

**ARISTA METROPOLITAN DISTRICT
Broomfield County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**


YEAR ENDED DECEMBER 31, 2020


**ARISTA METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

| | |
|--|----------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| STATEMENT OF NET POSITION | 1 |
| STATEMENT OF ACTIVITIES | 2 |
| FUND FINANCIAL STATEMENTS | |
| BALANCE SHEET – GOVERNMENTAL FUNDS | 3 |
| STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS | 5 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES | 7 |
| GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 8 |
| SPECIAL REVENUE FUND – PARKING STRUCTURE – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 9 |
| NOTES TO BASIC FINANCIAL STATEMENTS | 10 |
| SUPPLEMENTARY INFORMATION | |
| DEBT SERVICE FUND – SERIES 2018A AND 2018B – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 43 |
| DEBT SERVICE FUND – SERIES 2006A AND 2020A – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 44 |
| DEBT SERVICE FUND – SERIES 2006B AND 2020B –SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 45 |
| CAPITAL PROJECTS FUND – INFRASTRUCTURE – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL | 46 |
| OTHER INFORMATION | |
| SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY | 48 |
| SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED | 53 |



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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Arista Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Arista Metropolitan District (the "District") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Arista Metropolitan District, as of December 31, 2020 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Arista Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities 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 Arista Metropolitan District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, 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 Arista Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Arista Metropolitan District's ability to continue as a going concern for a reasonable period of time.

Other-Matters

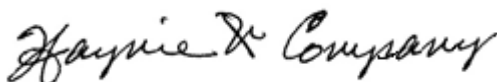
Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Arista Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado
April 1, 2021

BASIC FINANCIAL STATEMENTS

**ARISTA METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 225,606 |
| Cash and Investments - Restricted | 7,045,219 |
| Receivables | 293,590 |
| Prepaid Expense | 11,178 |
| Park Sureties | 434,763 |
| Property Taxes Receivable | 4,149,417 |
| Capital Assets, Not Being Depreciated: | |
| Land | 1,700,000 |
| Arista Park | 2,881,777 |
| Construction in Progress | 9,229,859 |
| Capital Assets, Net: | |
| Parking Structure | <u>14,245,577</u> |
| Total Assets | <u>40,216,986</u> |
| LIABILITIES | |
| Accounts Payable | 142,631 |
| Retainage Payable | 36,973 |
| Due to Other Governments | 947 |
| Accrued Interest Payable | 977,398 |
| Noncurrent Liabilities: | |
| Due Within One Year | 505,000 |
| Due in More Than One Year | <u>98,490,244</u> |
| Total Liabilities | <u>100,153,193</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Tax Revenue | 4,149,417 |
| Unearned Revenue | <u>189,595</u> |
| Total Deferred Inflows of Resources | <u>4,339,012</u> |
| NET POSITION | |
| Net Investment in Capital Assets | (1,628,206) |
| Restricted For: | |
| Emergencies | 30,300 |
| Debt Service | 143,651 |
| Capital Replacement - Parking Structure | 75,000 |
| Capital Projects | 947,275 |
| Unrestricted | <u>(63,843,239)</u> |
| Total Net Position | <u><u>\$ (64,275,219)</u></u> |

See accompanying Notes to Basic Financial Statements.

**ARISTA METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

| | Program Revenues | | | Net Revenues (Expenses) and Change in Net Position |
|---|----------------------------|--|--|---|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| FUNCTIONS/PROGRAMS | | | | |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 437,889 | \$ - | \$ - | \$ (437,889) |
| Parking Operations | 279,870 | 1,710 | 354,315 | 76,155 |
| Interest and Related Costs on Long-Term Debt | 5,546,470 | - | 982,145 | (4,564,325) |
| | <u>\$ 6,264,229</u> | <u>\$ 1,710</u> | <u>\$ 354,315</u> | <u>\$ 982,145</u> |
| | | | | (4,926,059) |
| | | | | |
| GENERAL REVENUES | | | | |
| Property Taxes | | | | 3,802,387 |
| Specific Ownership Taxes | | | | 214,101 |
| Fees in Lieu of Taxes | | | | 39,791 |
| Net Investment Income | | | | 49,840 |
| Total General Revenues | | | | <u>4,106,119</u> |
| | | | | |
| CHANGE IN NET POSITION | | | | (819,940) |
| | | | | |
| Net Position - Beginning of Year | | | | <u>(63,455,279)</u> |
| | | | | |
| NET POSITION - END OF YEAR | | | | <u>\$ (64,275,219)</u> |

See accompanying Notes to Basic Financial Statements.

**ARISTA METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

| | General | Special Revenue - Parking Structure | Debt Service - Series 2008, 2015, 2018A and 2018B | Debt Service - Series 2006A, 2006C and 2020A |
|--|---------------------|--|--|---|
| ASSETS | | | | |
| Cash and Investments | \$ 207,414 | \$ 18,192 | \$ - | \$ - |
| Cash and Investments - Restricted | 30,300 | 75,000 | 5,192,318 | 648,889 |
| Receivables | - | 277,794 | 6,753 | 8,873 |
| Prepaid Expense | 4,469 | 6,709 | - | - |
| Park Sureties | - | - | - | - |
| Property Taxes Receivable | 1,028,216 | - | 3,121,201 | - |
| Total Assets | <u>\$ 1,270,399</u> | <u>\$ 377,695</u> | <u>\$ 8,320,272</u> | <u>\$ 657,762</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 7,903 | \$ 74,719 | \$ - | \$ - |
| Retainage Payable | - | 3,555 | - | - |
| Due to Other Governments | 235 | - | 712 | - |
| Total Liabilities | <u>8,138</u> | <u>78,274</u> | <u>712</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Tax Revenue | 1,028,216 | - | 3,121,201 | - |
| Unearned Revenue | - | 189,595 | - | - |
| Total Deferred Inflows of Resources | <u>1,028,216</u> | <u>189,595</u> | <u>3,121,201</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Nonspendable | 4,469 | 6,709 | - | - |
| Restricted For: | | | | |
| Emergencies | 30,300 | - | - | - |
| Debt Service Reserve Funds | - | - | 5,198,359 | 641,444 |
| Future Debt Service | - | - | - | 16,318 |
| Capital Replacement - Parking Structure | - | 75,000 | - | - |
| Assigned | 110,513 | 28,117 | - | - |
| Unassigned | 88,763 | - | - | - |
| Total Fund Balances | <u>234,045</u> | <u>109,826</u> | <u>5,198,359</u> | <u>657,762</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,270,399</u> | <u>\$ 377,695</u> | <u>\$ 8,320,272</u> | <u>\$ 657,762</u> |

See accompanying Notes to Basic Financial Statements.

**ARISTA METROPOLITAN DISTRICT
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

| | Debt Service - Series 2006B and 2020B | Capital Projects - Infrastructure | Total Governmental Funds |
|--|---|---|--------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ - | \$ - | \$ 225,606 |
| Cash and Investments - Restricted | 492,773 | 605,939 | 7,045,219 |
| Receivables | 170 | - | 293,590 |
| Prepaid Expense | - | - | 11,178 |
| Park Sureties | - | 434,763 | 434,763 |
| Property Taxes Receivable | - | - | 4,149,417 |
| | <u>\$ 492,943</u> | <u>\$ 1,040,702</u> | <u>\$ 12,159,773</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ - | \$ 60,009 | \$ 142,631 |
| Retainage Payable | - | 33,418 | 36,973 |
| Due to Other Governments | - | - | 947 |
| Total Liabilities | <u>-</u> | <u>93,427</u> | <u>180,551</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Tax Revenue | - | - | 4,149,417 |
| Unearned Revenue | - | - | 189,595 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>4,339,012</u> |
| FUND BALANCES | | | |
| Nonspendable | - | - | 11,178 |
| Restricted For: | | | |
| Emergencies | - | - | 30,300 |
| Debt Service Reserve Funds | 406,777 | - | 6,246,580 |
| Future Debt Service | 86,166 | - | 102,484 |
| Capital Replacement - Parking Structure | - | - | 75,000 |
| Assigned | - | 947,275 | 1,085,905 |
| Unassigned | - | - | 88,763 |
| Total Fund Balances | <u>492,943</u> | <u>947,275</u> | <u>7,640,210</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 492,943</u> | <u>\$ 1,040,702</u> | |

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

| | |
|---|------------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 28,057,213 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | |
| Accrued Interest Payable - Developer Advances | (4,463,750) |
| Developer Advance Payable | (8,575,945) |
| Accrued Interest Payable - Bonds | (977,398) |
| Bonds Payable | (85,955,549) |
| Net Position of Governmental Activities | <u>\$ (64,275,219)</u> |

See accompanying Notes to Basic Financial Statements.

**ARISTA METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

| | General | Special Revenue - Parking Structure | Debt Service - Series 2008, 2015, 2018A and 2018B | Debt Service - Series 2006A, 2006C and 2020A |
|---|--------------------|--|--|---|
| REVENUES | | | | |
| Property Taxes | \$ 942,222 | \$ - | \$ 2,860,165 | \$ - |
| Specific Ownership Taxes | 53,054 | - | 161,047 | - |
| Fees in Lieu of Taxes | 9,860 | - | 29,931 | - |
| Net Investment Income | 2,638 | - | 33,487 | 4,764 |
| Sales Taxes | - | - | 122,446 | - |
| Use Taxes | - | - | 65,280 | - |
| SEF | - | - | 22,639 | - |
| LID Sales Taxes | - | - | - | 14,933 |
| Sales Taxes - Parcel A | - | - | - | 41,257 |
| BURA Deposit | - | - | - | 175,000 |
| Parking Payment | - | - | - | - |
| Other Revenue | - | 1,710 | - | - |
| Parking Operation - Reimbursements from Participants | - | 354,315 | - | - |
| Total Revenues | <u>1,007,774</u> | <u>356,025</u> | <u>3,294,995</u> | <u>235,954</u> |
| EXPENDITURES | | | | |
| General | | | | |
| Accounting | 46,215 | - | - | - |
| Audit | 5,800 | - | - | - |
| County Treasurer's Fees | 1,258 | - | 3,818 | - |
| Dues and Memberships | 1,238 | - | - | - |
| Insurance | 17,329 | - | - | - |
| District Management | 33,969 | - | - | - |
| Legal | 14,517 | - | - | - |
| Miscellaneous | 1,537 | - | - | - |
| Election Expense | 1,269 | - | - | - |
| Repairs and Maintenance | 3,680 | - | - | - |
| Landscape and Other Maintenance | 38,231 | - | - | - |
| Utility Locates | 6,824 | - | - | - |
| Reimbursement - Arista Owner's Association | 28,425 | - | - | - |
| Parking Operations and Maintenance | - | 279,870 | - | - |
| Capital Outlay | - | 98,102 | - | - |
| Debt Service | | | | |
| Bond Principal | - | - | - | 100,000 |
| Bond Interest | - | - | 3,542,381 | 160,488 |
| Letter of Credit Fees | - | - | - | 103,251 |
| Paying Agent/Trustee Fees | - | - | 6,000 | 2,533 |
| Remarketing Fees | - | - | - | 2,047 |
| Bond Issue Costs | - | - | - | 252,249 |
| Total Expenditures | <u>200,292</u> | <u>377,972</u> | <u>3,552,199</u> | <u>620,568</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 807,482 | (21,947) | (257,204) | (384,614) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Repay Developer Advance | (350,000) | - | - | - |
| City Support | - | - | - | 60,000 |
| Transfers In | - | 20,252 | 11 | 1,010,023 |
| Transfers (Out) | (720,252) | - | - | - |
| Bond Proceeds | - | - | - | 6,035,000 |
| Bond/Loan Redemption | - | - | - | (6,985,000) |
| Total Other Financing Sources (Uses) | <u>(1,070,252)</u> | <u>20,252</u> | <u>11</u> | <u>120,023</u> |
| NET CHANGE IN FUND BALANCES | (262,770) | (1,695) | (257,193) | (264,591) |
| FUND BALANCES - BEGINNING OF YEAR | 496,815 | 111,521 | 5,455,552 | 922,353 |
| FUND BALANCES - END OF YEAR | \$ 234,045 | \$ 109,826 | \$ 5,198,359 | \$ 657,762 |

See accompanying Notes to Basic Financial Statements.

**ARISTA METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

| | Debt Service - Series 2006B and 2020B | Capital Projects - Infrastructure | Total Governmental Funds |
|---|---|---|--------------------------------|
| REVENUES | | | |
| Property Taxes | \$ - | \$ - | \$ 3,802,387 |
| Specific Ownership Taxes | - | - | 214,101 |
| Fees in Lieu of Taxes | - | - | 39,791 |
| Net Investment Income | 3,382 | 5,569 | 49,840 |
| Sales Taxes | - | - | 122,446 |
| Use Taxes | - | - | 65,280 |
| SEF | - | - | 22,639 |
| LID Sales Taxes | - | - | 14,933 |
| Sales Taxes - Parcel A | - | - | 41,257 |
| BURA Deposit | 75,000 | - | 250,000 |
| Parking Payment | 405,590 | - | 405,590 |
| Other Revenue | - | - | 1,710 |
| Parking Operation - Reimbursements from Participants | - | - | 354,315 |
| Total Revenues | 483,972 | 5,569 | 5,384,289 |
| EXPENDITURES | | | |
| General | | | |
| Accounting | - | - | 46,215 |
| Audit | - | - | 5,800 |
| County Treasurer's Fees | - | - | 5,076 |
| Dues and Memberships | - | - | 1,238 |
| Insurance | - | - | 17,329 |
| District Management | - | - | 33,969 |
| Legal | - | - | 14,517 |
| Miscellaneous | - | - | 1,537 |
| Election Expense | - | - | 1,269 |
| Repairs and Maintenance | - | - | 3,680 |
| Landscape and Other Maintenance | - | - | 38,231 |
| Utility Locates | - | - | 6,824 |
| Reimbursement - Arista Owner's Association | - | - | 28,425 |
| Parking Operations and Maintenance | - | - | 279,870 |
| Capital Outlay | - | 1,123,531 | 1,221,633 |
| Debt Service | | | |
| Bond Principal | 270,000 | - | 370,000 |
| Bond Interest | 163,221 | - | 3,866,090 |
| Letter of Credit Fees | 66,297 | - | 169,548 |
| Paying Agent/Trustee Fees | 1,200 | - | 9,733 |
| Remarketing Fees | 1,365 | - | 3,412 |
| Bond Issue Costs | 234,098 | - | 486,347 |
| Total Expenditures | 736,181 | 1,123,531 | 6,610,743 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (252,209) | (1,117,962) | (1,226,454) |
| OTHER FINANCING SOURCES (USES) | | | |
| Repay Developer Advance | - | - | (350,000) |
| City Support | - | - | 60,000 |
| Transfers In | - | 700,000 | 1,730,286 |
| Transfers (Out) | (1,010,023) | (11) | (1,730,286) |
| Bond Proceeds | 5,600,000 | - | 11,635,000 |
| Bond/Loan Redemption | (4,485,000) | - | (11,470,000) |
| Total Other Financing Sources (Uses) | 104,977 | 699,989 | (125,000) |
| NET CHANGE IN FUND BALANCES | (147,232) | (417,973) | (1,351,454) |
| FUND BALANCES - BEGINNING OF YEAR | 640,175 | 1,365,248 | 8,991,664 |
| FUND BALANCES - END OF YEAR | \$ 492,943 | \$ 947,275 | \$ 7,640,210 |

See accompanying Notes to Basic Financial Statements.

**ARISTA METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (1,351,454)

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

Governmental funds report capital outlay as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

| | | |
|----------------|------------------|---------|
| Capital Outlay | 1,221,633 | |
| Depreciation | <u>(237,597)</u> | 984,036 |

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

| | | |
|---------------------------------|----------------|---------|
| Bond Principal Payment | 370,000 | |
| Bond Redemption | 11,470,000 | |
| Bond Issuance | (11,635,000) | |
| Repayment of Developer Advances | <u>350,000</u> | 555,000 |

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.

| | | |
|--|------------------|--------------------|
| Amortization/Expense of Bond Premium | 23,842 | |
| Accrued Interest on Bonds Payable - Change in Liability | (317,841) | |
| Accrued Interest on Developer Advances - Change in Liability | <u>(713,523)</u> | <u>(1,007,522)</u> |

Changes in Net Position of Governmental Activities \$ (819,940)

**ARISTA METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------------------------|--------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 952,681 | \$ 942,222 | \$ (10,459) |
| Specific Ownership Taxes | 57,161 | 53,054 | (4,107) |
| Fees in Lieu of Taxes | 9,860 | 9,860 | - |
| Net Investment Income | 8,000 | 2,638 | (5,362) |
| Other Revenue | 1,000 | - | (1,000) |
| Total Revenues | <u>1,028,702</u> | <u>1,007,774</u> | <u>(20,928)</u> |
| EXPENDITURES | | | |
| Accounting | 75,000 | 46,215 | 28,785 |
| Audit | 5,800 | 5,800 | - |
| County Treasurer's Fees | 1,265 | 1,258 | 7 |
| Dues and Memberships | 1,250 | 1,238 | 12 |
| Insurance | 19,500 | 17,329 | 2,171 |
| District Management | 37,500 | 33,969 | 3,531 |
| Legal | 40,000 | 14,517 | 25,483 |
| Miscellaneous | 1,000 | 1,537 | (537) |
| Election Expense | - | 1,269 | (1,269) |
| Repairs and Maintenance | 25,000 | 3,680 | 21,320 |
| Landscape and other maintenance | 35,000 | 38,231 | (3,231) |
| Utility Locates | 5,000 | 6,824 | (1,824) |
| Reimbursement - Arista Owner's Association | 25,000 | 28,425 | (3,425) |
| Contingency | 27,185 | - | 27,185 |
| Total Expenditures | <u>298,500</u> | <u>200,292</u> | <u>98,208</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 730,202 | 807,482 | 77,280 |
| OTHER FINANCING SOURCES (USES) | | | |
| Repay Developer Advance | (350,000) | (350,000) | - |
| Transfers Out | (700,000) | (720,252) | (20,252) |
| Total Other Financing Sources (Uses) | <u>(1,050,000)</u> | <u>(1,070,252)</u> | <u>(20,252)</u> |
| NET CHANGE IN FUND BALANCE | (319,798) | (262,770) | 57,028 |
| FUND BALANCES - BEGINNING OF YEAR | <u>483,048</u> | <u>496,815</u> | <u>13,767</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 163,250</u> | <u>\$ 234,045</u> | <u>\$ 70,795</u> |

See accompanying Notes to Basic Financial Statements.

**ARISTA METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – PARKING STRUCTURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------------------------|-------------------|---|
| REVENUES | | | |
| Reimbursements from Participants - Arista Place | \$ 184,901 | \$ 43,791 | \$ (141,110) |
| Reimbursements from Participants - PEAK | 677,600 | 140,276 | (537,324) |
| Reimbursements from Participants - RTD | 719,199 | 170,248 | (548,951) |
| Permits and Fees | - | 1,710 | 1,710 |
| Total Revenues | <u>1,581,700</u> | <u>356,025</u> | <u>(1,225,675)</u> |
| EXPENDITURES | | | |
| Office Expenses | 1,000 | - | 1,000 |
| Fire Inspections and Repairs | 5,000 | 7,069 | (2,069) |
| Communications | 3,800 | 1,978 | 1,822 |
| Security Services | 121,000 | 126,266 | (5,266) |
| Electricity | 29,000 | 27,297 | 1,703 |
| Water and Sanitation | 5,000 | 4,417 | 583 |
| Contract Maintenance Service | 130,000 | 44,091 | 85,909 |
| Elevator Inspection and Maintenance | 10,000 | 5,967 | 4,033 |
| Mechanical Systems Inspection and Repair | 20,000 | 2,457 | 17,543 |
| Pest Control | 400 | - | 400 |
| Insurance and Bonds | 26,500 | 25,898 | 602 |
| Snow Removal | 30,000 | 34,430 | (4,430) |
| Parking Garage Repairs and Renovations | 1,200,000 | 98,102 | 1,101,898 |
| Total Expenditures | <u>1,581,700</u> | <u>377,972</u> | <u>1,203,728</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | (21,947) | (21,947) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 20,252 | 20,252 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>20,252</u> | <u>20,252</u> |
| NET CHANGE IN FUND BALANCE | - | (1,695) | (1,695) |
| FUND BALANCE - BEGINNING OF YEAR | <u>75,000</u> | <u>111,521</u> | <u>36,521</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 75,000</u> | <u>\$ 109,826</u> | <u>\$ 34,826</u> |

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Arista Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Broomfield (City) on December 13, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on August 28, 2001, and as modified on September 10, 2002, and on August 9, 2005. The District was formed as the Park 36 Metropolitan District. On August 15, 2005, the name of the District was changed to Arista Metropolitan District.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services. The operation and maintenance of most District services and facilities is anticipated to be provided by other entities and not by the District. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Special Revenue Fund – Parking Structure accounts for revenues earned and expenditures incurred in connection with the operation and maintenance of the parking structure.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Debt Service Fund – Series 2018A and 2018B accounts for the resources accumulated and payments made for principal, interest and other costs related to the Series 2018A and 2018B Bonds.

The Debt Service Fund – Series 2006A and 2020A accounts for the resources accumulated and payments made for principal, interest and other costs related to the Series 2006A and 2020A Bonds.

The Debt Service Fund – Series 2006B and 2020B accounts for the resources accumulated and payments made for principal, interest and other costs related to the Series 2006B and 2020B Bonds.

The Capital Projects Fund – Infrastructure accounts for financial resources to be used for the acquisition or construction of major capital improvements within the District.

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

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

Pooled Cash and Investments

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Capital Assets

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

Except for the parking structure, Arista Park and certain street signage, all assets of the District will be conveyed to other governmental entities. Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets, a component of the District's net position.

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 fixed assets, as applicable.

The parking structure is depreciated using the straight-line method over the estimated useful life of 75 years.

Original Issue Premium

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

In the fund financial statements, governmental fund types recognize bond premiums 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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. Accordingly, the items, deferred property tax revenue and unearned revenue, are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

Restricted – This component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

Unrestricted – The component of net position that does not meet the definitions above.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

| | |
|-----------------------------------|----------------------------|
| Cash and Investments | \$ 225,606 |
| Cash and Investments - Restricted | <u>7,045,219</u> |
| Total Cash and Investments | <u><u>\$ 7,270,825</u></u> |

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

| | |
|--------------------------------------|----------------------------|
| Deposits with Financial Institutions | \$ 53,735 |
| Investments | <u>7,217,090</u> |
| Total Cash and Investments | <u><u>\$ 7,270,825</u></u> |

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2020, the District's cash deposits had a bank and carrying balance of \$53,735.

Investments

The District has adopted a formal investment policy which follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE (which are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

COLOTRUST

The District 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 and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Bank Midwest Money Market Deposit Accounts

The debt service money that is included in the trust accounts at Bank Midwest is invested in Bank Midwest Public Funds Money Market account. This account is not actually a Money Market Mutual Fund, but a standard bank depository savings account held by Bank Midwest, which is an eligible public depository within the meaning of the PDPA and is in compliance with the PDPA and the rules and regulations promulgated by the Colorado State.

NOTE 4 RECEIVABLES

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

Receivable from the City and County of Broomfield
as follows:

| | |
|--|-----------|
| Sales and Use Taxes | \$ 13,257 |
| Local Improvement District Sales Taxes | 2,100 |
| Total | \$ 15,357 |

Receivable from the Parking Garage Participants
as follows:

| | |
|--------------------|------------|
| Arista Place | \$ 17,738 |
| Peak Entertainment | 234,441 |
| RTD | 25,615 |
| Total | \$ 277,794 |

| | |
|----------------------------------|--------|
| Receivable for Accrued Interests | \$ 439 |
|----------------------------------|--------|

| | |
|-------------------|------------|
| Total Receivables | \$ 293,590 |
|-------------------|------------|

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

NOTE 5 CAPITAL ASSETS

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

| | Balance - December 31, 2019 | Additions | Transfers/ Conveyance | Balance - December 31, 2020 |
|--|-----------------------------------|-------------------|--------------------------|-----------------------------------|
| Capital Assets, Not Being Depreciated: | | | | |
| Land for Parking Structure | \$ 1,700,000 | \$ - | \$ - | \$ 1,700,000 |
| Arista Park | 2,881,777 | - | - | 2,881,777 |
| Construction in Progress: | | | | |
| Parks and recreation | 68,324 | - | - | 68,324 |
| Sensory Park | 194,179 | - | - | 194,179 |
| Streets - Signage | 104,781 | - | - | 104,781 |
| Streets - Other | 168,358 | - | - | 168,358 |
| Streets - Destination Drive | 1,316,264 | - | - | 1,316,264 |
| Uptown Park | 900,159 | - | - | 900,159 |
| Parcel A | 2,037,512 | - | - | 2,037,512 |
| Shepsfield Park | 1,469,668 | 50,617 | - | 1,520,285 |
| Gallery Park | 47,978 | 63,847 | - | 111,825 |
| Parkland Extension | 22,750 | 13,645 | - | 36,395 |
| Terrace Ponds Park | 1,678,253 | 995,422 | - | 2,673,675 |
| Parking Garage Renovations | - | 98,102 | - | 98,102 |
| Total Capital Assets, Not Being Depreciated | 12,590,003 | 1,221,633 | - | 13,811,636 |
| Capital Assets, Being Depreciated: | | | | |
| Parking Structure | 17,551,186 | - | - | 17,551,186 |
| Total Capital Assets, Being Depreciated | 17,551,186 | - | - | 17,551,186 |
| Less Accumulated Depreciation For: | | | | |
| Parking Structure | 3,068,012 | 237,597 | - | 3,305,609 |
| Total Accumulated Depreciation | 3,068,012 | 237,597 | - | 3,305,609 |
| Total Capital Assets, Being Depreciated, Net | 14,483,174 | (237,597) | - | 14,245,577 |
| Capital Assets, Net | <u>\$ 27,073,177</u> | <u>\$ 984,036</u> | <u>\$ -</u> | <u>\$ 28,057,213</u> |

Depreciation expense for the parking structure was charged to the general government function of the District in the amount of \$237,597, which is the total depreciation expense for the District for the year ended December 31, 2020.

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

NOTE 6 LONG-TERM OBLIGATIONS

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

| | Balance December 31, 2019 | Additions | Reductions | Balance December 31, 2020 | Due Within One Year |
|--|---------------------------------|----------------------|----------------------|---------------------------------|---------------------------|
| Special Revenue Bonds: | | | | | |
| Series 2018A | \$ 70,505,000 | \$ - | \$ - | \$ 70,505,000 | \$ - |
| Series 2018B | 3,704,000 | - | - | 3,704,000 | - |
| Parking/Special Limited Revenue Bonds: | | | | | |
| Senior Series 2006A | 6,985,000 | - | 6,985,000 | - | - |
| Senior Series 2006B | 4,485,000 | - | 4,485,000 | - | - |
| Notes from Direct Borrowings and Direct Placements Parking/Special Limited Revenue Refunding Bonds: | | | | | |
| Series 2020A | - | 6,035,000 | 100,000 | 5,935,000 | 310,000 |
| Series 2020B | - | 5,600,000 | 270,000 | 5,330,000 | 195,000 |
| | 85,679,000 | 11,635,000 | 11,840,000 | 85,474,000 | 505,000 |
| Premiums | 505,391 | - | 23,842 | 481,549 | - |
| Total Bonds Payable | 86,184,391 | 11,635,000 | 11,863,842 | 85,955,549 | 505,000 |
| Developer Advances | 8,575,945 | - | - | 8,575,945 | - |
| Accrued Interest on Developer Advances | 4,100,227 | 713,523 | 350,000 | 4,463,750 | - |
| Total | \$ 98,860,563 | \$ 12,348,523 | \$ 12,213,842 | \$ 98,995,244 | \$ 505,000 |

The details of the District's long-term obligations are as follows:

General Obligation (Limited Tax Convertible to Unlimited Tax) and Special Revenue Refunding and Improvement Bonds, Series 2018A

2018A Senior Bonds Details

On August 16, 2018, the District issued General Obligation (Limited Tax Convertible to Unlimited Tax) and Special Revenue Refunding and Improvement Bonds, Series 2018A (2018A Senior Bonds) in the amount of \$70,505,000, dated August 16, 2018. Proceeds from the sale of the 2018A Senior Bonds were used to: (i) fund or reimburse a portion of the Project Costs; (ii) pay and cancel the District's Special Revenue Promissory Note, Series 2015, and Subordinate (Convertible to Parity) Special Revenue Bonds, Series 2008; (iii) fund capitalized interest on the 2018A Senior Bonds; (iv) make a deposit to the 2018A Surplus Fund; and (v) pay the costs of issuance of the 2018A Senior Bonds and 2018B Subordinate Bonds.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2018A Senior Bonds Details (Continued)

The 2018A Senior Bonds were issued as three term bonds with the first bearing interest at 4.375% with annual mandatory sinking fund maturities beginning December 1, 2023, and maturing on December 1, 2028; the second bearing interest at 5.000% with annual mandatory sinking fund maturities beginning December 1, 2029, and maturing on December 1, 2038; and the third bearing interest at 5.125% with annual mandatory sinking fund maturities beginning December 1, 2039, and maturing on December 1, 2048. The 2018A Senior Bonds are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. To the extent principal of any 2018A Senior Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any 2018A Senior Bond is not paid when due, such interest shall compound semiannually on June 1 and December 1 at the rate then borne by the 2018A Senior Bond; however, the District is not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 2018A Senior Bonds.

Optional Redemption

The 2018A Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|--|---------------------------|
| December 1, 2023, to November 30, 2024 | 3.00% |
| December 1, 2024, to November 30, 2025 | 2.00 |
| December 1, 2025, to November 30, 2026 | 1.00 |
| December 1, 2026, and thereafter | 0.00 |

2018A Senior Pledged Revenue

The 2018A Senior Bonds are secured by and payable solely from 2018A Senior Pledged Revenue, net of any costs of collection or any property tax rebates or abatements authorized by or on behalf of the City, which includes: (i) the Pledged Sales and Use Tax Reimbursement Agreement Revenues; (ii) the property taxes generated by the imposition of the 2018A Senior Required Mill Levy; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the 2018A Senior Required Mill Levy; (iv) Payment in Lieu of Taxes (PILOT) Revenues; and (v) any other legally available moneys that the District determines, in its absolute discretion, to credit to the 2018A Senior Bond Fund.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2018A Senior Pledged Revenue (Continued)

Sales and Use Tax Reimbursement Agreement Revenues

Pursuant to the Sales and Use Tax Reimbursement Agreement between the City and the District dated August 1, 2005, the City pledges certain of its sales tax and use tax revenues and service expansion fees to the District (the SUTRA Revenues), and the District pledges certain revenues received thereunder to the payment of the 2018A Senior Bonds. Pledged Sales and Use Tax Reimbursement Agreement Revenues are the SUTRA Revenues less the Available Sales Tax from the RTD Parcel and the Available Sales Tax from any associated land parcel with respect to the Fry's Allocation, if and when the Fry's Allocation is used for eligible retailers within the District which enter into incentive agreements approved by the City and County.

The portion of such revenues which constitute SUTRA Revenues within the meaning of the 2018A Senior Indenture consist of: (i) the Available Sales Tax, including any investment income thereon; excluding, however, the Available Sales Tax derived from the RTD Parcel and the Fry Allocation; (ii) 50% of a 3.50% Use Tax levied on the construction of commercial buildings, residential buildings, and construction materials within the boundaries of the District; and (iii) 50% of the Service Expansion Fees when collected by the City.

The revenue sharing obligation of the City expires upon the earlier to occur of: (a) the date on which the City Bond has been refunded and the proceeds of the Refunding Bonds (as defined in the Sales and Use Tax Reimbursement Agreement) have been applied to reduce or defease the principal amount of the District Bonds (as defined in the Sales and Use Tax Reimbursement Agreement); or (b) November 30, 2028; after which time the debt service on the 2018 Bonds is expected to be paid from other components of Pledged Revenue.

City Bond

The City Bond means the City and County of Broomfield, Colorado, Sales and Use Tax Revenue Bond (Park 36 Metropolitan District), Series 2005, issued by the City to the District to evidence the City's obligations to the District under the Sales and Use Tax Reimbursement Agreement. The City Bond bears interest at the rate of 6.75% borne by the District's previously refunded Special Revenue Bonds, Series 2005, issued in the original aggregate principal amount of \$31,175,000 ("Prior Series 2005 Bonds" which were refunded by the District's 2015 Loan) and matures on November 30, 2028. The City Bond has the same dated date as the Prior Series 2005 Bonds, and interest accrues and compounds semiannually on May 15 and November 15 until paid. No amount of SUTRA Revenues under the Sales and Use Tax Reimbursement Agreement may be paid in excess of the amounts due under the City Bond.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2018A Senior Pledged Revenue (Continued)

Available Sales Tax

Available Sales Tax is generally defined as 45% of the revenues derived from a 3.50% Net Sales Tax imposed on and collected by the City on transactions that are subject to the City's sales tax and that occur between the Effective Date and the Termination Date within the boundaries of the District, subject to the terms of the District's Service Plan. While the City's total sales tax rate is higher, only 3.50% of such sales tax is available to satisfy the City's obligations under the Sales and Use Tax Reimbursement Agreement.

Use Tax

The second component of SUTRA Revenues is 50% of the revenues derived from the use tax collected by the City within the boundaries of the District. The City imposes a 4.15% use tax on the purchase price paid or charged on the sale or purchase of vehicles and building and construction materials when purchased or sold at retail, and used, stored, or consumed in the City. However, only use tax received from a use tax rate of 3.50% is subject to the Sales and Use Tax Reimbursement Agreement.

Service Expansion Fees

The third component of SUTRA Revenues is 50% of the Service Expansion Fees (the "SEF Fees") imposed on new residential construction collected by the City on property within the boundaries of the District. The amount of the SEF Fee is \$1.00 per each square foot of total floor area for which a building permit has been issued by the City. Garages and unfinished basements on new residential construction, garage conversions or additions to existing dwellings, assisted care facilities, nursing homes senior housing facilities, and hospices are exempt from the SEF Fee.

2018A Senior Required Mill Levy

Pursuant to the 2018A Senior Indenture, prior to the Conversion Date, the District is required to impose a 2018A Senior Required Mill Levy in an amount which, when combined with the amount of the Estimated SUTRA Revenues for the relevant year, will generate amounts sufficient to fund the 2018A Senior Bond Fund for the relevant Bond Year and pay the 2018A Senior Bonds as they come due, but (i) not in excess of 50 mills, and (ii) for so long as the 2018A Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills, or such lesser mill levy which will fund the 2018A Senior Bond Fund for the relevant Bond Year and pay the 2018A Senior Bonds as they come due, and will fund the 2018A Senior Surplus Fund up to the Maximum Surplus Amount.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2018A Senior Required Mill Levy (Continued)

The maximum and minimum mill levies of 50 mills shall be adjusted by the proportion of any increase or decrease by the State of Colorado of the ratio for assessment of commercial or residential property from the ratios of 29% and 9.15% respectively, relating to the proportion of land within the District assessed in each such category. In the event the method of calculating assessed valuation is changed after September 10, 2002, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut or abatement, such maximum and minimum mill levies shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levies are neither diminished nor enhanced as a result of such changes. Pursuant to the provisions of the Service Plan which permit mill levy adjustments, the maximum and minimum mill levies of 50 mills were adjusted to 60.711 mills for collection year 2020.

Conversion Date means the date that the Debt to Assessed Ratio is 50% or less and no payments of principal or interest on the 2018A Senior Bonds are past due. On and after the Conversion Date, the District has covenanted to impose a 2018A Senior Required Mill Levy each year in an amount which, when combined with the amount of the Estimated SUTRA Revenues for the relevant year, will generate amounts sufficient to pay the principal of and interest on the 2018A Senior Bonds as they come due and, if necessary, to replenish the Surplus Fund to the Maximum Surplus Amount, without limitation of rate and in amounts sufficient to make such payments when due. On and after the Conversion Date, the definition of 2018A Senior Required Mill levy shall be determined exclusively by the paragraph regardless of any subsequent increase in the Debt to Assessed Ratio.

2018A Senior Surplus Fund

The 2018A Senior Bonds are also secured by amounts on deposit in the 2018A Senior Surplus Fund, which will be initially funded from 2018A Senior Bond proceeds in the amount of \$5,540,000 and thereafter will be funded from 2018A Senior Pledged Revenue that is not needed to pay debt service on the 2018A Senior Bonds in any year, up to the Maximum Surplus Amount. The Maximum Surplus Amount means: (i) prior to the Conversion Date, the amount equal to \$14,101,000; and (ii) on and after the Conversion Date, the amount equal to \$5,540,000 (which is equal to the initial deposit to the 2018A Senior Surplus Fund). In no event may a release of funds from the 2018A Senior Surplus Fund cause the amounts on deposit in the 2018A Senior Surplus Fund to be less than the amount of the initial deposit to the 2018A Senior Surplus Fund. In accordance with the 2018A Senior Indenture, on and after the Conversion Date, all amounts on deposit in the 2018A Senior Surplus Fund in excess of the Maximum Surplus Amount shall be released for application to any lawful purpose of the District. Pursuant to the 2018B Subordinate Indenture, amounts released from the 2018A Senior Surplus Fund are pledged to the 2018B Subordinate Bonds.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

**Subordinate General Obligation Limited Tax and Special Revenue Refunding Bonds,
Series 2018B**

2018B Subordinate Bonds Details

On August 16, 2018, the District issued Subordinate General Obligation Limited Tax and Special Revenue Refunding Bonds, Series 2018B (2018B Subordinate Bonds) in the amount of \$3,704,000, dated August 16, 2018. Proceeds from the sale of the 2018B Subordinate Bonds were used to pay and cancel the District's Parking/Special Limited Revenue Bonds (Broomfield Event Center Parking Project), Subordinate Series 2006C Bonds.

The 2018B Subordinate Bonds were issued at the rate of 7.00% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, 2018B Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The 2018B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually on each December 15; however, the District is not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 2018B Subordinate Bonds.

Optional Redemption

The 2018B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|---|---------------------------|
| December 15, 2023, to December 14, 2024 | 3.00% |
| December 15, 2024, to December 14, 2025 | 2.00 |
| December 15, 2025, to December 14, 2026 | 1.00 |
| December 15, 2026, and thereafter | 0.00 |

2018B Subordinate Pledged Revenue

The 2018B Subordinate Bonds are secured by and payable from 2018B Subordinate Pledged Revenue, net of any costs of collection or any property tax rebates or abatements authorized by or on behalf of the City, which includes: (i) the 2018B Subordinate Pledged SUTRA Revenues; (ii) the property taxes generated by the imposition of the 2018B Subordinate Required Mill Levy; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the 2018B Subordinate Required Mill Levy; (iv) Subordinate PILOT Revenues; (v) amounts released from the 2018A Senior Surplus Fund pursuant to the 2018A Senior Indenture; and (vi) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2018B Subordinate Bond Fund.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

**Subordinate General Obligation Limited Tax and Special Revenue Refunding Bonds,
Series 2018B (Continued)**

2018B Subordinate Bonds Mill Levy

Pursuant to the 2018B Subordinate Indenture, the District is required to impose a 2018B Subordinate Required Mill Levy each year in an amount which will generate amounts sufficient to fund the 2018B Subordinate Bond Fund for the relevant Bond Year and pay the 2018B Subordinate Bonds in full equal to (i) 50.000 mills (as adjusted for any increase or decrease by the State of Colorado of the ratio for assessment of commercial or residential property) less the 2018A Senior Required Mill Levy or (ii) such lesser amount that will generate sufficient amounts which, when combined with moneys then on deposit in the 2018B Subordinate Bond Fund, will pay the 2018B Subordinate Bonds in full. As a result, the 2018B Subordinate Required Mill Levy will equal zero until such time as the 2018A Senior Bond Mill Levy equals less than 50 mills (subject to adjustment).

**Parking/Special Limited Revenue Bonds (Broomfield Event Center Parking Project),
Series 2006**

On June 27, 2006, the District issued the following bonds to finance the acquisition, construction and improvement of a multi-level Parking Structure; fund the Reserve Fund, Supplemental Reserve Fund and Capitalized Interest Fund; and to pay certain costs of issuance:

\$10,100,000 - Senior Bonds Series 2006A (Tax-Exempt)
\$ 7,840,000 - Senior Bonds Series 2006B (Taxable)

The Senior Bonds was bear interest at an Adjustable Rate or at a Fixed Rate. While bearing interest at an Adjustable Rate, the Bonds were payable from monies drawn under the two irrevocable direct pay Letters of Credit issued by Compass Bank, Denver, Colorado. Interest on the Bonds was payable on the first business day of each month. The original estimated interest rates were 4.375% for Series 2006A and 5.375% for Series 2006B. The Bonds were due on December 1, 2030.

In February 2010, the Parking/Special Limited Revenue Bonds, Senior Series 2006A and B, were restructured and remarketed. Changes in the restructured Bonds include, among others, (i) applying the Pledged Authority Revenue (BURA deposit) to the Tax-Exempt Revenue Account when received instead of holding such amounts as a contingent source of payment of debt service (starting in 2014, based upon direction from Bond Counsel and supporting analysis, the BURA deposit was split \$150,000 to the Tax-Exempt Revenue account and \$100,000 to the Taxable Revenue account), (ii) changing the rebate procedure with respect to the Pledged Authority Revenues, and (iii) eliminating the supplemental Reserve Fund (the proceeds of which were used to redeem Senior Bonds) and the Event Center Revenues Reserve Funds. The 2010 restructuring was done, in part, to accommodate a new management agreement with respect to the Event Center between Broomfield Urban Renewal Authority and Peak Entertainment, LLC (the new Event Center Manager/Operator). Furthermore, sources of revenues pledged for the repayment of the Bonds were modified during the 2010 restructuring, hence, certain agreements were terminated and/or modified, and new agreements were executed.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Parking/Special Limited Revenue Bonds (Broomfield Event Center Parking Project), Series 2006 (Continued)

The restructured Series 2006 Bonds were payable solely from the trust estate created by the Indenture, including the pledged revenues consisting of the parking payment from the Event Center Operator, pledged signage revenue, LID sales taxes, BURA deposit and RTD sales tax rebate.

On April 15, 2020, the District paid and cancelled \$11,470,000 outstanding aggregate par amount of its Series 2006 Bonds, which were in the Weekly Interest Rate Mode, by the issuance of \$11,635,000 aggregate par amount of its 2020 Bonds. Proceeds from the Series 2020 Bonds in the amount of \$11,477,682, which included \$7,682 accrued interest were applied to pay and cancel the 2006 Bonds. The economic gain or loss resulting from the payment and cancellation cannot be determined due to the variable interest rate on 2006 Bonds.

Parking/Special Limited Revenue Refunding Bonds (Broomfield Event Center Parking Project), Series 2020A (the 2020A Bonds) and **Taxable Parking/Special Limited Revenue Refunding Bonds (Broomfield Event Center Parking Project), Series 2020B** (the 2020B Bonds, and together with the 2020A Bonds, the 2020 Bonds)

Bond Proceeds

The District issued the 2020 Bonds on April 15, 2020, in the par amounts of \$6,035,000 for the 2020A Bonds and \$5,600,000 for the 2020B Bonds through a private placement with NBH Bank. Proceeds from the sale of the 2020 Bonds were used to (i) refund all of the District's currently outstanding Parking/Special Limited Revenue Bonds (Broomfield Event Center Parking Project), Senior Series 2006A and Parking/Special Limited Revenue Bonds (Broomfield Event Center Parking Project), Senior Series 2006B (Taxable) (collectively, the 2006 Bonds); (ii) fund the 2020A Reserve Fund; (iii) fund the 2020B Reserve Fund; and (iv) pay the costs of issuing the 2020 Bonds.

2020A Bonds Details

The 2020A Bonds bear interest at 3.190% per annum and are payable semiannually on June 1 and December 1 (the Interest Payment Dates), to the extent of available 2020A Pledged Revenue, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The 2020A Bonds mature on December 1, 2039.

To the extent principal of any 2020A Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate borne by the 2020A Bond. To the extent interest on any 2020A Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the 2020A Bond.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2020A Bonds Optional Redemption

The 2020A Bonds are subject to redemption prior to maturity, at the option of the District, in whole but not in part, on April 15, 2030 (the Par Call Date) and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, with no redemption premium.

The 2020A Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on any Interest Payment Date occurring prior to the Par Call Date, upon payment of a redemption price equal to the sum of: (A) the principal amount redeemed; (B) accrued interest to the date of redemption; (C) administrative fees, as applicable; and (D) the Make-Whole Fee, if any. The Make-Whole Fee is equal to the present value of the difference between (A) the total amount of interest based on the Original Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred and (B) the amount of interest based on the Current Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred, both (A) and (B) discounted at the then "Current Interest Rate Swap Rate," as determined by NBH Bank.

The "Original Interest Rate Swap Rate" is the quotation in effect at the time of issuance maturing on the stated Final Maturity Date of the Bonds. The "Current Interest Rate Swap Rate" is the quotation in effect on the Redemption Date maturing on the stated Final Maturity Date. Should the present value have no value or a negative value, the Bonds may be optionally redeemed with no Make-Whole Fee. The Make-Whole Fee shall apply in the event of any prepayment or prior redemption of the Bonds for any reason whatsoever occurring prior to the Par Call Date. All calculations and determinations by the Bank of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

2020A Bonds Pledged Revenue

The 2020A Bonds are secured by 2020A Pledged Revenue which means the moneys derived by the District from the following sources: (a) the Pledged LID Sales Tax Revenues; (b) the Pledged RTD Sales Tax Rebate Revenues; (c) the BURA Deposit 2020A Allocation; (d) City Funded Reserve Replenishments; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as 2020A Pledged Revenue.

"Pledged LID Sales Tax Rebate Revenues" means the revenues derived from the sales tax imposed by the Arista LID, at the rate of 0.2%, on all transactions subject to such sales tax within the boundaries of the Arista LID, except for costs of collection, administration, and enforcement incurred by the City. Pursuant to the Intergovernmental Agreement by and between Arista LID and District, the proceeds of the LID sales taxes will be remitted to the District.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2020A Bonds Pledged Revenue (Continued)

“Pledged RTD Sales Tax Rebate Revenues” means the revenues collected from 45% of the City and County’s 3.50% Sales Tax collected on all transactions occurring within the RTD Parcel which are subject to the Sales Tax, originally payable by the City to RTD under the RTD Reimbursement Agreement, and assigned to the District by RTD.

“BURA Deposit 2020A Allocation” means, for any relevant year, the portion of the annual BURA payment of \$250,000 to be remitted to the Trustee in accordance with the provisions of the BURA IGA, and allocated to the 2020A Bonds pursuant to the BURA Allocation Instructions provided by the District Accountant for that year.

“City Funded Reserve Replenishments” means all amounts received by the Trustee from the City pursuant to the 2020 City Reserve Fund Replenishment Agreement for purposes of replenishing the 2020A Reserve Fund to the 2020A Reserve Fund Requirement. During 2020, no draws were made from the Reserve Funds.

Additional Security for the 2020A Bonds

The 2020A Bonds are also secured by the 2020A Reserve Fund which was funded from proceeds of the 2020A Bonds in the amount of the 2020A Reserve Requirement which means: (a) for the period commencing on the date of issuance and delivery of the 2020A Bonds through and including December 1, 2028, the amount of \$641,443.92, and (b) for the period commencing on December 2, 2028 (the 2020A Reserve Fund Reduction Date) through and including the earlier of the Final Maturity Date or prior redemption, the amount of \$240,784.

The 2020A Bonds will be further secured by the 2020A Surplus Fund which was not created at the time of issuance of the 2020A Bonds. The Trustee shall create the 2020A Surplus Fund on or prior to the 2020A Reserve Fund Reduction Date. On the 2020A Reserve Fund Reduction Date, the Trustee shall release the amount of \$155,000 from the 2020A Reserve Fund and transfer it to the 2020A Surplus Fund.

Events of Default - 2020A Bonds

The occurrence of any of the following shall constitute an Event of Default: (a) the District fails or refuses to apply the 2020A Pledged Revenue as required by the 2020A Indenture; (b) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District and fails to remedy the same after notice; or (c) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the 2020A Bonds obligation.

The failure to pay principal of or interest on the 2020A Bonds when due as the result of insufficient 2020A Pledged Revenue shall not constitute an Event of Default. Acceleration of the 2020A Bonds shall not be an available remedy for an Event of Default.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2020A Bonds Debt Service

The outstanding principal and interest of the 2020A Bonds are due as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2021 | \$ 310,000 | \$ 189,327 | \$ 499,327 |
| 2022 | 425,000 | 179,438 | 604,438 |
| 2023 | 465,000 | 165,880 | 630,880 |
| 2024 | 485,000 | 151,047 | 636,047 |
| 2025 | 505,000 | 135,575 | 640,575 |
| 2026 – 2030 | 2,200,000 | 431,290 | 2,631,290 |
| 2031 – 2035 | 945,000 | 184,703 | 1,129,703 |
| 2036 – 2039 | 600,000 | 45,139 | 645,139 |
| Total | <u>\$ 5,935,000</u> | <u>\$ 1,482,399</u> | <u>\$ 7,417,399</u> |

2020B Bonds Details

The 2020B Bonds bear interest at the rate of 3.89% per annum are payable semiannually on June 1 and December 1 (the Interest Payment Dates), to the extent of available 2020B Pledged Revenue, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The 2020B Bonds mature on December 1, 2039.

To the extent principal of any 2020B Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate borne by the 2020B Bond. To the extent interest on any 2020B Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the 2020B Bond.

2020B Bonds Optional Redemption

The 2020B Bonds are subject to redemption prior to maturity, at the option of the District, in whole but not in part, on April 15, 2030 and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, with no redemption premium.

2020B Bonds Mandatory Excess Funds Redemption

On each October 15, commencing October 15, 2020, the Trustee shall determine the amount then on deposit in the Redemption Fund and, to the extent the amount therein is sufficient to redeem at least one 2020B Bond in the denomination of \$1,000, the Trustee shall promptly give notice of mandatory excess funds redemption to occur on December 1 in that year (each, a "Special Redemption Date"), and shall take such other actions as are necessary to redeem as many Bonds as can be redeemed with the moneys then on deposit in the Redemption Fund, in denominations of \$1,000, at a redemption price equal to the principal amount so redeemed and accrued interest to the Special Redemption Date, without redemption premium.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2020B Bonds Pledged Revenue

The 2020B Bonds are secured by 2020B Pledged Revenue which means the moneys derived by the District from the following sources: (a) the Parking Payment; (b) the Parking Fees; (c) the Pledged Parking Structure Signage Revenue; (d) the Pledged BURA Event Center Revenues; (e) the BURA Deposit 2020B Allocation; (f) City Funded Reserve Fund Replenishments; and (g) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as 2020B Pledged Revenue.

“Parking Payment” means the annual payment required to be made by BURA to the Trustee pursuant to the 2020 BURA IGA, which amount was initially \$300,000 (as of the date of the Management and Operations Agreement) and has been and shall continue to be increased annually by the greater of the annual increase in the CPI or 2%. In 2020, the District received \$405,590 in accordance with the Management and Operations Agreement.

“Parking Fees” mean amounts charged and collected directly by BURA for any parking related to events, if any, held at the Events Center subsequent to the occurrence of a Management and Operations Agreement Termination/Modification Event.

“Pledged Parking Structure Signage Revenue” is a component of the BURA Event Center Revenues and means a portion of the revenues received by BURA from the Operator of the Digital Sign and Additional Outdoor Signage, after deducting any costs of the Operator for maintenance, repair, replacement and operation.

“Pledged BURA Event Center Revenues” are the 50% of BURA Base Revenue Share and the BURA Supplemental Revenue Share which BURA is entitled to receive pursuant to the Management and Operations Agreement.

“BURA Deposit 2020B Allocation” means, for any relevant year, the portion of the annual BURA payment of \$250,000 to be remitted to the Trustee in accordance with the provisions of the BURA IGA, and allocated to the 2020B Bonds pursuant to the BURA Allocation Instructions provided by the District Accountant for that year.

“City Funded Reserve Fund Replenishments” means all amounts received by the Trustee from the City pursuant to the 2020 City Reserve Fund Replenishment Agreement for purposes of replenishing the 2020B Reserve Fund to the 2020B Reserve Fund Requirement.

Additional Security for the 2020B Bonds

The 2020B Bonds are also secured by the 2020B Reserve Fund which was funded from proceeds of the 2020B Bonds in the amount of the 2020B Reserve Requirement of \$406,777. The 2020B Reserve Fund is to be maintained for so long as any 2020B Bond is outstanding.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default – 2020B Bonds

The occurrence of any of the following shall constitute an Event of Default: (a) the District fails or refuses to apply the 2020B Pledged Revenue as required by the 2020B Indenture; (b) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District and fails to remedy the same after notice; or (c) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the 2020B Bonds obligation.

The failure to pay principal of or interest on the 2020B Bonds when due as the result of insufficient 2020B Pledged Revenue shall not constitute an Event of Default. Acceleration of the 2020B Bonds shall not be an available remedy for an Event of Default.

2020B Bonds Debt Service

The outstanding principal and interest of the 2020B Bonds are due as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2021 | \$ 195,000 | \$ 207,337 | \$ 402,337 |
| 2022 | 205,000 | 199,752 | 404,752 |
| 2023 | 215,000 | 191,777 | 406,777 |
| 2024 | 220,000 | 183,414 | 403,414 |
| 2025 | 230,000 | 174,856 | 404,856 |
| 2026 – 2030 | 1,285,000 | 732,876 | 2,017,876 |
| 2031 – 2035 | 1,560,000 | 462,716 | 2,022,716 |
| 2036 – 2039 | 1,420,000 | 137,512 | 1,557,512 |
| Total | <u>\$ 5,330,000</u> | <u>\$ 2,290,238</u> | <u>\$ 7,620,238</u> |

Authorized Debt

On November 5, 2002, the District's voters authorized total indebtedness of \$40,655,000 for construction of public improvements and operating and maintenance expenditures and \$39,655,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

On November 1, 2005, the District's voters authorized an additional total indebtedness of \$65,345,000 for construction of public improvements and operations and maintenance expenditures. The District's voters also authorized an additional total indebtedness of \$60,345,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

At December 31, 2020, the District had authorized but unissued indebtedness from these elections in the following amounts allocated for the following purposes:

| | Authorized on November 5, 2002 | Authorized on November 1, 2005 | Total Authorized | Authorization Used Series 2005 Bonds | Authorization Used Series 2006 Bonds | Authorization Used Series 2008 Bonds | Authorization Used Series 2018 Bonds | Authorization Used Series 2020 Bonds | Authorized But Unissued |
|---------------------------------|--------------------------------------|--------------------------------------|-----------------------|---|---|---|---|---|-------------------------------|
| Sanitary Sewer | \$ 5,855,000 | \$ 6,345,000 | \$ 12,200,000 | \$ 7,525,000 | \$ - | \$ 60,000 | \$ - | \$ - | \$ 4,615,000 |
| Water | 8,000,000 | 1,000,000 | 9,000,000 | 6,700,000 | - | 680,000 | - | - | 1,620,000 |
| Streets | 15,700,000 | 50,000,000 | 65,700,000 | 16,500,000 | 19,640,000 | 3,285,000 | - | - | 26,275,000 |
| Parks and Recreation | 7,650,000 | 3,000,000 | 10,650,000 | 450,000 | - | 2,610,000 | 5,291,000 | - | 2,299,000 |
| Safety and Traffic Control | 2,000,000 | - | 2,000,000 | - | - | 375,000 | - | - | 1,625,000 |
| Transportation System | 150,000 | - | 150,000 | - | - | - | - | - | 150,000 |
| Television Relay and Translator | 150,000 | - | 150,000 | - | - | - | - | - | 150,000 |
| Mosquito Control | 150,000 | - | 150,000 | - | - | - | - | - | 150,000 |
| Operations and Maintenance | - | 5,000,000 | 5,000,000 | - | - | - | - | - | 5,000,000 |
| Refunding | 39,655,000 | 60,345,000 | 100,000,000 | - | - | 18,990,000 | 3,704,000 | 11,635,000 | 65,671,000 |
| Intergovernmental Agreements | 39,655,000 | 60,345,000 | 100,000,000 | - | - | - | - | - | 100,000,000 |
| Total | \$ 118,965,000 | \$ 186,035,000 | \$ 305,000,000 | \$ 31,175,000 | \$ 19,640,000 | \$ 26,000,000 | \$ 8,995,000 | \$ 11,635,000 | \$ 207,555,000 |

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$85,000,000.

\$11,635,000 of electoral authorization was required to be used for the issuance of the Series 2020 Bonds.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

The District has entered into Funding and Reimbursement Agreements with Park 36 Development, Inc. collectively with affiliated entities, including but not limited to Park 36 Investment, LLC (the Developer). Additionally, the District entered into an Agreement Regarding Priority of Developer Reimbursements with Park 36 Development, Inc., and Park 36 Investment, LLC on March 19, 2014, wherein it was established that the Developer Reimbursement Agreement established in 2005 will have reimbursement priority over all other reimbursement agreements. The Funding and Reimbursement Agreements are as follows:

Operation Funding Agreement

The District entered into an Operation Funding Agreement to repay advances made by the Developer for operations and maintenance costs. The District agrees to repay the Developer for such advances along with interest at the rate of 8.5%. As of December 31, 2020, outstanding advances under the agreement totaled \$442,330 and accrued interest totaled \$531,994.

Funding and Reimbursement Agreement

The District entered into a Funding and Reimbursement Agreement to repay advances made by the Developer for capital infrastructure costs. The District agrees to repay the Developer for such advances along with interest at the rate of 8.5%. As of December 31, 2020, outstanding advances under the agreement totaled \$80,723 and accrued interest totaled \$74,998.

Infrastructure Acquisition and Reimbursement Agreement – Parcel A

The District entered into an Infrastructure Acquisition and Reimbursement Agreement to repay advances made by the Developer for capital infrastructure costs related to Parcel A. The District agrees to repay the Developer for such advances along with interest at the rate of 8.5%. As of December 31, 2020, outstanding advances under the agreement totaled \$894,679 and accrued interest totaled \$182,445.

Developer Reimbursement Agreement

On October 26, 2005, the District entered into a Developer Reimbursement Agreement with the Developer to reimburse the Developer for amounts advanced by the Developer to the District for payment of principal and interest on the 2005 Bonds in connection with the Indenture's requirement to establish a Debt Service Guaranty which had been provided by the Developer in the form of a \$10,000,000 Letter of Credit. Outstanding advances due the Developer under the agreement bear an interest at the rate of 8.5% per annum. On June 1, 2010, Park 36 Development, Inc. delegated all duties and obligations and assigned all rights, including without limitation the rights to reimbursement, of the Developer under the agreement to Park 36 Investment, LLC, a Colorado limited liability company. As of December 31, 2020, outstanding advances under the agreement totaled \$4,631,323 and accrued interest totaled \$2,594,122.

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

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

Project Funding and Reimbursement Agreement for Destination Drive

On May 31, 2013, a Project Funding and Reimbursement Agreement for Destination Drive (PFRA) was entered into by and between the District, Park 36 Investment, LLC (Developer), and DD Arista Partners, LLC (Purchaser). Under the PFRA, the Developer sold to the Purchaser certain property within the boundaries of the District. As a condition of such sale and purchase, the Developer agreed to construct certain street improvements (Destination Drive) and a 1.1 acre portion remaining of the Sensory Park, both of which are important for the development of the property. The District, pursuant to the authority granted by its Service Plan as approved by the City and County of Broomfield, is authorized to construct Destination Drive, but does not have sufficient funds to pay for said construction. The Developer and the Purchaser have agreed that the Developer will advance funds to the District to pay for the construction of Destination Drive from a portion of the purchase price paid by Purchaser at closing in the amount of \$600,000 (DD Funds). Additionally, the Developer has agreed to advance funds to the District for construction costs in excess of the DD Funds and the District agrees to reimburse the Developer for such advances, including a simple interest at the rate of 8.5% per annum. As of December 31, 2020, outstanding advances under the agreement totaled \$2,350,764 and accrued interest totaled \$1,080,191.

2017 Facilities Acquisition Agreement

On October 12, 2017, the District was party to a Settlement Agreement with Exit 223, LLC, DD Arista Partners, LLC (DDAP), Davis Development Inc. Co-Davis Development, Inc., TX Morrow Construction Inc. (collectively, Davis Parties), and Park 36 Investments, LLC. The settlement provided that the Davis Parties execute payment to Exit 223 to remedy the mechanic's lien assigned to Exit 223. The District entered into a Facilities Acquisition Agreement with DDAP in which the District is obligated to reimburse DDAP for the construction costs. No interest shall accrue under this agreement and the District shall reimburse DDAP one dollar for every one dollar the District pays to Park 36 or any subsequent assignee. The current outstanding balance under this agreement is \$176,126.

NOTE 7 RELATED PARTY

The developer of the property which constitutes the District is Park 36 Development, Inc. (Developer). The majority of the members of the Board of Directors are employees of, owners of, or are otherwise associated with Park 36 Development, Inc. or related entities and may have conflicts of interest in dealing with the District. All conflicts have been previously disclosed as required by law. Wiens Capital Management, LLC, a company related to the Developer, entered into the Reserve Fund Loan Agreement and Construction Management Agreement with the District. (See related notes in Note 6)

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

NOTE 8 NET POSITION

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

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

| | |
|---|------------------------------|
| Net Investment in Capital Assets: | |
| Capital Assets, Net of Depreciation | \$ 18,827,354 |
| Outstanding Bonds Payable Attributable to the Capital Assets | (22,019,500) |
| Unspent Bonds Proceeds (Primarily Debt Service Reserve Funds) | 1,563,940 |
| Net Investment in Capital Assets | <u><u>\$ (1,628,206)</u></u> |

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

| | |
|---|--------------------------|
| Restricted Net Position: | |
| Emergencies | \$ 30,300 |
| Debt Service | 143,651 |
| Capital Replacement - Parking Structure | 75,000 |
| Total Restricted Net Position | <u><u>\$ 248,951</u></u> |

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities.

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

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The following schedule summarizes the District's transfers for the year ended December 31, 2020:

| | Transfers In | | | | | | Total |
|--|---------------------|---------------------------|---------------------------|---------------------------|----------------------------|------------------|-------------|
| | General Fund | DSF 2018A and 2018B | DSF 2006A and 2020A | DSF 2006B and 2020B | CPF Infra- structure | SRF Parking | |
| Transfers Out | | | | | | | |
| General Fund | \$ - | \$ - | \$ - | \$ - | \$ 700,000 | \$ 20,252 | \$ 720,252 |
| Debt Service Fund - 2006B and 2020B | - | - | 1,010,023 | - | - | - | 1,010,023 |
| Capital Projects Fund - Infrastructure | - | 11 | - | - | - | - | 11 |
| Transfers In | - | 11 | 1,010,023 | - | 700,000 | 20,252 | 1,730,286 |
| Transfers (Out) | (720,252) | - | - | (1,010,023) | (11) | - | (1,730,286) |
| Net Transfers In (Out) | <u>\$ (720,252)</u> | <u>\$ 11</u> | <u>\$ 1,010,023</u> | <u>\$ (1,010,023)</u> | <u>\$ 699,989</u> | <u>\$ 20,252</u> | <u>\$ -</u> |

The major interfund transfers that occurred during 2020 were as follows:

Debt Service Fund – 2006B and 2020B to the Debt Service Fund – 2006A and 2020A. Transfers were made to cancel \$11,470,000 outstanding aggregate par amount of its Series 2006 Bonds from the proceeds of Series 2020 Bonds.

General Fund to the Capital Projects Fund – Infrastructure. Transfers were made to support budgeted capital expenditures.

General Fund to the Special Revenue Fund – Parking Structure. Transfers were made to support budgeted parking garage repairs project.

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

NOTE 10 INTERGOVERNMENTAL AND RELEVANT AGREEMENTS

Sales and Use Tax Reimbursement Agreement (SUTRA)

On August 1, 2005, the District entered into a Sales and Use Tax Reimbursement Agreement with the City. Pursuant to the Agreement, the City agrees to pledge the following revenue to the District for the repayment of the Series 2018A & B Bonds: (i) 45% of the revenues derived from a 3.50% City sales tax collected within the boundaries of the District, less sales taxes collected and paid by a certain major retailer and retailers on certain RTD parcels; (ii) 50% of 3.50% of a total 4.15% Use Tax collected by the City within the boundaries of the District; and (iii) 50% of the Service Expansion Fees imposed on new residential construction, equal to \$1.00 per each square foot of total floor area for which a building permit has been issued, collected by the City on property within the boundaries of the District.

The City's revenue sharing obligation expires on earlier of November 28, 2028, or upon final repayment of the City Bond.

City Bond

On June 28, 2005, the City authorized the issuance of the City and County of Broomfield, Colorado, Sales and Use Tax Revenue Bond (Park 36 Metropolitan District), Series 2005, in a principal amount not to exceed \$29,361,000 (the City Bond). The purpose of the City Bond is to evidence the City's obligation to the District under the Sales and Use Tax Reimbursement Agreement. The City Bond is payable from SUTRA Revenues paid to the District and bears interest at the rate of the Series 2005 Bonds, which is 6.75%, compounded semiannually on May 15 and November 15. The City Bond matures on November 30, 2028. No amount of SUTRA Revenue will be paid to the District in excess of the amounts due under the City Bond.

Cooperation Agreement

The District entered into a Cooperation agreement with Broomfield Urban Renewal Authority (BURA) on September 13, 2005, as amended on July 24, 2018 in connection with the Series 2018A and 2018B Bonds. The District is located in an urban renewal plan area established by BURA. The urban renewal plan allocates all property taxes collected from assessed value above a base amount of \$2,051,480 (Base AV) to BURA; however, BURA and the District have entered into a Cooperation Agreement in which BURA agrees to transfer to the District any revenues received by BURA from the District's mill levies for operations and debt service. Between property taxes collected from the Base AV and property tax revenues received pursuant to the Cooperation Agreement, the District expects to collect all of the property tax revenues raised from the District's mill levies. The urban renewal plan terminates in 2030, and the District will collect its property tax revenues directly in all future years.

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

NOTE 10 INTERGOVERNMENTAL AND RELEVANT AGREEMENTS (CONTINUED)

Parking Structure Development and Operation Agreement

On June 2, 2006, the District entered into a Parking Structure Development and Operation Agreement with Park 36 Investment, LLC (Developer) and Regional Transportation District (RTD) to define the mutual understanding and agreement of the parties concerning the design, construction, financing, maintenance, and use of the Parking Structure. The Parking Structure, a multi-level garage with the capacity for parking approximately 1,500 vehicles, is owned by the District. Based on the agreement, RTD is entitled to the exclusive use of 200 spaces, the District has the exclusive use of 560 spaces, and the remaining 740 spaces are shared and are available to RTD and District on a first-come-first-served-basis. The agreement stipulates that RTD shares 45.47% in the operation and maintenance expenses of the Parking Structure using the same percentage allocation discussed above. Following Broomfield Urban Renewal Authority's assumption of the role of Operator and Manager of the Parking Structure in August 2009, an agreement was executed to include the tenant's association of Arista Place in the allocation of annual operational costs of the Parking Structure. The tenant's association is contributing 11.69% of the annual operational costs, reducing the District's allocation to 42.84%.

Parking Structure Management and Maintenance Agreement

The District and Broomfield Sports and Entertainment, LLC (BSE) entered into a Parking Structure Management and Maintenance Agreement dated as of June 27, 2006, as amended on March 11, 2008 (the Parking Structure Management Agreement), pursuant to which the District engaged BSE to serve as the manager of the Parking Structure. Pursuant to the Assignment, Assumption and Consent Agreement, dated August 25, 2009, among BSE, BURA and the District (the Assigned Agreement), all of BSE's rights and responsibilities under the Parking Structure Management Agreement were assigned to and assumed by BURA. Pursuant to the Parking Structure Management Agreement, BURA is responsible for, among other things, coordinating the daily operations and maintenance of the Parking Structure and for paying all of the maintenance and capital replacement costs relating to the Parking Structure. Under the Assigned Agreement, the District allocated its rights to spaces in the Parking Structure to the BURA to the maximum extent available under the Assigned Agreement to utilize space in the Parking Structure for Event Center purposes during the time of all scheduled events at the Event Center and such reasonable time periods before and after such events. During the time that no events are scheduled at the Event Center, the District and BURA shall agree on the allocation of spaces as provided in the Assigned Agreement.

Construction Management Agreement

A Construction Management Agreement was entered into by and between the District and Wiens Capital Management, LLC (Construction Manager). The District is undertaking the construction and repairs of certain streets improvements and park improvements within its boundaries and engaged the Construction Manager as an independent contractor to provide management services for such project. The Construction Manager has experience and expertise in managing such project and will ensure that the project is in compliance with the District's and the City's requirements. The District will pay the Construction Manager 3% of the actual costs of the project. See related comments on Note 7 – Related Party.

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

NOTE 10 INTERGOVERNMENTAL AND RELEVANT AGREEMENTS (CONTINUED)

Operations and Maintenance Agreement

An Operations and Maintenance Agreement was entered into by and between the District and Arista Association (Association). The District has or will construct or install public improvements within its boundaries, including but not limited to monumentation, signage, lighting, landscape, irrigation systems, sidewalks, open space, and park and recreation facilities (Improvements). The Association is able and willing to provide administration, management, and maintenance (Services) of the Improvements in a more cost-efficient manner than the District. The District and the Association agreed that it is in the best interest of their respective constituents for the Association to operate and maintain the Improvements. The District agreed to pay the Association a fee equivalent to 10% of its annual budget for Services performed by the Association.

Intergovernmental Agreement for Arista Parking Structure and Related Arista Metropolitan District Series 2020 Bonds

On February 11, 2020, the District entered an Intergovernmental Agreement (2020 BURA IGA) with the Broomfield Urban Renewal Authority (BURA) to provide for BURA's Obligation to pay the Pledged Event Center Revenues to the District, and to confirm BURA's Obligation to make the BURA Deposit to the District. Pursuant to the 2020 BURA IGA, BURA agrees to pay the following revenue to the District for the payment of the 2020 Bonds: (i) annual BURA Deposit of \$250,000 to be remitted to the Trustee on or before November 15 of each year and to be allocated to 2020A Bonds and 2020 B Bonds in accordance with BURA Allocation Instruction provided by District Accountant; (ii) annual Parking Payment to be made to the Trustee on or before October 31 of each year, which amount was initially \$300,000 and shall continue to be increased annually by the greater of the annual increase in the CPI or 2%; and (iii) 50% of BURA Event Center Revenues which BURA is entitled to receive pursuant to the Management and Operations Agreement, to be remitted to the District or the Trustee no later than 10 days after receipts.

NOTE 11 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 was a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability 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.

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

NOTE 12 TAX, SPENDING AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. 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 benefit increases.

On November 5, 2002 and November 1, 2005, a majority of the District's electors authorized the District to increase property taxes \$1,000,000 and \$5,000,000, respectively, annually, without limitation to rate, to pay the District's operations and maintenance costs. Additionally, on November 5, 2002, the District's voters authorized the District to collect, retain and spend all revenue in excess of TABOR spending, revenue raising or other limitations.

The District's management has taken such steps as it believes necessary to comply 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.

NOTE 13 SUBSEQUENT EVENTS

The District evaluated its December 31, 2020 financial statements for subsequent event through the date the financial statements are issued. As a result of the COVID-19 outbreak and its ongoing impacts, economic uncertainties have arisen which may negatively impact revenues such as net investment income, sale taxes and use taxes. Other financial impact could occur though such potential impact is unknown at this time.

SUPPLEMENTARY INFORMATION

**ARISTA METROPOLITAN DISTRICT
DEBT SERVICE FUND – SERIES 2018A AND 2018B
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|---------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 2,891,913 | \$ 2,860,165 | \$ (31,748) |
| Specific Ownership Taxes | 173,515 | 161,047 | (12,468) |
| Fees in Lieu of Taxes | 29,931 | 29,931 | - |
| Net Investment Income | 50,000 | 33,487 | (16,513) |
| Sales Taxes | 250,000 | 122,446 | (127,554) |
| Use Taxes | 75,000 | 65,280 | (9,720) |
| SEF | - | 22,639 | 22,639 |
| Total Revenues | <u>3,470,359</u> | <u>3,294,995</u> | <u>(175,364)</u> |
| EXPENDITURES | | | |
| County Treasurer's Fees | 3,841 | 3,818 | 23 |
| Paying Agent/Trustee Fees | 6,000 | 6,000 | - |
| Interest Expense - Series 2018A | 3,542,381 | 3,542,381 | - |
| Total Expenditures | <u>3,552,222</u> | <u>3,552,199</u> | <u>23</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (81,863) | (257,204) | (175,341) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 11 | 11 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>11</u> | <u>11</u> |
| NET CHANGE IN FUND BALANCE | (81,863) | (257,193) | (175,330) |
| FUND BALANCE - BEGINNING OF YEAR | <u>5,368,817</u> | <u>5,455,552</u> | <u>86,735</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 5,286,954</u> | <u>\$ 5,198,359</u> | <u>\$ (88,595)</u> |

**ARISTA METROPOLITAN DISTRICT
DEBT SERVICE FUND – SERIES 2006A AND 2020A
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| REVENUES | | | |
| Net Investment Income | \$ 10,000 | \$ 4,764 | \$ (5,236) |
| LID Sales Taxes | 30,000 | 14,933 | (15,067) |
| BURA Deposit | 150,000 | 175,000 | 25,000 |
| Sales Taxes - Parcel A | - | 41,257 | 41,257 |
| Total Revenues | <u>190,000</u> | <u>235,954</u> | <u>45,954</u> |
| EXPENDITURES | | | |
| Paying Agent/Trustee Fees | 5,600 | 2,533 | 3,067 |
| Rating Fees | 4,000 | - | 4,000 |
| Remarketing Fees | 8,000 | 2,047 | 5,953 |
| Letter of Credit Fees | 58,500 | 103,251 | (44,751) |
| Bond Interest - Series 2006A | 22,500 | 39,630 | (17,130) |
| Bond Interest - Series 2020A | 190,950 | 120,858 | 70,092 |
| Bond Principal - Series 2020A | 105,000 | 100,000 | 5,000 |
| LOC Renewal | 5,000 | - | 5,000 |
| Bond Issue Costs | 260,000 | 252,249 | 7,751 |
| Contingency | 10,450 | - | 10,450 |
| Total Expenditures | <u>670,000</u> | <u>620,568</u> | <u>49,432</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (480,000) | (384,614) | 95,386 |
| OTHER FINANCING SOURCES (USES) | | | |
| City Support | - | 60,000 | 60,000 |
| Transfers In | 218,429 | 1,010,023 | 791,594 |
| Bond Proceeds - 2020A | 5,930,000 | 6,035,000 | 105,000 |
| Original Issue Premium | 897,421 | - | (897,421) |
| Bond Redemption - 2006A | (6,990,000) | (6,985,000) | 5,000 |
| Total Other Financing Sources (Uses) | <u>55,850</u> | <u>120,023</u> | <u>64,173</u> |
| NET CHANGE IN FUND BALANCE | (424,150) | (264,591) | 159,559 |
| FUND BALANCE - BEGINNING OF YEAR | <u>823,500</u> | <u>922,353</u> | <u>98,853</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 399,350</u> | <u>\$ 657,762</u> | <u>\$ 258,412</u> |

**ARISTA METROPOLITAN DISTRICT
DEBT SERVICE FUND – SERIES 2006B AND 2020B
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Budget Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Net Investment Income | \$ 5,000 | \$ 4,500 | \$ 3,382 | \$ (1,118) |
| Parking Payment | 405,590 | 405,590 | 405,590 | - |
| BURA Deposit | 100,000 | 75,000 | 75,000 | - |
| BURA - Event Center Revenue | 60,000 | - | - | - |
| Total Revenues | <u>570,590</u> | <u>485,090</u> | <u>483,972</u> | <u>(1,118)</u> |
| EXPENDITURES | | | | |
| Paying Agent/Trustee Fees | 5,600 | 1,200 | 1,200 | - |
| Rating Fees | 4,000 | - | - | - |
| Remarketing Fees | 6,000 | 1,365 | 1,365 | - |
| Letter of Credit Fees | 37,500 | 66,297 | 66,297 | - |
| Bond Interest - Series 2006B | 20,000 | 26,466 | 26,466 | - |
| Bond Interest - Series 2020B | 101,695 | 136,755 | 136,755 | - |
| Bond Principal - Series 2020B | 95,000 | 270,000 | 270,000 | - |
| LOC Renewal | 5,000 | - | - | - |
| Bond Issue Costs | 185,000 | 234,098 | 234,098 | - |
| Contingency | 10,205 | - | - | - |
| Total Expenditures | <u>470,000</u> | <u>736,181</u> | <u>736,181</u> | <u>-</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 100,590 | (251,091) | (252,209) | (1,118) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond Proceeds - 2020B | 4,230,000 | 5,600,000 | 5,600,000 | - |
| Original Issue Premium | 70,621 | - | - | - |
| Bond Redemption - 2006B | (4,490,000) | (4,485,000) | (4,485,000) | - |
| Transfers Out | (218,429) | (1,010,023) | (1,010,023) | - |
| Total Other Financing Sources (Uses) | <u>(407,808)</u> | <u>104,977</u> | <u>104,977</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (307,218) | (146,114) | (147,232) | (1,118) |
| FUND BALANCE - BEGINNING OF YEAR | <u>751,659</u> | <u>640,175</u> | <u>640,175</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 444,441</u> | <u>\$ 494,061</u> | <u>\$ 492,943</u> | <u>\$ (1,118)</u> |

**ARISTA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – INFRASTRUCTURE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|-------------------|---|
| REVENUES | | | |
| Net Investment Income | \$ 15,000 | \$ 5,569 | \$ (9,431) |
| Total Revenues | <u>15,000</u> | <u>5,569</u> | <u>(9,431)</u> |
| EXPENDITURES | | | |
| Shepsfield Park | 181,846 | 6,521 | 175,325 |
| Terrace Ponds Park | 917,087 | 995,422 | (78,335) |
| Gallery Park | - | 63,847 | (63,847) |
| Parkland Extension | 1,045,000 | 13,645 | 1,031,355 |
| Project Management Fee | 38,000 | 44,096 | (6,096) |
| Contingency | 37,551 | - | 37,551 |
| Total Expenditures | <u>2,219,484</u> | <u>1,123,531</u> | <u>1,095,953</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (2,204,484) | (1,117,962) | 1,086,522 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 700,000 | 700,000 | - |
| Transfers Out | - | (11) | (11) |
| Total Other Financing Sources (Uses) | <u>700,000</u> | <u>699,989</u> | <u>(11)</u> |
| NET CHANGE IN FUND BALANCE | (1,504,484) | (417,973) | 1,086,511 |
| FUND BALANCE - BEGINNING OF YEAR | <u>1,795,655</u> | <u>1,365,248</u> | <u>(430,407)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 291,171</u> | <u>\$ 947,275</u> | <u>\$ 656,104</u> |

OTHER INFORMATION

**ARISTA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

| Year Ended December 31. | \$70,505,000 General Obligation Refunding & Improvement Bonds, Series 2018A, Dated August 16, 2018 Interest Rate 4.375%-5.125% Interest Payable June 1 and December 1 | | | \$3,704,000 Subordinate, General Obligation Refunding & Improvement Bonds, Series 2018B, Dated August 16, 2018 Interest Rate 7.00% Interest Payable December 15 | | |
|----------------------------|---|----------------------|-----------------------|---|---------------------|----------------------|
| | Principal Due December 1 | | | Principal Due December 15 | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2021 | \$ - | \$ 3,542,381 | \$ 3,542,381 | \$ - | \$ 259,280 | \$ 259,280 |
| 2022 | - | 3,542,381 | 3,542,381 | - | 259,280 | 259,280 |
| 2023 | 110,000 | 3,542,381 | 3,652,381 | - | 259,280 | 259,280 |
| 2024 | 1,025,000 | 3,537,569 | 4,562,569 | - | 259,280 | 259,280 |
| 2025 | 1,080,000 | 3,492,725 | 4,572,725 | - | 259,280 | 259,280 |
| 2026 | 1,230,000 | 3,445,475 | 4,675,475 | - | 259,280 | 259,280 |
| 2027 | 1,285,000 | 3,391,663 | 4,676,663 | - | 259,280 | 259,280 |
| 2028 | 1,425,000 | 3,335,444 | 4,760,444 | - | 259,280 | 259,280 |
| 2029 | 1,360,000 | 3,273,100 | 4,633,100 | - | 259,280 | 259,280 |
| 2030 | 1,525,000 | 3,205,100 | 4,730,100 | - | 259,280 | 259,280 |
| 2031 | 1,600,000 | 3,128,850 | 4,728,850 | - | 259,280 | 259,280 |
| 2032 | 1,775,000 | 3,048,850 | 4,823,850 | - | 259,280 | 259,280 |
| 2033 | 1,860,000 | 2,960,100 | 4,820,100 | - | 259,280 | 259,280 |
| 2034 | 2,050,000 | 2,867,100 | 4,917,100 | - | 259,280 | 259,280 |
| 2035 | 2,155,000 | 2,764,600 | 4,919,600 | - | 259,280 | 259,280 |
| 2036 | 2,360,000 | 2,656,850 | 5,016,850 | - | 259,280 | 259,280 |
| 2037 | 2,480,000 | 2,538,850 | 5,018,850 | - | 259,280 | 259,280 |
| 2038 | 2,705,000 | 2,414,850 | 5,119,850 | - | 259,280 | 259,280 |
| 2039 | 2,840,000 | 2,279,600 | 5,119,600 | - | 259,280 | 259,280 |
| 2040 | 3,085,000 | 2,134,050 | 5,219,050 | - | 259,280 | 259,280 |
| 2041 | 3,245,000 | 1,975,944 | 5,220,944 | - | 259,280 | 259,280 |
| 2042 | 3,515,000 | 1,809,637 | 5,324,637 | - | 259,280 | 259,280 |
| 2043 | 3,695,000 | 1,629,494 | 5,324,494 | - | 259,280 | 259,280 |
| 2044 | 3,990,000 | 1,440,125 | 5,430,125 | - | 259,280 | 259,280 |
| 2045 | 4,195,000 | 1,235,637 | 5,430,637 | - | 259,280 | 259,280 |
| 2046 | 4,520,000 | 1,020,644 | 5,540,644 | - | 259,280 | 259,280 |
| 2047 | 4,750,000 | 788,994 | 5,538,994 | - | 259,280 | 259,280 |
| 2048 | 10,645,000 | 545,556 | 11,190,556 | 3,704,000 | 259,280 | 3,963,280 |
| | <u>\$ 70,505,000</u> | <u>\$ 71,547,950</u> | <u>\$ 142,052,950</u> | <u>\$ 3,704,000</u> | <u>\$ 7,259,840</u> | <u>\$ 10,963,840</u> |

**ARISTA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020**

| Year Ended December 31. | Total 2018 Series | | |
|----------------------------|----------------------|----------------------|-----------------------|
| | Principal | Interest | Total |
| 2021 | \$ - | \$ 3,801,661 | \$ 3,801,661 |
| 2022 | - | 3,801,661 | 3,801,661 |
| 2023 | 110,000 | 3,801,661 | 3,911,661 |
| 2024 | 1,025,000 | 3,796,849 | 4,821,849 |
| 2025 | 1,080,000 | 3,752,005 | 4,832,005 |
| 2026 | 1,230,000 | 3,704,755 | 4,934,755 |
| 2027 | 1,285,000 | 3,650,943 | 4,935,943 |
| 2028 | 1,425,000 | 3,594,724 | 5,019,724 |
| 2029 | 1,360,000 | 3,532,380 | 4,892,380 |
| 2030 | 1,525,000 | 3,464,380 | 4,989,380 |
| 2031 | 1,600,000 | 3,388,130 | 4,988,130 |
| 2032 | 1,775,000 | 3,308,130 | 5,083,130 |
| 2033 | 1,860,000 | 3,219,380 | 5,079,380 |
| 2034 | 2,050,000 | 3,126,380 | 5,176,380 |
| 2035 | 2,155,000 | 3,023,880 | 5,178,880 |
| 2036 | 2,360,000 | 2,916,130 | 5,276,130 |
| 2037 | 2,480,000 | 2,798,130 | 5,278,130 |
| 2038 | 2,705,000 | 2,674,130 | 5,379,130 |
| 2039 | 2,840,000 | 2,538,880 | 5,378,880 |
| 2040 | 3,085,000 | 2,393,330 | 5,478,330 |
| 2041 | 3,245,000 | 2,235,224 | 5,480,224 |
| 2042 | 3,515,000 | 2,068,917 | 5,583,917 |
| 2043 | 3,695,000 | 1,888,774 | 5,583,774 |
| 2044 | 3,990,000 | 1,699,405 | 5,689,405 |
| 2045 | 4,195,000 | 1,494,917 | 5,689,917 |
| 2046 | 4,520,000 | 1,279,924 | 5,799,924 |
| 2047 | 4,750,000 | 1,048,274 | 5,798,274 |
| 2048 | 14,349,000 | 804,836 | 15,153,836 |
| | <u>\$ 74,209,000</u> | <u>\$ 78,807,790</u> | <u>\$ 153,016,790</u> |

**ARISTA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020**

| Year Ended December 31. | \$6,035,000 Parking/Special Limited Revenue Refunding Bonds, Series 2020A, Dated April 15, 2020 Interest Rate at 3.19% Interest Payable June 1 and December 1 | | | \$5,600,000 Taxable Parking/Special Limited Revenue Refunding Bonds, Series 2020B, Dated April 15, 2020 Interest Rate at 3.89% Interest Payable June 1 and December 1 | | |
|----------------------------|---|---------------------|---------------------|---|---------------------|---------------------|
| | Principal Due December 1 | | | Principal Due December 1 | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2021 | \$ 310,000 | \$ 189,327 | \$ 499,327 | \$ 195,000 | \$ 207,337 | \$ 402,337 |
| 2022 | 425,000 | 179,438 | 604,438 | 205,000 | 199,752 | 404,752 |
| 2023 | 465,000 | 165,880 | 630,880 | 215,000 | 191,777 | 406,777 |
| 2024 | 485,000 | 151,047 | 636,047 | 220,000 | 183,414 | 403,414 |
| 2025 | 505,000 | 135,575 | 640,575 | 230,000 | 174,856 | 404,856 |
| 2026 | 520,000 | 119,466 | 639,466 | 240,000 | 165,909 | 405,909 |
| 2027 | 535,000 | 102,878 | 637,878 | 250,000 | 156,573 | 406,573 |
| 2028 | 555,000 | 85,811 | 640,811 | 255,000 | 146,848 | 401,848 |
| 2029 | 410,000 | 68,107 | 478,107 | 265,000 | 136,928 | 401,928 |
| 2030 | 180,000 | 55,028 | 235,028 | 275,000 | 126,620 | 401,620 |
| 2031 | 185,000 | 49,286 | 234,286 | 290,000 | 115,922 | 405,922 |
| 2032 | 195,000 | 43,384 | 238,384 | 300,000 | 104,641 | 404,641 |
| 2033 | 200,000 | 37,164 | 237,164 | 310,000 | 92,971 | 402,971 |
| 2034 | 210,000 | 30,784 | 240,784 | 325,000 | 80,912 | 405,912 |
| 2035 | 155,000 | 24,085 | 179,085 | 335,000 | 68,270 | 403,270 |
| 2036 | 160,000 | 19,140 | 179,140 | 350,000 | 55,238 | 405,238 |
| 2037 | 165,000 | 14,036 | 179,036 | 360,000 | 41,623 | 401,623 |
| 2038 | 175,000 | 8,773 | 183,773 | 375,000 | 27,619 | 402,619 |
| 2039 | 100,000 | 3,190 | 103,190 | 335,000 | 13,032 | 348,032 |
| 2040 | - | - | - | - | - | - |
| 2041 | - | - | - | - | - | - |
| 2042 | - | - | - | - | - | - |
| 2043 | - | - | - | - | - | - |
| 2044 | - | - | - | - | - | - |
| 2045 | - | - | - | - | - | - |
| 2046 | - | - | - | - | - | - |
| 2047 | - | - | - | - | - | - |
| 2048 | - | - | - | - | - | - |
| | <u>\$ 5,935,000</u> | <u>\$ 1,482,399</u> | <u>\$ 7,417,399</u> | <u>\$ 5,330,000</u> | <u>\$ 2,290,238</u> | <u>\$ 7,620,238</u> |

**ARISTA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020**

| Year Ended December 31. | Total 2020 Series | | |
|----------------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2021 | \$ 505,000 | \$ 396,664 | \$ 901,664 |
| 2022 | 630,000 | 379,190 | 1,009,190 |
| 2023 | 680,000 | 357,657 | 1,037,657 |
| 2024 | 705,000 | 334,461 | 1,039,461 |
| 2025 | 735,000 | 310,431 | 1,045,431 |
| 2026 | 760,000 | 285,375 | 1,045,375 |
| 2027 | 785,000 | 259,451 | 1,044,451 |
| 2028 | 810,000 | 232,659 | 1,042,659 |
| 2029 | 675,000 | 205,035 | 880,035 |
| 2030 | 455,000 | 181,648 | 636,648 |
| 2031 | 475,000 | 165,208 | 640,208 |
| 2032 | 495,000 | 148,025 | 643,025 |
| 2033 | 510,000 | 130,135 | 640,135 |
| 2034 | 535,000 | 111,696 | 646,696 |
| 2035 | 490,000 | 92,355 | 582,355 |
| 2036 | 510,000 | 74,378 | 584,378 |
| 2037 | 525,000 | 55,659 | 580,659 |
| 2038 | 550,000 | 36,392 | 586,392 |
| 2039 | 435,000 | 16,222 | 451,222 |
| 2040 | - | - | - |
| 2041 | - | - | - |
| 2042 | - | - | - |
| 2043 | - | - | - |
| 2044 | - | - | - |
| 2045 | - | - | - |
| 2046 | - | - | - |
| 2047 | - | - | - |
| 2048 | - | - | - |
| | <u>\$ 11,265,000</u> | <u>\$ 3,772,637</u> | <u>\$ 15,037,637</u> |

**ARISTA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020**

| Year Ended December 31. | Grand Totals | | |
|----------------------------|----------------------|----------------------|-----------------------|
| | Principal | Interest | Total |
| 2021 | \$ 505,000 | \$ 4,198,325 | \$ 4,703,325 |
| 2022 | 630,000 | 4,180,851 | 4,810,851 |
| 2023 | 790,000 | 4,159,318 | 4,949,318 |
| 2024 | 1,730,000 | 4,131,310 | 5,861,310 |
| 2025 | 1,815,000 | 4,062,436 | 5,877,436 |
| 2026 | 1,990,000 | 3,990,130 | 5,980,130 |
| 2027 | 2,070,000 | 3,910,394 | 5,980,394 |
| 2028 | 2,235,000 | 3,827,383 | 6,062,383 |
| 2029 | 2,035,000 | 3,737,415 | 5,772,415 |
| 2030 | 1,980,000 | 3,646,028 | 5,626,028 |
| 2031 | 2,075,000 | 3,553,338 | 5,628,338 |
| 2032 | 2,270,000 | 3,456,155 | 5,726,155 |
| 2033 | 2,370,000 | 3,349,515 | 5,719,515 |
| 2034 | 2,585,000 | 3,238,076 | 5,823,076 |
| 2035 | 2,645,000 | 3,116,235 | 5,761,235 |
| 2036 | 2,870,000 | 2,990,508 | 5,860,508 |
| 2037 | 3,005,000 | 2,853,789 | 5,858,789 |
| 2038 | 3,255,000 | 2,710,522 | 5,965,522 |
| 2039 | 3,275,000 | 2,555,102 | 5,830,102 |
| 2040 | 3,085,000 | 2,393,330 | 5,478,330 |
| 2041 | 3,245,000 | 2,235,224 | 5,480,224 |
| 2042 | 3,515,000 | 2,068,917 | 5,583,917 |
| 2043 | 3,695,000 | 1,888,774 | 5,583,774 |
| 2044 | 3,990,000 | 1,699,405 | 5,689,405 |
| 2045 | 4,195,000 | 1,494,917 | 5,689,917 |
| 2046 | 4,520,000 | 1,279,924 | 5,799,924 |
| 2047 | 4,750,000 | 1,048,274 | 5,798,274 |
| 2048 | 14,349,000 | 804,836 | 15,153,836 |
| | <u>\$ 85,474,000</u> | <u>\$ 82,580,427</u> | <u>\$ 168,054,427</u> |

**ARISTA METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

| Year Ended December 31, | Prior Year Assessed Valuation for Current Year Property Tax Levy | Mills Levied | | Total Property Taxes | | Percentage Collected to Levied |
|--|---|--------------|-----------------|----------------------|--------------|--------------------------------------|
| | | General | Debt Service | Levied | Collected | |
| 2016 | \$ 25,499,850 | 20.000 | 57.475 | \$ 1,975,599 * | \$ 1,560,424 | 78.98 % |
| 2017 | 28,809,050 | 20.000 | 57.475 | 2,231,982 | 2,232,911 | 100.04 |
| 2018 | 42,091,530 | 20.000 | 60.498 | 3,388,284 * | 3,248,114 | 95.86 |
| 2019 | 40,326,373 | 20.000 | 60.498 | 3,246,192 | 3,239,036 | 99.78 |
| 2020 | 47,634,080 | 20.000 | 60.711 | 3,844,594 | 3,802,387 | 98.90 |
| Estimated for the Year Ending December 31, 2021 | \$ 51,410,800 | 20.000 | 60.711 | \$ 4,149,417 | | |

* In 2016, refunds and abatements totaled \$334,378.

* In 2018, refunds and abatements totaled \$35,153

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes asses in prior years. This presentation does not attempt to identify specific years of assessment.