Jefferson Parkway Public Highway Authority
Regular Board Meeting AMENDED Agenda
Thursday, April 18, 2024 - 3 p.m.
REMOTE MEETING ONLY
via Zoom: tinyurl.com/JPPHAmeeting

1. Call to Order
2. Pledge of Allegiance
3. Public Comment
4. Approval of Minutes
   A. February 20, 2024 JPPHA Board Meeting
5. Report from Interim Executive Director
6. New Business
   A. Presentation of 2021 Audit
   B. Selection of Auditor for 2022 Audit
      1. Letter of Engagement - Fiscal Focus Partners for the 2022 Audit
7. Broomfield Withdrawal Update
8. Reports of the General Counsel
   A. Approve Mayer Brown additional Initial Work to negotiate a settlement with the City and County of Broomfield, per the terms of the Mayer Brown engagement letter dated September 29, 2023, with a not-to-exceed amount of $50,000
9. Report from the Board of Directors
10. Adjournment

Jefferson Parkway Public Highway Authority
Regular Board Meeting Minutes
Tuesday, February 20, 2024
3:00 p.m.
Remote Meeting
via Zoom: tinyurl.com/JPPHAmeeting

I. Call to Order

Director Dahlkemper called the meeting of the Jefferson Parkway Public Highway Authority (JPPHA) to order at 3:00 p.m. Present were Director Bob Fifer, Director Deven Shaff, Director Lesley Dahlkemper, Director Randy Moorman and alternate Director Heidi Henkel. Also in attendance: Bryan Archer, Interim Exec. Director; Tamara Seaver, JPPHA Counsel; Rachel Morris, Arvada City Attorney; Lorie Gillis, Arvada City Manager; Linda Haley, Arvada Deputy City Manager; Kym Sorrells, Jefferson County Attorney; Nancy Rodgers, Broomfield; and Kate Newman, Jefferson County.

II. Pledge of Allegiance

III. Public Comment - None

IV. Election of Officers

Director Dahlkemper stated that item IX.A. on the agenda is tied in part to these elections, and specifically to the Secretary, accordingly she recommended moving agenda item IX.A. up for discussion as part of the Election of Officers item so Ms. Seaver can advise the Board regarding Colorado Open Records Act matters pertaining to the Board's desire to have Mr. Archer serve as the JPPHA's official custodian.

A. Role of Elected Officers

Ms. Seaver advised the Board regarding the Colorado Open Records Act provisions requiring that official custodians be either employees or officers of their public entity. She noted that because Mr. Archer was not an employee, the Board's desire to see him serve as official custodian could be achieved by appointing his as the Secretary. She then reviewed with the Board of Directors the JPPHA by-laws which detail the roles of the various officers of the Board. She pointed to the Board to the bylaws provision stating the Secretary does not need to be a director.

Director Moorman asked for clarity on who the Board members are from each jurisdiction. Ms. Seaver advised that there are two board members from Arvada, and one board member each from the counties, with alternates. She reported that each governmental unit is entitled to 2 votes and that 1 director may exercise both votes if only one director is appointed by a jurisdiction as is often the case with the county commissioners given legal concerns about creating a county commissioner quorum if 2 of the 3 commissioners were to attend and vote.

B. Election of Chair; Vice-Chair; Treasurer; Secretary

Director Fifer moved to appoint Director Dahlkemper as Chair. Director Shaff seconded the motion.

The following votes were cast on the motion:
Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved.

Director Shaff moved to appoint Director Shaff as Vice-Chair. Director Fifer seconded the motion.

The following votes were cast on the motion:
Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved.

Director Dahlkemper moved to appoint Director Fifer as Treasurer. Director Moorman seconded the motion.

The following votes were cast on the motion:
Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved.

Director Dahlkemper moved to appoint Mr. Archer as Secretary. Director Moorman seconded the motion.

The following votes were cast on the motion:
Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved.

V. Approval of Minutes

A. December 21, 2023

Director Fifer moved to approve the December 21, 2023, minutes. Director Shaff seconded the motion.

The following votes were cast on the motion:
Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved.

VI. New Business

A. Intergovernmental Agreement between the Jeferson Parkway Public Highway

Authority (JPPHA) and the City of Arvada for the secondment of an Arvada employee to JPPHA

Ms. Seaver reviewed the agreement with the Board of Directors, noting it was substantively the same as the prior agreement for Mr. Ray's services. Among other items noted by Ms. Seaver during her review, she noted that Mr. Archer remains an Arvada employee and Arvada maintains his salary and benefits.

Director Fifer moved to approve the Intergovernmental Agreement between the Jefferson Parkway Public Highway Authority (JPPHA) and the City of Arvada for the secondment of an Arvada employee to JPPHA. Director Moorman seconded the motion.

The following votes were cast on the motion:
Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved.

B. Set JPPHA Board Meeting dates for 2024

Mr. Archer reported that historically JPPHA meetings were held quarterly with the exception of the December meeting. He said these can be adjusted as needed.

Director Moorman moved that April 18, July 18, October 17 and December 19, 2024, at 3:00 p.m. be set as the JPPHA regular meeting dates for 2024. Director Fifer seconded the motion.

The following votes were cast on the motion:
Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved

VII. Broomfield Withdrawal

Director Shaff said he is excited to deal with this issue. He said Broomfield submitted a letter to withdraw in 2019 and they are looking to the Board to take up the matter. Ms. Seaver reported that counselors for all involved parties had a productive conversation before the Board meeting on the topic of a settlement and reported on status of discussion and settlement efforts. She then advised the Board that action by JPPHA on the withdrawal request would be premature prior to attaining settlement as the two topics are directly related. Therefore, she recommended any Board action related to the withdrawal occur only after the settlement discussions are finalized and settlement documents approved.

VIII. Report of Interim Executive Director

Mr. Archer noted that following the Board meeting he was meeting with the Authority's auditor, Eric Barnes, to discuss the 2021 audit. He reported his expectation that the 2021 audit will be done in the near term, following which the 2022 audit will be commenced. Mr. Archer noted his hope to bring both audits back for approval at upcoming meetings.

IX. Report of the General Counsel

Ms. Seaver reported that Item IX(A.1) was only informational for the Board as the Colorado Open Records Act Rules are to be adopted by the Board-appointed official custodian. She then advised the Board of Directors adopt Resolution 24-01 Designating the Board Secretary as JPPHA's official custodian.

A. Resolution 24-01 Designating an Official Custodian for Purposes of Colorado Open Records Act, Sections 24-72-200.1 *et seq.*, C.R.S.

Director Fifer then moved that Resolution 24-01 Designating an Official Custodian for Purposes of Colorado Open Records Act, Sections 24-72-200.1 *et seq.,* C.R.S. be approved. Director Moorman seconded the motion.

The following votes were cast on the motion:

Those voting Yes: Dahlkemper, Fifer, Moorman, Shaff
The Motion was Approved

X. Report from the Board of Directors

Director Shaff asked that the Broomfield withdrawal be on the agenda for the April meeting for an update.

Ms. Seaver provided an update noting that Arvada's November election and a change in the Board members caused a pause in settlement discussions as the newly elected Arvada officials were brought up to speed and appointed as JPPHA Board members. She again referenced the discussion among the counselors for the parties, and her belief that it is realistic to look toward June 2024 for settlement approval.

Director Shaff thanked Ms. Seaver for the update. He asked that updates be provided at each ensuing JPPHA meeting.

XI. Adjournment at 3:34 p.m.

____
Leslie Dahlkemper, Chair

____
Christine Koch
Recording Secretary

JEFFERSON PARKWAY PUBLIC HIGHWAY AUTHORITY
Jefferson and Broomfield Counties, Colorado

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2021

JEFFERSON PARKWAY PUBLIC HIGHWAY AUTHORITY

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December 31, 2021

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FISCAL FOCUS PARTNERS LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson Parkway Public Highway Authority

Opinions

We have audited the financial statements of the governmental activities and each major fund of Jefferson Parkway Public Highway Authority (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of December 31, 2021, and the respective changes in financial position thereof, 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 Authority, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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.

Fiscal Focus Partners, LLC
P.O. Box 740339, Arvada, CO 80006
303.202.1806 www.ffpcpa.com

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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Authority'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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 on pages III through VI 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.

Arvada, Colorado
February 26, 2024

Jefferson Parkway Public Highway Authority

MANAGEMENT'S DISCUSSION AND ANALYIS

The discussion and analysis of Jefferson Parkway Public Highway Authority's financial performance provides an overall review of the Authority's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the following two components:

- Government-wide Financial and Fund Financial Statements
- Notes to the Financial Statements

Government-wide Financial Statements

The government-wide statements are designed to provide readers with a broad overview of the Authority's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all of the Authority's assets and liabilities. The difference between assets and liabilities are reported as net position. Over time, increases and decreases in net position may provide an indication of whether the Authority's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the Authority's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying activity occurs. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

The government-wide financial statements report information on all of the activities of the Authority.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. A major fund should generally meet both of the following criteria: 1) total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, or expenditures/expenses) for that fund type (i.e. governmental or enterprise funds), and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund, its General Fund. By rule, this fund is categorized as major.

Governmental Funds

Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items, which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for all funds.

The Authority adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison schedule has been provided for the Authority's General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-4 of this report.

Notes to the Financial Statements

The notes to the basic financial statements are considered an integral part of the financial statements, since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 6-13 of this report.

Government-wide Financial Analysis

At the close of December 31, 2021, the Authority's assets exceeded liabilities by $5,116,992. For more detailed information, see the Statement of Net Position on page 1 of this report.

Financial Analysis of the Authority's Funds

As noted previously, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of year.

At the end of December 31, 2021, the Authority's governmental fund reported liabilities in excess of assets by $1,543. This was made up of $400 emergency reserves and a $1,943 unassigned fund deficit.

Budgetary Highlights

The general fund actual revenue and expenses were comparable to the budgeted amounts with no material variances

Capital Assets and Debt Administration

The Authority's capital assets are currently made up of land holdings, which will be used as part of the development of the highway.

The Authority has no general obligation debt.

Economic Factors and Relevant Authority Information

The first preliminary engineering study for a circumferential beltway for the Denver Metro area was funded by Congress in 1968. More than fifty years later, approximately 80% has been pieced together by the efforts of the State and combinations of various local entities, and several original segments are adding new capacity.

Of the 20 miles remaining, portions of US 6, Highway 93 on the south end, and Interlocken Boulevard on the north end provide some functional transportation capacity, but there is an approximate 10 mile gap where there is no existing transportation infrastructure between Highway 93 north of West 64th Avenue to the intersection of Highway 128 and Simms Street. It is the purpose of the Jefferson Parkway Public Highway Authority (JPPHA) to design, build, operate, maintain, and finance this final un-built portion of the beltway via a public-private partnership.

Between 2003 and 2008, the Colorado Department of Transportation undertook a $15 million Environmental Impact Statement process to determine the most efficacious way to connect the terminus of the Northwest Parkway in Broomfield to the terminus of C-470 by the Jefferson County Courthouse. Having reached the draft EIS stage in early 2008, CDOT determined that it could not reach a Record of Decision, since the EIS process requires a source of funding to implement the preferred alternative. Instead, it released the draft EIS materials as the Northwest Transportation and Environmental Study and invited any and all interested parties to utilize the information and analysis thus far generated.

In response, the City of Arvada, the City and County of Broomfield, and Jefferson County jointly created the Jefferson Parkway Public Highway Authority on May 22, 2008. Since that time, JPPHA has assembled a team via contracts for legal services, project management, financial advisory services, environmental review, and records management. JPPHA does not have any paid employees. In 2010, the Jefferson Parkway was added to the fiscally constrained regional transportation plan, which indicated that DRCOG and the State Air Quality Commission have determined that the Parkway will not degrade regional air quality over the next 25 years.

In 2011 JPPHA entered into a preferred private partner arrangement with Isolux Corisan, an international company specializing in public private partnership (P3) construction projects. Preliminary investigation has examined several different financial and operating models though no final decisions have been made at this time. The preferred private partnership relationship lapsed in the spring of 2015.

The Authority completed the purchase of the Rocky Flats Transportation Corridor for $2.8 million in 2012. The Federal actions that led to that sale were challenged by the City of Golden, the Town of Superior and two environmental groups in January 2013 and that challenged was dismissed in December of that year. Superior and the environmental groups appealed to the 10th Circuit Court of Appeals and oral arguments were made in November 2013. In the spring of 2015 that appeal was also dismissed, confirming the acquisition of the Rocky Flats transportation corridor.

Meanwhile, the Authority has continued to acquire the remaining land needed for the right of way, including the land in private ownership. The Candelas development has dedicated right of way through the development, as well as the Leyden Rock development. The City of Arvada has sought and received approval from Jefferson County Open Space to allow reversion of land originally purchased for open space in the Pattridge property as right of way.

In the spring of 2015, the Authority reached an agreement to purchase an approximate 4 acre parcel from the Hotchkiss family and has acquired a 2.42 acre parcel from the Consolidated Mutual Water Company in November 2016. A recent redesign of the Highway 72 interchange, made at the request of the Jefferson Center Metro District, will require some trading of land and easements between the Authority and JCMD to accommodate the redesign. This may also require the additional acquisition of one acre more or less from a third party. The Authority now has ownership of 100% of the main line right of way, through either outright acquisition or ownership by one of the member jurisdictions. A portion of land at the Rocky Mountain Metro Airport, owned by Jefferson County, is subject to the jurisdiction of the Federal Aviation Administration.

Financial Contact

The Authority's financial statements are designed to provide users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Authority's finances and to demonstrate the Authority's accountability. Questions concerning any of the information presented in this report or requests for additional information should be sent care of the Executive Director at the following address:

Jefferson Parkway Public Highway Authority
Attention: Director of Finance
City of Arvada
8101 Ralston Road
Arvada, CO 80001

BASIC FINANCIAL STATEMENTS

Jefferson Parkway Public Highway Authority

STATEMENT OF NET POSITION

December 31, 2021

		Governmental Activities
ASSETS		
Accounts receivable	$	100
Capital assets, not being depreciated		5,118,535
Total assets		5,118,635
LIABILITIES		
Accounts payable		1,643
Total liabilities		1,643
NET POSITION		
Net investment in capital assets		5,118,535
Restricted for:		
Emergencies		400
Unrestricted		(1,943)
Total net position	$	5,116,992

The accompanying Notes to Financial Statements are an integral part of these statements.

Jefferson Parkway Public Highway Authority

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

		Program Revenues			
Functions/Programs:	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Total**
Primary government					
Governmental activities:					
General government	$ 13,076	$ 100	$ 3,761	$ -	$ (9,215)
Total governmental activities	$ 13,076	$ 100	$ 3,761	$ -	(9,215)

General Revenues:	
Interest income	1
Total general revenues	1
Change in net position	(9,214)
Net position - beginning	5,126,206
Net position - ending	$ 5,116,992

The accompanying Notes to Financial Statements are an integral part of these statements.

Jefferson Parkway Public Highway Authority

BALANCE SHEET
GOVERNMENTAL FUND

December 31, 2021

	General Fund
ASSETS	
Accounts receivable	$ 100
Total assets	$ 100
LIABILITIES	
Accounts payable	1,643
Total liabilities	1,643
FUND BALANCES	
Restricted for:	
Emergencies	400
Unassigned	(1,943)
Total fund balances	(1,543)
Total liabilities and fund balance	$ 100
Total governmental fund balance per above	$ (1,543)
Amounts reported for governmental activities in the statement of net position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Capital assets, net	5,118,535
Net position of governmental activities	$ 5,116,992

The accompanying Notes to Financial Statements are an integral part of these statements.

Jefferson Parkway Public Highway Authority

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Fund

For the Year Ended December 31, 2021

		General Fund
REVENUES		
Member advances	$	3,761
Recovered expenses		100
Interest income		1
Total revenues		3,862
EXPENDITURES		
General government		
Professional services		9,362
Dues and subscriptions		114
Office and other expenses		3,600
Total expenditures		13,076
Net change in fund balance		(9,214)
FUND BALANCES - Beginning of year		7,671
FUND BALANCES - End of year	$	(1,543)
Change in net position of governmental activities	$	(9,214)

The accompanying Notes to Financial Statements are an integral part of these statements.

Jefferson Parkway Public Highway Authority

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
General Fund

For the Year Ended December 31, 2021

	Original Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Member advances	$ 3,761	$ 3,761	-
Recovered expenses	-	100	100
Interest income	102	1	(101)
Total revenues	3,863	3,862	(1)
EXPENDITURES			
General government			
Professional services and insurance	12,337	9,362	2,975
Dues and subscriptions	114	114	-
Office and other expenses	625	3,600	(2,975)
Total expenditures	13,076	13,076	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES EXPENDITURES	(9,213)	(9,214)	(1)
FUND BALANCES - Beginning of year	7,670	7,671	1
FUND BALANCES - End of year	$ (1,543)	$ (1,543)	$ -

The accompanying Notes to Financial Statements are an integral part of these statements.

Note 1 – Reporting entity

Jefferson Parkway Public Highway Authority (the Authority), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in 2008. The Authority was formed by its members, Jefferson County, City and County of Broomfield, and City of Arvada, to facilitate the financing, construction, operation and maintenance of a public highway located on the northern and western perimeters of the Denver metropolitan area.

On February 25, 2020, the City and County of Broomfield adopted a resolution seeking to withdraw as a member of the Authority. On June 1, 2022, the Authority's other members, Jefferson County and the City of Arvada, filed a joint Complaint for Breach of Contract, Breach of Duty of Good Faith and Fair Dealing, Promissory Estoppel and Damages (the Complaint). Broomfield filed its Motion to Dismiss the Complaint on September 22, 2022. In the meantime, all three members of the Authority engaged in settlement discussions, which were still underway at the date these financial statements were available to be issued. The Court dismissed the Complaint in November of 2023. The Authority's Board of Directors voted on October 19, 2023 to join the litigation, and absent settlement, further litigation is anticipated. As stipulated by the Establishing Contract for the Authority, the withdrawal requires the consent of the City of Arvada and Jefferson County, which consent has not been granted as of the date these financial statements were available to be issued. As the terms of a withdrawal have not been unanimously approved, any potential financial impact cannot yet be determined.

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

The Authority has no employees and contracts for all of its management and professional services.

Note 2 – Summary of significant accounting policies

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

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Authority except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the Authority. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the Authority is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment is 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, internally dedicated revenues, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for 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. Expenditures for capital assets are shown as increases in assets and redemption of bonds is 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 Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, when applicable, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

Expenditures, other than interest on long-term obligations, generally are recorded when a liability is incurred, or the long-term obligation is paid.

The Authority reports the following major governmental fund:

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

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

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities of the government-wide financial statements at cost, net of accumulated depreciation. Capital assets are defined by the Authority as those assets with a cost of $5,000 or greater and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

The Authority had no depreciable capital assets at December 31, 2021.

Fund Balances

In the fund financial statements, the following classifications describe the relative strength of the spending constraints.

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

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the Authority's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. 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 above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Authority's policy to use the most restrictive classification first.

Budgets

In accordance with the State Budget Law, the Authority'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 Authority's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

The Authority budgeted for a deficit fund balance in 2021, which may be a violation of state budget law. The general fund deficit fund balance is expected to be eliminated through member contributions in 2022.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3 – Cash and investments

The Authority did not have cash or investments as of December 31, 2021. The following sections of Note 3 describe the Authority's cash and investments during periods when the Authority maintains cash and investment balances.

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. As of December 31, 2021, the federal insurance limit was $250,000. 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.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority has adopted a deposit policy, which follows state statutes, for custodial credit risk. During 2021, all of the Authority’s bank balances and carrying balances were fully insured or collateralized.

Investments

The Authority's investment policy follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Authority. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

The Authority primarily limits its investments to local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Authority is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

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

Fair Value Measurement and Application

The Authority 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 is recorded at amortized cost, and COLOTRUST which is recorded at net asset value.

Note 4 – Capital assets

An analysis of the Authority's capital assets for the year ended December 31, 2021 follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Capital assets, not being depreciated				
Land	$ 5,118,535	$ -	$ -	$ 5,118,535

Note 5 – Long-term obligations

Effective April 2014, the Authority entered into advance and reimbursement agreements with each of the member entities. The agreements establish the terms and conditions upon which member entities make advances to the Authority and upon which the Authority may make reimbursement to the member entities. Advances include (a) contribution of real property for right-of-way, (b) cash advances, and (c) in-kind contributions. The Authority is obligated to reimburse the member entities for the advances made to the Authority pursuant to the advance and reimbursement agreements as funds are available, which will be contingent upon the Authority issuing bonds; or entering into a concession and lease agreement or similar agreement. In the event that bonds are not issued or an agreement is not entered into, the Authority will reimburse the member entities from available funds not otherwise required for operations, capital improvements, debt service, or other expenses of the Authority. As of December 31, 2021, the total amount advanced to the Authority under these agreements was $16,935,882.

Note 6 – Net position

The Authority reports 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 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, 2021, the Authority had a net investment in capital assets of $5,118,535.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2021, the Authority had net position restricted for emergencies in the amount of $400.

The Authority had unrestricted net position (deficit) of $(1,943) and total net position of $5,116,992 as of December 31, 2021.

Note 7 – Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees or volunteers; and natural disasters. The Authority carries coverage for these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

The Authority is a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRCA") which provides sufficient liability and property coverage to protect against damage to the Authority's property. Other coverage includes general liability coverage.

Note 8 – Tax, spending and debt limitation

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.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2021, the Authority had $400 restricted for emergency reserves.

The Authority'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 interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

Note 9 – Subsequent Events

The Authority has evaluated subsequent events through February 26, 2024, the date the financial statements were available to be issued.

April 1, 2024

To the Board of Directors and Management
Jefferson Parkway Public Highway Authority

We are pleased to propose audit services and confirm our understanding of the services we are to provide Jefferson Parkway Public Highway Authority (the Authority) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of the Authority as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with generally accepted auditing standards (GAAS). These limited procedures will consist of inquiries of management regarding 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 will 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. The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Pollution Abatement Fund, will be subjected to the auditing procedures applied in our audit of the financial statements.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether the Authority's financial statements are fairly presented, in all material respects in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance

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with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent he unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of you responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the Authority and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of the financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws and regulations.

Engagement Administration, Fees, and Other

We understand that your employees or consultants will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fiscal Focus Partners, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an applicable regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Fiscal Focus Partners, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to an applicable regulator or its designee. The applicable regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on a date mutually agreed to by your accountants and our firm. If the originally scheduled audit commencement date is not met due to delays in availability of required information and rescheduling is necessary, we will advise you of any change in anticipated report issuance dates. Eric Barnes will be the engagement partner and will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it. The designated partner may change depending on scheduling and work demands. You will be advised of any change in the designated partner. Our audit engagement commences when all information necessary to conduct the audit is available and provided to us, and ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service. This engagement agreement may be cancelled by you or by us upon written notice provided at least 60 days prior to engagement commencement.

Our fee for these services will be $5,750 plus out-of-pocket costs (such as postage, mileage, etc.). Our invoice for these fees will be rendered upon completion of fieldwork and in-house review and is payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel, contractors, and professionals, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of Directors of the Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Jefferson Parkway Public Highway Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Fiscal Focus Partners, LLC

Fiscal Focus Partners, LLC

RESPONSE:

This letter correctly sets forth the understanding of Jefferson Parkway Public Highway Authority.

Authorized signature: ______________________________Title: ______________________

Date: ___________