. (i.e. Including but not limited to acts of God, excessive snow, frozen ground, below freezing temperatures and other unforeseen conditions)

I reserve the right to revise this report if and when additional information is provided.

\* This proposal is valid for a period of 30 days from its effective date.

Note: The owner to have the property tested for asbestos and lead prior to start of work on any building constructed prior to October 12, 1988, as per Colorado Department of Public Health and Environment Regulation No. 8 part B - Asbestos section III subparagraph III.A.I.d., all abatement by OWNER.

Note: If the estimate contains materials that fluctuate in price, i.e. steel, petroleum, etc. the estimate may change if not accepted within 30 days.

\* If accepted, the above items noted as "OPTIONS" will be incorporated into the contract through a change order, therein modifying the contract amount accordingly.

#### Exclusions:

\* Engineering, life safety, or permits.

\* Code related upgrades or corrections.

\* Bonding, permitting, or any related fees.

\* Remediation, removal, or abatement of any hazardous or toxic materials (e.g. lead paint, asbestos, etc.).

\* EPA regulations and requirements are the responsibility of the owner.