

**ASPEN HISTORIC PARK AND
RECREATION DISTRICT**
Pitkin County, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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Independent Auditor's Report

Board of Directors
Aspen Historic Park and Recreation District
Pitkin County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
May 8, 2023

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

Our discussion and analysis of the Aspen Historic Park and Recreation District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2022. This report should be read in conjunction with the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are designed to provide readers with an overview of the District's finances, from both a short-term fund perspective and a long-term economic perspective.

The Balance Sheet/Statement of Net Position presents information on all the District's assets, deferred outflows, liabilities, deferred inflows, fund balance and net position. The Balance Sheet column (Governmental Fund) presents the financial position focusing on short-term available resources and is reported on a modified accrual basis of accounting. The Statement of Net Position column (Governmental Activities) presents the financial position focusing on long-term economic resources and is reported on a full accrual basis. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities shows how the government's fund balance and net position changed during the most recent fiscal year. Again, the Statement of Revenues, Expenditures and Changes in Fund Balance column (Governmental Fund) focuses on short-term available resources and is reported on a modified accrual basis. The Statement of Activities column (Governmental Activities) focuses on long-term economic resources and is reported on a full accrual basis.

The District's financial statements can be found on page 1 through 3 of this report.

Other than the adjustments converting the fund balance in the governmental financial statements to the net position, the District's financial statements are essentially the same under the modified accrual and the full accrual method. This is because the District currently has no capital assets or long-term debt, however this could change in the future.

The budget to actual fund financial statement on page 3 provides information about the District's General Fund which is the only fund utilized by the District.

The notes to the financial statements provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to Financial Statements can be found starting on page 4 of this report.

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Following is a summary of the District's net position as of December 31:

| Net Position | | |
|--------------------------------------|--------------|--------------|
| | 2022 | 2021 |
| ASSETS | \$ 1,102,227 | \$ 1,110,201 |
| LIABILITIES | 2,954 | 15,195 |
| DEFERRED INFLOWS OF RESOURCES | 1,039,481 | 1,044,340 |
| NET POSITION | | |
| Restricted for Emergencies | 32,525 | 29,997 |
| Unrestricted | 27,267 | 20,669 |
| Total net position | \$ 59,792 | \$ 50,666 |

Overall assets decreased by \$7,974 or .7% from 2021 to 2022. This was primarily due to an \$4,859 decrease in property taxes receivable due to a .5% decrease in the assessed valuation for the property taxes levied for collection in 2023. Liabilities decreased by \$12,241 or 80.6% from 2021 to 2022. This decrease was due primarily to a \$12,000 decrease in the amount accrued for distribution to the Aspen Historical Society as of the end of December 2022 but not remitted until January 2023.

The following is a summary of the District's changes in net position as of December 31:

| Changes in Net Position | | |
|---|--------------|-------------|
| | 2022 | 2021 |
| GENERAL REVENUES | | |
| Property taxes | \$ 1,043,959 | \$ 961,006 |
| Specific ownership taxes | 37,261 | 35,091 |
| Investment income | 2,933 | 1,993 |
| Miscellaneous | - | 1,801 |
| Total revenues | 1,084,153 | 999,891 |
| EXPENSES | | |
| Historical preservation | 1,075,027 | 991,313 |
| Total expenses | 1,075,027 | 991,313 |
| CHANGE IN NET POSITION | 9,126 | 8,578 |
| NET POSITION - BEGINNING OF YEAR | 50,666 | 42,088 |
| NET POSITION - END OF YEAR | \$ 59,792 | \$ 50,666 |

The District's total 2022 revenue of \$1,084,153 was \$84,262 higher than 2021 by 8.4%. Property taxes increased by \$82,953, or 8.6%. This increase was due to a 8.5% increase in the assessed valuation for property taxes levied for collection in 2022. Specific ownership taxes increased by \$2,170, or 6.2%. The District's 2022 total expenses of \$1,075,027 were higher than 2021 by 8.4%. Since the District's purpose is to levy taxes and remit funding to the Aspen Historical Society, with the net increase of property and specific ownership tax revenue, there was likewise a corresponding increase in the funding remitted to the Aspen Historical Society. The funding to Aspen Historical Society of \$1,003,000 was \$75,000, or 8.1% higher than 2021.

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Fund Highlights

The District's governmental fund reports a fund balance of \$59,792. General Fund expenditures of \$1,075,027 were higher than 2021 due to increased funding paid to Aspen Historical Society for 2022, which totaled \$1,003,000 in 2022 when compared to \$928,000 in 2021.

General Fund Budgetary Highlights

The District did not amend the General Fund budget during the year. The District ended the year with a favorable variance in revenues to budget of \$6,531. The specific ownership taxes were \$5,931 more than budgeted, which was the largest portion of the overall positive variance. Expenditures were less than budgeted, with a positive variance of \$990. Overall expenditures were consistent with amounts budgeted for 2022, except for the contribution to the Aspen Historical Society, which was \$15,000 more than budgeted. This negative variance was partially offset by a positive variance of \$10,000 for the budgeted contingency.

ECONOMIC FACTORS

The District's boundaries include the resort communities of Aspen and Snowmass Village, Colorado. The District relies heavily on property taxes. Any decline in real estate value could reduce the amount of the District's support/funding provided to the Aspen Historical Society. The District's Board of Directors approved a 2023 budget with .300 mills levied for property taxes to be collected in 2023. The property tax revenues levied for collection in 2023 are \$1,039,481, which is \$4,859 less than the amount levied for 2022 due to a .5% decrease in the District's assessed valuation. The 2023 budget was approved with a \$1,006,000 contribution to Aspen Historical Society, which is \$3,000, more than the amount contributed in 2022.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. If you have any questions about this report or need additional information, please contact the Aspen Historic Park and Recreation District's administrative office at 620 E. Bleeker, Aspen, Colorado 81611.

BASIC FINANCIAL STATEMENTS

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
GOVERNMENTAL FUND BALANCE SHEET AND
STATEMENT OF NET POSITION
December 31, 2022**

| | Governmental Fund | Adjustments | Governmental Activities |
|--|------------------------------|--------------------|------------------------------------|
| ASSETS | | | |
| Cash and investments - unrestricted | \$ 23,314 | \$ - | \$ 23,314 |
| Cash and investments - restricted | 32,525 | - | 32,525 |
| Due from county treasurer | 2,435 | - | 2,435 |
| Prepaid expenditures/expenses | 4,472 | - | 4,472 |
| Property tax receivable | 1,039,481 | - | 1,039,481 |
| TOTAL ASSETS | \$ 1,102,227 | \$ - | \$ 1,102,227 |
| LIABILITIES | | | |
| Accounts payable | \$ 954 | \$ - | \$ 954 |
| Due to Aspen Historical Society | 2,000 | - | 2,000 |
| TOTAL LIABILITIES | 2,954 | - | 2,954 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred property tax revenues | 1,039,481 | - | 1,039,481 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,039,481 | - | 1,039,481 |
| FUND BALANCE | | | |
| Nonspendable: | | | |
| Prepays | 4,472 | (4,472) | - |
| Restricted for: | | | |
| Emergencies | 32,525 | (32,525) | - |
| Assigned for: | | | |
| Subsequent year's expenditures | 5,003 | (5,003) | - |
| Unassigned | 17,792 | (17,792) | - |
| TOTAL FUND BALANCE | 59,792 | (59,792) | - |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 1,102,227 | | |
| NET POSITION | | | |
| Restricted for Emergencies | | 32,525 | 32,525 |
| Unrestricted | | 27,267 | 27,267 |
| TOTAL NET POSITION | | 59,792 | 59,792 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | \$ - | \$ 1,102,227 |

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

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE AND
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022**

| | <u>Governmental Fund</u> | <u>Adjustments</u> | <u>Governmental Activities</u> |
|--|------------------------------|--------------------|------------------------------------|
| EXPENDITURES/EXPENSES | | | |
| Administration | \$ 72,027 | \$ - | \$ 72,027 |
| Contribution to Aspen Historical Society | 1,003,000 | - | 1,003,000 |
| Total expenditures/expenses | <u>1,075,027</u> | <u>-</u> | <u>1,075,027</u> |
| GENERAL REVENUES | | | |
| Property taxes | 1,043,959 | - | 1,043,959 |
| Specific ownership taxes | 37,261 | - | 37,261 |
| Investment income | 2,933 | - | 2,933 |
| Total general revenues | <u>1,084,153</u> | <u>-</u> | <u>1,084,153</u> |
| NET CHANGE IN FUND BALANCE | 9,126 | (9,126) | - |
| CHANGE IN NET POSITION | - | 9,126 | 9,126 |
| FUND BALANCE/NET POSITION | | | |
| BEGINNING OF YEAR | <u>50,666</u> | <u>-</u> | <u>50,666</u> |
| END OF YEAR | <u>\$ 59,792</u> | <u>\$ -</u> | <u>\$ 59,792</u> |

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

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2022**

| | Original and Final Budgeted Amounts | Actual | Variance with Final Budget - Positive (Negative) |
|---|--|------------------------|---|
| REVENUES | | | |
| Property tax | \$ 1,045,792 | \$ 1,043,959 | \$ (1,833) |
| Specific ownership taxes | 31,330 | 37,261 | 5,931 |
| Net investment income | 500 | 2,933 | 2,433 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 1,077,622 | 1,084,153 | 6,531 |
| EXPENDITURES | | | |
| Accounting | 9,500 | 8,371 | 1,129 |
| Audit | 4,350 | 4,250 | 100 |
| Dues and subscriptions | 1,000 | 971 | 29 |
| Insurance | 3,850 | 3,466 | 384 |
| Legal | 500 | - | 500 |
| Election | 5,000 | 1,867 | 3,133 |
| Treasurer's fees | 52,217 | 52,249 | (32) |
| Miscellaneous | 1,600 | 853 | 747 |
| Contribution to Aspen Historical Society | 988,000 | 1,003,000 | (15,000) |
| Contingency | 10,000 | - | 10,000 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 1,076,017 | 1,075,027 | 990 |
| NET CHANGE IN FUND BALANCE | 1,605 | 9,126 | 7,521 |
| FUND BALANCE - BEGINNING OF YEAR | <hr/> 44,520 | <hr/> 50,666 | <hr/> 6,146 |
| FUND BALANCE - END OF YEAR | <hr/> <u>\$ 46,125</u> | <hr/> <u>\$ 59,792</u> | <hr/> <u>\$ 13,667</u> |

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

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Aspen Historic Park and Recreation District (District) was organized and established on December 22, 2005 in accordance with Article 1, Title 32 of the Colorado Revised Statutes to provide funding to the Aspen Historical Society (AHS). The District provides financial funding to AHS for the management and maintenance of AHS assets and programs. The District is located in Pitkin County and includes the City of Aspen, the Town of Snowmass Village, and unincorporated parts of Pitkin County between Independence Pass and Watson Divide. The District is managed by a five person board of directors who are elected at large according to applicable statutes and regulations.

A maximum mill levy of .300 mills per property is collected within the District area. After the allocation of taxes for administrative costs and statutory reserves, the taxes are distributed to Aspen Historical Society based on annual funding commitments.

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District, including the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The General Fund is the District's operating fund. It accounts for all financial resources of the general government.

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

Budgets

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

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

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

In the fund financial statements, the governmental fund reports fund balance categories to provide the nature and extent of the constraints placed on a government's fund balances. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 - CASH AND INVESTMENTS

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

| | |
|-------------------------------------|------------------|
| Cash and investments - Unrestricted | \$ 23,314 |
| Cash and investments - Restricted | <u>32,525</u> |
| | <u>\$ 55,839</u> |

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

| | |
|----------------------------|------------------|
| Cash deposits | \$ 27,573 |
| Investments | <u>28,266</u> |
| Total cash and investments | <u>\$ 55,839</u> |

Cash Deposits

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

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

As of December 31, 2022, the District's cash deposits had a bank balance and carrying balance of \$27,573, all of which was FDIC insured.

Investments

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

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

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

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to three 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 requirement.

Concentration of Credit Risk

The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer however, the District invests primarily in local government investment pools, which are not subject to concentration of credit risk.

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

| <u>Investments measured at NAV</u> | <u>Maturity</u> | <u>Carrying Balance</u> |
|------------------------------------|--------------------------------|-----------------------------|
| COLOTRUST Plus+ | Weighted average under 60 days | <u>\$ 28,266</u> |

COLOTRUST

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

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

Restricted Cash and Investments

As of December 31, 2022, the District had restricted cash and investments of \$32,525 for the TABOR Emergency Reserve (see Note 8).

NOTE 4 - DISTRIBUTIONS TO ASPEN HISTORICAL SOCIETY

In accordance with the District's service plan and funding agreement with AHS dated February 13, 2006, as amended March 29, 2018, the District is to provide funding to AHS to maintain the properties, programs and assets. During 2022, the District distributed \$1,003,000 to AHS.

NOTE 5 - FUND EQUITY

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

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$4,472 is comprised of prepaid amounts which are not in spendable form.

Assigned Fund Balance

The assigned fund balance in the General Fund in the amount of \$5,003 is comprised of the amount appropriated for use in the budget for the year ending December 31, 2023.

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
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Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$32,525 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

NOTE 6 – NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2022, the District had restricted net position of \$32,525 for the emergency reserve required by TABOR (see Note 8).

As of December 31, 2022, the District had an unrestricted net position of \$27,267.

NOTE 7 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, as amended from time to time, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 8 - TAX, SPENDING AND DEBT LIMITATIONS

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

On November 1, 2005, the District's voters approved the following ballot questions:

Shall Aspen Historic Park and Recreation District's taxes be increased \$575,000 annually (first full fiscal year increase) and by the additional amounts that are raised annually thereafter by the imposition of an ad valorem property tax levy of .300 mills and shall the proceeds of such taxes and any investment income thereon be collected and spent by the District in each fiscal year for as long as the District continues in existence, such authorization to constitute a voter-approved revenue change which may be collected and spent by the District without regard to any spending, revenue-raising, or other limitation contained in Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S., or any other law which purports to limit the District's revenues or expenditures, all without limiting in any year the amount of other revenues that may be collected and spent by the District?

Shall Aspen Historic Park and Recreation District be authorized to collect, retain and spend the full amount of all receipts, taxes, fees, rates, tolls, penalties, charges, surcharges, grants, contributions, payments in lieu of taxes, fees, rates, tolls, penalties, or other charges, and any other source, such authorization to constitute a voter-approved revenue change which may be collected and spent by the District without regard to any spending, revenue-raising, or other limitation contained in Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S., or any other law which purports to limit the District's revenues or expenditures, all without limiting in any year the amount of other revenues that may be collected and spent by the District?

As of December 31, 2022, the District has no authorized but unissued debt.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

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

OTHER INFORMATION

**ASPEN HISTORIC PARK AND RECREATION DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2022**

| <u>Year Ended December 31,</u> | <u>Prior Year Assessed Valuation for Current Year Tax Levy</u> | <u>Mills Levied</u> | <u>Total Property Taxes</u> | | <u>Percent Collected to Levied</u> |
|------------------------------------|--|-------------------------|-----------------------------|--------------------------------|--|
| | | | <u>Levied</u> | <u>Collected Currently</u> | |
| 2008 | \$ 2,504,624,080 | 0.300 | \$ 751,387 | \$ 749,219 | 99.71% |
| 2009 | \$ 2,552,953,670 | 0.300 | \$ 765,886 | \$ 762,626 | 99.57% |
| 2010 | \$ 3,355,435,658 | 0.236 (A) | \$ 791,883 | \$ 784,248 | 99.04% |
| 2011 | \$ 3,374,848,280 | 0.237 (B) | \$ 799,839 | \$ 789,943 | 98.76% |
| 2012 | \$ 2,553,629,900 | 0.300 | \$ 766,089 | \$ 757,922 | 98.93% |
| 2013 | \$ 2,545,246,460 | 0.300 | \$ 763,574 | \$ 760,234 | 99.56% |
| 2014 | \$ 2,408,091,890 | 0.300 | \$ 722,428 | \$ 718,837 | 99.50% |
| 2015 | \$ 2,418,733,540 | 0.300 | \$ 725,620 | \$ 719,045 | 99.09% |
| 2016 | \$ 2,735,887,980 | 0.300 | \$ 820,766 | \$ 815,430 | 99.35% |
| 2017 | \$ 2,734,986,230 | 0.300 | \$ 820,496 | \$ 817,023 | 99.58% |
| 2018 | \$ 2,904,580,540 | 0.300 | \$ 871,374 | \$ 869,656 | 99.80% |
| 2019 | \$ 2,913,956,867 | 0.300 | \$ 874,187 | \$ 872,670 | 99.83% |
| 2020 | \$ 3,208,802,880 | 0.300 | \$ 962,641 | \$ 943,946 | 98.06% |
| 2021 | \$ 3,206,962,050 | 0.300 | \$ 962,089 | \$ 961,006 | 99.89% |
| 2022 | \$ 3,481,134,730 | 0.300 | \$ 1,044,340 | \$ 1,043,959 | 99.96% |

Estimated for
the year ending
December 31,
2023

\$ 3,464,936,300 0.300 \$ 1,039,481

NOTES:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

(A) - Includes temporary mill levy rate reduction of 0.064 mills

(B) - Includes temporary mill levy rate reduction of 0.063 mills

The District experienced significant increases in the assessed valuation for property taxes to be collected in 2010 and 2011. Although not required, in order to maintain property tax revenue at a consistent level and not have significant increases, the District Board of Directors approved temporary mill levy rate reductions as noted in (A) and (B) above.