

**POUDRE TECH METROPOLITAN DISTRICT
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019

**POUDRE TECH METROPOLITAN DISTRICT
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Independent Auditor's Report

Members of the Board of Directors
Poudre Tech Metropolitan District

We have audited the accompanying financial statements of the governmental activities, business-type activities, and the major funds of Poudre Tech Metropolitan District as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and the major funds of Poudre Tech Metropolitan District, as of December 31, 2019 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

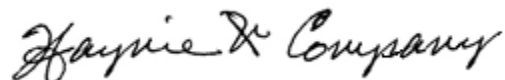
Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required 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. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Poudre Tech Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Continuing Disclosure Annual Financial Information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Littleton, Colorado
July 14, 2020

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

This section of the annual financial report offers readers of the Poudre Tech Metropolitan District's (District) financial statements its management's discussion and analysis of the District's financial performance during the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

Background Information

The District, a quasi-municipal corporation, was formed on November 23, 1994 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Windsor, Colorado. The District was established to provide public infrastructure including but not limited to roads, water and sewer services, storm drainage, green belts, parks and recreation amenities and landscaping. The District derives its revenues primarily from intergovernmental transfers, system development fees, and irrigation fees.

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

Financial Highlights

- The liabilities of the District exceeded the sum of its assets and deferred outflows of resources at the close of 2019 by \$9.2 million (net deficit). Of this amount, (\$10.4) million represents net investment in capital assets, \$47 thousand is restricted for emergencies and debt service, and \$1.2 million is unrestricted. The negative \$10.4 million net investment in capital assets is mainly due to the District being responsible for debts issued for construction of capital assets, most of which have been conveyed to other entities.
- During 2019, general revenues are minimal, totaling only \$60 thousand, about 1.1% of all revenues. The District's program specific revenues in the form of charges for services (services fees and water meter sales) accounted for 16.8%, operating grants and contributions (system development fees and transfers from Water Valley Metropolitan District Nos. 1 and 2) accounted for 34.2%, and capital grants and contributions (transfers from Water Valley Metropolitan District Nos. 1 and 2 and reimbursed expenditure from the Town of Windsor) accounted for 47.9% of all revenues.
- During 2019, the District had approximately \$5.2 million in expenses related to general government, public works, parks and recreation, debt service, and nonpotable water services, of which \$940,000 was offset by program specific charges for services. Approximately \$1.3 million of the District's expenses in 2019 were to pay interest and related costs on long-term debt.
- During 2019, the District conveyed approximately \$1.0 million in capital assets to other governments.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Overview of the Financial Statements

The annual financial report consists of two parts: management's discussion and analysis and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds and proprietary fund statements reflect how basic services were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and required and other supplementary information which provide more detailed data. See below for a summary of the major features of the Government-wide and Fund Financial Statements.

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Financial Statements	Fund Financial Statements Governmental Funds
Scope	Entire District	The activities of the District that are not proprietary
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual and economic resources focus	Modified accrual and current financial focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements provide both short-term and long-term information about the District's overall financial status.

The statement of net position presents information on all of the District's assets and liabilities, as well as deferred outflows of resources and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. 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 activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) or fees and charges for services (business-type activities). The basic government-wide financial statements can be found on pages 1 – 2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has two fund category types: governmental funds and proprietary fund.

- *Governmental funds:* All of the District's basic services are included in governmental funds, which generally focus on: 1) inflows and outflows of cash and other financial assets, and 2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them. The District maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, found on pages 3 – 5 of this report. Budgetary financial statement for the General Fund and Debt Service Fund can be found on page 6 and 28, respectively.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

- *Proprietary fund:* On November 19, 2015, the District created its Water Activity Enterprise (Enterprise) to provide nonpotable water services and to acquire water or water rights. On January 1, 2016, the portion of the General Fund balance associated with Enterprise was transferred to the Proprietary Fund. Proprietary Fund financial statements can be found on pages 7 - 8 of this report. The statement of cash flows can be found on page 9 of this report. Budgetary financial statement for the proprietary fund can be found on page 29.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 – 26 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information. This includes the budgetary schedule for the Debt Service Fund (page 28), the budgetary schedule for the Enterprise Fund (page 29), and Schedules of Debt Service Requirement to Maturity (pages 30 – 32).

**Financial Analysis of the District as a Whole
Net Position and Changes in Net Position**

Table 1 provides a summary of the District's net position at December 31, 2019 and 2018.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	12/31/19	12/31/18	12/31/19	12/31/18	12/31/19	12/31/18
Assets						
Current Assets	\$ 305,746	\$ 100,916	\$ 1,271,161	\$ 1,406,107	\$ 1,576,907	\$ 1,507,023
Capital Assets	4,195,128	4,303,754	13,141,458	13,220,428	17,336,586	17,524,182
Total Assets	<u>4,500,874</u>	<u>4,404,670</u>	<u>14,412,619</u>	<u>14,626,535</u>	<u>18,913,493</u>	<u>19,031,205</u>
Deferred Outflows of Resources	828,005	891,918	-	-	828,005	891,918
Liabilities						
Current Liabilities	700,094	762,152	187,342	202,880	887,436	965,032
Long-Term Liabilities	24,402,535	24,772,661	3,608,000	3,772,000	28,010,535	28,544,661
Total Liabilities	<u>25,102,629</u>	<u>25,534,813</u>	<u>3,795,342</u>	<u>3,974,880</u>	<u>28,897,971</u>	<u>29,509,693</u>
Net Position						
Net Investment in Capital Assets	(19,783,224)	(20,099,782)	9,369,458	9,284,428	(10,413,766)	(10,815,354)
Restricted	47,073	39,830	-	-	47,073	39,830
Unrestricted	<u>(37,599)</u>	<u>(178,273)</u>	<u>1,247,819</u>	<u>1,367,227</u>	<u>1,210,220</u>	<u>1,188,954</u>
Total Net Position	<u>\$ (19,773,750)</u>	<u>\$ (20,238,225)</u>	<u>\$ 10,617,277</u>	<u>\$ 10,651,655</u>	<u>\$ (9,156,473)</u>	<u>\$ (9,586,570)</u>

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Table 2 provides a summary of the changes in net position.

**Table 2
Changes in Net Position from Operating Results**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 939,883	\$ 1,017,714	\$ 939,883	\$ 1,017,714
Operating and Contributions	1,802,375	1,740,951	108,125	269,475	1,910,500	2,010,426
Capital and Contributions	2,670,884	1,589,799	-	-	2,670,884	1,589,799
General Revenues						
Net investment Income	837	1,003	-	-	837	1,003
Other	41,366	2,898	17,475	-	58,841	2,898
Total Revenues	4,515,462	3,334,651	1,065,483	1,287,189	5,580,945	4,621,840
Expenses						
General Government	615,103	486,156	-	-	615,103	486,156
Public Works and Parks and Recreation	1,155,668	1,216,060	-	-	1,155,668	1,216,060
Nonpotable Water Services	-	-	1,099,861	1,029,396	1,099,861	1,029,396
Interest and Related Costs						
on Long-Term Debt	1,276,397	1,308,791	-	-	1,276,397	1,308,791
Capital Assets conveyed						
to Other Governments	1,003,819	4,985,140	-	985,353	1,003,819	5,970,493
Total Expenses	4,050,987	7,996,147	1,099,861	2,014,749	5,150,848	10,010,896
Change in Net Position	\$ 464,475	\$ (4,661,496)	\$ (34,378)	\$ (727,560)	\$ 430,097	\$ (5,389,056)

During 2019, the District's primary sources of revenues are (i) intergovernmental transfers from Water Valley Metropolitan District Nos. 1 and 2 pursuant to a Capital Pledge Agreement, as twice amended, (for debt service of the 2010 Bonds issued by the District) and the District Operating Agreement (for construction and operation and maintenance of public improvements that will be owned by the District), and (ii) service fees, system development fees, and water meter sales.

During 2019, the District's primary expenses were: (i) for governmental activities - to pay the principal and accrued interest due on the 2010 Bonds, and maintain open space and landscape improvements, (ii) for business-type activities - to operate and maintain the nonpotable water facilities, and (iii) conveyance of capital assets to other governments.

Governmental and Business-Type Activities

In 2019, the changes in net position were 464,475 and (\$34,378) for governmental activities and business-type activities, respectively. In 2019, the combined change in net position was 430,097.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 3 reflects each program's total cost and net cost of services. Net cost of services represents the cost of services supported by unrestricted property taxes.

**Table 3
Net Cost of Services**

	Total Cost of Services		Net Cost of Services	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
General Government	\$ 615,103	\$ -	\$ (615,103)	\$ -
Public Works and Parks & Recreation	1,155,668	-	(1,155,668)	-
Interest and Related Costs on Long-Term Debt	1,276,397	-	(1,276,397)	-
Capital Assets Conveyed to Other Governments	1,003,819	-	-	-
Nonpotable Water Services	-	1,099,861	-	-
Total	<u>\$ 4,050,987</u>	<u>\$ 1,099,861</u>	<u>\$ (3,047,168)</u>	<u>\$ -</u>

Financial Analysis of District Funds

General Fund

The General Fund was established and is continually funded to provide for the daily activities of the District. The General Fund provides for the general, administrative, street and landscaping maintenance, capital, and certain debt service costs of the District. The primary funding sources for the General Fund are intergovernmental transfers from Water Valley Metropolitan District Nos. 1 and 2 (primarily from property taxes) and Developer advances. The primary projects or program efforts for establishing needed funding during 2019 were:

1. Capital projects
2. Street and landscaping maintenance
3. Office overhead and other consultants' fees

The District maintains a 3% emergency reserve in compliance with TABOR (Taxpayer Bill of Rights). At December 31, 2019, the District's TABOR reserve amounted to \$46,800.

Debt Service Fund

The Debt Service Fund was established and is being funded to provide for the debt service of the bonds issued by the District in 2010.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Enterprise Fund

The Enterprise Fund provides for the operating and debt service costs of the nonpotable water system. The main funding sources for the Enterprise Fund are charges for services and capital contributions (e.g. system development fees). The primary projects for establishing needed funding during 2019 were:

1. Operating costs of the nonpotable water system
2. Office overhead
3. Debt service
4. Capital projects

Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements.

Capital Assets

By the end of 2019, the District had capital assets net of accumulated depreciation totaling approximately \$17.3 million comprised of a broad range of capital items, including infrastructure and nonpotable water system (See Table 4). This amount represents a net decrease of \$187,596 from last year. Additional information on the District's capital assets can be found in Note 4 of the financial statements. Total depreciation expense for the year was \$356,111.

**Table 4
Capital Assets (Net of Depreciation)**

	Government Activities		% of Change 2018 - 2019	Business-type Activities		% of Change 2018 - 2019	Total	
	2019	2018		2019	2018		2019	2018
Water Rights	\$ -	\$ -	N/A	\$ 10,791,000	\$ 10,791,000	0.0%	\$ 10,791,000	\$ 10,791,000
Land	108,890	108,890	0.0%	-	-	N/A	108,890	108,890
Streets (Alleyways, Curbs, etc.)	1,411,481	1,460,336	-3.3%	-	-	N/A	1,411,481	1,460,336
Parks and Recreation	2,414,862	2,440,127	-1.0%	-	-	N/A	2,414,862	2,440,127
Nonpotable Water System	-	-	N/A	2,252,761	2,388,420	-5.7%	2,252,761	2,388,420
Equipment	259,895	294,401	-11.7%	97,697	41,008	138.2%	357,592	335,409
Total Capital Assets, Net	<u>\$ 4,195,128</u>	<u>\$ 4,303,754</u>		<u>\$ 13,141,458</u>	<u>\$ 13,220,428</u>		<u>\$ 17,336,586</u>	<u>\$ 17,524,182</u>

Debt Administration

Long-Term Debt

As of December 31, 2019, the District had outstanding debts in the form of bonds, advances, and notes totaling \$28,649,535. Detailed information on the District's long-term debts is presented in Note 5 of the financial statements.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Economic Factors and Next Year's Budget

- The District is an operating metropolitan district directly associated with Water Valley Metropolitan District No. 1 ("District No. 1") and Water Valley Metropolitan District No. 2 ("District No. 2"). The District is the owner of all public improvements within District Nos. 1 and 2, including: parks, trails, pedestrian bridges, beaches, swales, recreational trails, rights of way, and other recreational and architectural amenities. In addition, the District, through its Enterprise, owns all nonpotable water utilities, lakes, and significant water rights necessary to support the delivery of nonpotable irrigation water to all residential and commercial users within District Nos. 1 and 2.
- In addition to providing management services to both District Nos. 1 and 2, the District provides a variety of essential services to the residents of both District Nos. 1 and 2. Such services include: (1) the management and maintenance of all recreational facilities, trails, and amenities owned and operated by the Districts and (2) the upkeep and maintenance of all landscaping, greenways, entry features, floodways, and public architectural amenities owned and controlled by the District. Further, through its Enterprise, the District facilitates (1) the provision of nonpotable irrigation water to residential, commercial, and public users within District Nos. 1 and 2 and (2) the maintenance and preservation of all water rights and resources, lakes, pumping facilities, distribution lines, and irrigation systems owned and controlled by the District.
- Revenues in support of the District's operations are derived from two principal sources: (1) Enterprise tap and water use fees charged to nonpotable water users within District Nos. 1 and 2 and (2) intergovernmental transfers from District Nos. 1 and 2. As the Water Valley communities continue to grow (see below), Enterprise tap and use fees have grown accordingly and are now supported by over 2,628 dwelling units and commercial users. Intergovernmental transfers are supported by ad valorem tax base of both District Nos. 1 and 2, which have been augmented by robust growth, increases in assessed valuations, and oil and gas development.
- With respect to the District revenue derived from intergovernmental transfers from District Nos. 1 and 2 and the sustainability thereof, the following commentary is provided with respect to the financial conditions of District Nos. 1 and 2:

- **Real Estate Assessed Value:**

District No. 1 is a mature district with all its residential lots having been developed and built. Within District No. 1, there have been built 844 total dwelling units, including: 591 single-family detached dwelling units, 125 single-family attached dwelling units, and 128 multi-family units (condominiums). As to commercial development in District No. 1, of the 28 acres zoned for commercial/office/retail uses, a total of approximately 16 acres have been developed into a total of approximately 24,285 square feet of office space and approximately 56,583 square feet of commercial/retail space.

The total Certified Assessed Value of Real Property within District No. 1 for 2019 (tax collection in 2020) increased 15% from 2018 (tax collection in 2019), going from \$26,234,390 to \$30,170,600. This increase in value of real property will result in additional revenue to the District in 2020.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

District No. 2 is a mixed-use community planned to consist of a total of 2,123 dwelling units, including: 1,190 single-family detached homes, 150 single-family attached homes (townhomes), and 783 multi-family units (condominiums and apartments). District No. 2 also includes approximately 101 acres zoned for commercial/office/retail uses. The development of District No. 2 is being undertaken by Trollco, Inc., a Colorado corporation. Trollco or a related entity currently owns all the remaining developable property within District No. 2. With respect to residential development in District No. 2, of the planned 1,190 single-family detached homes, approximately 1,083 have been constructed. Of the planned 150 single-family attached homes (townhomes), 150 have been constructed. Of the planned 783 multi-family units (condominiums and apartments), 491 apartments, 56 condos, and 4 duplex units have been constructed. With respect to commercial development in District No. 2, of the 101 acres zoned for commercial/office/retail uses, approximately 21 acres have been developed into a total of approximately 272,573 square feet of commercial/office/retail space.

Because of increased assessed values and new construction, the Assessed Value for real estate within the District grew 23% from 2018 (tax collection in 2019) to 2019 (tax collection in 2020) \$38,875,160 to 47,868,980. This increase in value of real property will result in additional revenue to the District in 2020.

District Nos. 1 and 2 are in the center of Northern Colorado, an area that is continuing to enjoy a robust and growing regional economy and an associated material increase in property values. As the regional economy continues to grow, so too should the values of the residential and commercial real estate within District Nos. 1 and 2.

- **Oil and Gas Ad Valorem Tax:** The financial impact of ad valorem taxes on oil and gas produced from wells within the Districts is considerable; although, as has been anticipated, the financial impact of ad valorem taxes on oil and gas produced from wells within the Districts continues to decline. This decline in oil and gas related revenues is the result of the naturally declining oil and gas production from wells within the district.

District No. 1: The total Certified Assessed Value of Oil and Gas within District No. 1 for 2019 (tax collection in 2020) decreased 45% from 2018 (tax collection in 2019), going from \$8,748,450 to \$4,771,580. At District No. 1's current mill levy of 41.943 mills, this decrease in assessed value from oil and gas will result in a reduction of revenues of approximately \$159,768 to District No. 1 in 2020. Total revenue from oil and gas taxes in 2019 and anticipated taxes for 2020 are \$359,902 and \$200,134, respectively.

District No. 2: The total Certified Assessed Value of Oil and Gas within District No. 2 for 2019 (tax collection in 2020) decreased 42% from 2018 (tax collection in 2019), going from \$26,602,200 to \$15,408,410. At District No. 2's current mill levy of 41.943 mills, this decrease in assessed value from oil and gas will result in a reduction of revenues of approximately \$448,113 to District No. 2 in 2020. Total revenue from oil and gas taxes in 2019 and anticipated taxes for 2020 are \$1,094,388 and \$646,275, respectively.

After 2020, the financial impact of oil and gas to Districts Nos. 1 and 2 will be predicated on the price of oil and gas over time, the actual amount of oil and gas produced from each well, and the number of new wells, if any, brought on line.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

Contacting the District's Financial Management Team

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Poudre Tech Metropolitan District
1625 Pelican Lake Point, Suite 201
Windsor, Colorado, 80550

BASIC FINANCIAL STATEMENTS

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 219,064	\$ 1,225,178	\$ 1,444,242
Cash and Investments - Restricted	47,073	-	47,073
Accounts Receivable	37,500	45,983	83,483
Prepaid Expenses	2,109	-	2,109
Capital Assets, Not Being Depreciated	108,890	10,791,000	10,899,890
Capital Assets, Net	<u>4,086,238</u>	<u>2,350,458</u>	<u>6,436,696</u>
Total Assets	4,500,874	14,412,619	18,913,493
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Cost of Refunding	<u>828,005</u>	-	<u>828,005</u>
Total Deferred Outflows of Resources	828,005	-	828,005
LIABILITIES			
Accounts Payable	130,797	15,289	146,086
Prepaid Assessments	-	8,053	8,053
Accrued Interest Payable	94,297	-	94,297
Noncurrent Liabilities:			
Due Within One Year	475,000	164,000	639,000
Due in More Than One Year	<u>24,402,535</u>	<u>3,608,000</u>	<u>28,010,535</u>
Total Liabilities	<u>25,102,629</u>	<u>3,795,342</u>	<u>28,897,971</u>
NET POSITION			
Net Investment in Capital Assets	(19,783,224)	9,369,458	(10,413,766)
Restricted for:			
Emergency Reserves	46,800	-	46,800
Debt Service	273	-	273
Unrestricted	<u>(37,599)</u>	<u>1,247,819</u>	<u>1,210,220</u>
Total Net Position	<u>\$ (19,773,750)</u>	<u>\$ 10,617,277</u>	<u>\$ (9,156,473)</u>

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
DECEMBER 31, 2019**

	Expenses	Program Revenues			Net (Revenues) Expenses and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental Activities:							
General Government	\$ 615,103	\$ -	\$ 1,802,375	\$ -	\$ 1,187,272	\$ -	\$ 1,187,272
Public Works and Parks and Recreation	1,155,668	-	-	66,696	(1,088,972)	-	(1,088,972)
Interest and Related Costs on Long-Term Debt	1,276,397	-	-	1,600,369	323,972	-	323,972
Capital Assets Conveyed to Other Governments	1,003,819	-	-	1,003,819	-	-	-
Total Governmental Activities	4,050,987	-	1,802,375	2,670,884	422,272	-	422,272
Business-Type Activities:							
Nonpotable Water Services	1,099,861	939,883	108,125	-	-	(51,853)	(51,853)
Total Business-Type Activities	1,099,861	939,883	108,125	-	-	(51,853)	(51,853)
Total Governmental and Business-Type Activities	<u>\$ 5,150,848</u>	<u>\$ 939,883</u>	<u>\$ 1,910,500</u>	<u>\$ 2,670,884</u>	422,272	(51,853)	370,419
GENERAL REVENUES							
Net Investment Income					837	-	837
Other Income					41,366	17,475	58,841
Total General Revenues					<u>42,203</u>	<u>17,475</u>	<u>59,678</u>
CHANGE IN NET POSITION							
Net Position - Beginning of Year					(20,238,225)	10,651,655	(9,586,570)
NET POSITION - END OF YEAR							
					<u>\$ (19,773,750)</u>	<u>\$ 10,617,277</u>	<u>\$ (9,156,473)</u>

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 219,064	\$ -	\$ 219,064
Cash and Investments - Restricted	46,800	273	47,073
Accounts Receivable	37,500	-	37,500
Prepaid Expenses	2,109	-	2,109
Total Assets	\$ 305,473	\$ 273	\$ 305,746
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 130,797	\$ -	\$ 130,797
Total Liabilities	130,797	-	130,797
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	2,109	-	2,109
Restricted			
Emergency Reserves	46,800	-	46,800
Debt Service	-	273	273
Unassigned			
General Government	125,767	-	125,767
Total Fund Balances	174,676	273	174,949
Total Liabilities and Fund Balances	\$ 305,473	\$ 273	

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

The deferred cost of refunding is not a current financial resource, therefore not reported as a deferred outflow of resources in the fund financial statements.

828,005

Capital assets used in governmental activities are not current financial resources, therefore not reported in the fund financial statements.

Capital Assets, Not Being Depreciated

108,890

Capital Assets, Net

4,086,238

Long-term liabilities, including bonds payable, are not due and payable in the current period, therefore not reported in the fund financial statements.

Bonds Payable

(22,750,000)

Bond Premium

(517,081)

Accrued Interest Payable - Bonds

(94,297)

Developer Advances Payable

(1,350,355)

Accrued Interest Payable - Developer Advances

(260,099)

Net Position of Governmental Activities

\$ (19,773,750)

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General	Debt Service	Governmental Funds
REVENUES			
Transfer from Water Valley No. 1 - Other	\$ 636,348	\$ 5,599	\$ 641,947
Transfer from Water Valley No. 1 - Series 2010 Bonds	-	377,869	377,869
Transfer from Water Valley No. 2 - Other	1,166,027	61,097	1,227,124
Transfer from Water Valley No. 2 - Series 2010 Bonds	-	1,222,500	1,222,500
Other Income	41,366	-	41,366
Net Investment Income	-	837	837
Reimbursed Expenditures	1,003,819	-	1,003,819
Total Revenues	<u>2,847,560</u>	<u>1,667,902</u>	<u>4,515,462</u>
EXPENDITURES			
General and Administrative:			
Accounting	59,841	-	59,841
Audit	25,317	-	25,317
Administrative			
Staffing	113,609	-	113,609
Management Fee	37,800	-	37,800
Other	11,758	-	11,758
Banking Fees	1,460	-	1,460
Consulting and Studies	20,714	-	20,714
District Events	5,820	-	5,820
Dues and Memberships	1,724	-	1,724
Insurance	40,379	-	40,379
Legal	47,720	-	47,720
Miscellaneous	7,298	-	7,298
Office Supplies	4,129	-	4,129
Rent	24,000	-	24,000
Office Overhead	213,534	-	213,534
Operations and Maintenance:			
Electricity and Gas	42,494	-	42,494
Softscape - Landscape Contract	396,750	-	396,750
Special Projects and Moving	173,864	-	173,864
Snow Removal	48,104	-	48,104
Repairs and Maintenance	51,064	-	51,064
Pest Control	10,794	-	10,794
Security	108,282	-	108,282
Beach Maintenance	39,183	-	39,183
Hardscape - Fence improvements/Staining	71,922	-	71,922
Capital Outlay:			
Tree Replacement	18,304	-	18,304
Other Capital Projects - PTMD	8,900	-	8,900
Water Valley 1 Capital Projects	5,599	-	5,599
Water Valley 2 Capital Projects	61,097	-	61,097
Equipment Acquisition	112,202	-	112,202
Capital Projects/Certified Costs	1,003,819	-	1,003,819
Debt Service:			
Bond Interest Series 2010A	-	903,500	903,500
Bond Interest Series 2010B	-	246,063	246,063
Bond Principal Series 2010B	-	450,000	450,000
Paying Agent/Trustee Fees	-	2,000	2,000
Total Expenditures	<u>2,767,481</u>	<u>1,601,563</u>	<u>4,369,044</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	80,079	66,339	146,418
OTHER FINANCING SOURCES (USES)			
Developer Advances - Office Overhead	213,534	-	213,534
Developer Advances - Certified Costs	1,003,819	-	1,003,819
Transfer from (to) Other Funds	66,696	(66,696)	-
Repayment of Developer Advances - Office Overhead	(171,081)	-	(171,081)
Repayment of Dev. Advances - Acquired Facilities/Certified Costs	(1,003,819)	-	(1,003,819)
Total Other Financing Sources (Uses)	<u>109,149</u>	<u>(66,696)</u>	<u>42,453</u>
NET CHANGE IN FUND BALANCES	189,228	(357)	188,871
Fund Balances - Beginning of Year	(14,552)	630	(13,922)
FUND BALANCES - END OF YEAR	<u>\$ 174,676</u>	<u>\$ 273</u>	<u>\$ 174,949</u>

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 188,871

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

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

Capital Outlay (Excluding Capital Leases)	104,585
Depreciation	(213,211)
Capital Leases Payments - Principal Portion	101,517

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

Developer Advances	(1,217,353)
Repayment of Developer Advances	1,174,900
Repayment of Bonds - Principal Portion	450,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability	1,500
Accrued Interest on Developer Advances - Change in Liability	(102,334)
Amortization of Deferred Cost of Refunding	(63,913)
Accretion of Bond Premium	39,913

Change in Net Position of Governmental Activities \$ 464,475

**POUDRE TECH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Transfer from Water Valley No. 1	\$ 654,971	\$ 636,348	\$ 636,348	\$ -
Transfer from Water Valley No. 2	1,176,332	1,166,027	1,166,027	-
Reimbursed Expenditures	-	1,003,819	1,003,819	-
Other Income	-	41,500	41,366	(134)
Total Revenues	<u>1,831,303</u>	<u>2,847,694</u>	<u>2,847,560</u>	<u>(134)</u>
EXPENDITURES				
General and Administrative:				
Accounting	70,000	68,000	59,841	8,159
Audit	25,000	25,317	25,317	-
Administrative				
Staffing	93,000	114,000	113,609	391
Management Fee	54,000	37,800	37,800	-
Other	9,654	12,000	11,758	242
Banking Fees	2,000	1,500	1,460	40
Consulting and Studies	20,000	22,000	20,714	1,286
District Events	5,000	6,000	5,820	180
Dues and Memberships	2,000	1,724	1,724	-
Insurance	40,000	40,379	40,379	-
Legal	50,000	50,000	47,720	2,280
Miscellaneous	2,000	8,181	7,298	883
Office Supplies	5,000	5,000	4,129	871
Rent	24,000	24,000	24,000	-
Office Overhead	213,534	213,534	213,534	-
Operations and Maintenance:				
Electricity and Gas	45,000	45,000	42,494	2,506
Softscape - Landscape Contract	342,000	397,000	396,750	250
Special Projects and Moving	32,000	170,725	173,864	(3,139)
Snow Removal	32,000	48,150	48,104	46
Repairs and Maintenance	50,000	50,800	51,064	(264)
Pest Control	9,000	11,000	10,794	206
Security	85,000	109,000	108,282	718
Beach Maintenance	65,500	40,000	39,183	817
Hardscape - Fence improvements/Staining	29,000	72,000	71,922	78
Capital Outlay:				
Tree Replacement	180,000	18,375	18,304	71
Other Capital Projects - PTMD	261,015	58,900	8,900	50,000
Water Valley 1 Capital Projects	5,600	5,599	5,599	-
Water Valley 2 Capital Projects	60,630	61,097	61,097	-
Equipment Acquisition	90,000	112,200	112,202	(2)
Capital Projects/Certified Costs	-	1,003,819	1,003,819	-
Total Expenditures	<u>1,901,933</u>	<u>2,833,100</u>	<u>2,767,481</u>	<u>65,619</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(70,630)	14,594	80,079	65,485
OTHER FINANCING SOURCES (USES)				
Developer Advances - Office Overhead	213,534	213,534	213,534	-
Developer Advances - Certified Costs	-	1,003,819	1,003,819	-
Transfer from (to) Other Funds	66,230	66,700	66,696	(4)
Repayment of Developer Advances - Office Overhead	(213,534)	(171,081)	(171,081)	-
Repayment of Dev. Advances - Certified Costs	-	(1,003,819)	(1,003,819)	-
Total Other Financing Sources (Uses)	<u>66,230</u>	<u>109,153</u>	<u>109,149</u>	<u>(4)</u>
NET CHANGE IN FUND BALANCE	(4,400)	123,747	189,228	65,481
Fund Balance - Beginning of Year	<u>40,800</u>	<u>(14,552)</u>	<u>(14,552)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 36,400</u>	<u>\$ 109,195</u>	<u>\$ 174,676</u>	<u>\$ 65,481</u>

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019**

	<u>Enterprise Fund</u>
ASSETS	
Cash and Investments	\$ 1,225,178
Accounts Receivable	45,983
Capital Assets, Not Being Depreciated	10,791,000
Capital Assets, Net	<u>2,350,458</u>
Total Assets	<u>14,412,619</u>
LIABILITIES	
Accounts Payable	15,289
Prepaid Assessments	8,053
Noncurrent Liabilities:	
Due Within One Year	164,000
Due in More Than One Year	<u>3,608,000</u>
Total Liabilities	<u>3,795,342</u>
NET POSITION	
Net Investment in Capital Assets	9,369,458
Unrestricted	<u>1,247,819</u>
Total Net Position	<u><u>\$ 10,617,277</u></u>

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019**

	Enterprise Fund
OPERATING REVENUES	
Service Fees	\$ 862,383
Water Meter Sales	77,500
Total Operating Revenues	939,883
OPERATING EXPENSES	
Administration - Billing	8,100
Administration - Core	450
Administration - Staffing	42,554
Electricity and Gas	146,342
Repairs and Maintenance	47,971
Water Meters and Installation	249,182
Scada	32,059
Delivery and Ditch expenses	28,355
Water System Manager and Field Staff	221,334
Depreciation	142,900
Total Operating Expenses	919,247
OPERATING INCOME (LOSS)	20,636
OTHER REVENUES AND EXPENSES	
System Development Fees	108,125
Other Income	17,475
Loan Interest	(180,614)
Total Other Revenues and Expenses	(55,014)
CHANGE IN NET POSITION	(34,378)
Net Position - Beginning of Year	10,651,655
NET POSITION - END OF YEAR	\$ 10,617,277

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 1,003,843
Payments to Suppliers/Contractors	<u>(789,876)</u>
Net Cash Provided (Required) by Operating Activities	213,967

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payment - Loan Principal	(164,000)
Payment - Loan Interest	(180,614)
Receipt - System Development Fees	108,125
Receipt - Other Income	17,475
Payments - Capital Projects	<u>(63,930)</u>
Net Cash Provided (Required) by Capital and Related Financing Activities	<u>(282,944)</u>

NET INCREASE (DECREASE) IN CASH AND INVESTMENTS (68,977)

Cash and Investment - Beginning of Year 1,294,155

CASH AND INVESTMENTS - END OF YEAR \$ 1,225,178

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED
(REQUIRED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ 20,636
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Required) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	60,705
(Increase) Decrease in Prepaid Expenses	5,264
Increase (Decrease) in Accounts Payable	(18,793)
Increase (Decrease) in Prepaid Assessments	3,255
Depreciation	<u>142,900</u>
Net Cash Provided (Required) by Operating Activities	<u><u>\$ 213,967</u></u>

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY

Poudre Tech Metropolitan District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Windsor, Weld County, Colorado, in 1994, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide water and wastewater services, street construction, installation of safety control devices and construction and maintenance of parks and recreation facilities. The District is the Operating District organized in conjunction with two other related Financing Districts – Water Valley Metropolitan District Nos. 1 and 2 (District No. 1 and District No. 2). The District serves as the Operating District which is responsible for managing the construction and operation of facilities and improvements needed for District No. 1 and District No. 2. The Financing Districts are responsible for providing the tax base needed to support financing of capital improvements.

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.

On November 19, 2015, the District created its Water Activity Enterprise to provide nonpotable water services and to acquire water or water rights.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which are normally supported by property taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

The District reports the following major proprietary fund:

The Enterprise Fund accounts for activities related to nonpotable water services.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2019.

Pooled Cash and Investments

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset nor materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Alleyways and Curbs	20 - 75 years
Nonpotable Water	15 - 50 years
Equipment	5 - 25 years
Parks and Recreation	10 - 50 years

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Water Rights

The cost of water rights includes acquisition cost, and may also include legal and engineering costs related to the development and augmentation of those rights. Since the rights have perpetual lives, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

Equity

Net Position

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

Fund Balance

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

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

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

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,444,242
Cash and Investments - Restricted	47,073
Total Cash and Investments	<u>\$ 1,491,315</u>

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 1,491,042
Investments	273
Total Cash and Investments	<u>\$ 1,491,315</u>

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2019, the District's cash deposits had a bank and carrying balance of \$1,491,042.

Investments

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

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

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

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

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

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement and Application

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

At December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Balance</u>
Morgan Stanley Institutional Liquidity Funds Treasury Portfolio	Weighted average 30 days	\$ 273

Morgan Stanley Institutional Liquidity Funds Treasury Portfolio

At December 31, 2019, the District's debt service funds held in trust by UMB Bank, n.a. (Trustee) were invested in Morgan Stanley Institutional Liquidity Funds Treasury Portfolio. This portfolio invests in liquid, high-quality debt securities issued by the U.S. Treasury and is rated AAAM by Standard & Poor's.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Reductions/ Reclassi- fications	Balance at December 31, 2019
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Land	108,890	-	-	108,890
Total Capital Assets, Not Being Depreciated	108,890	-	-	108,890
Capital Assets, Being Depreciated:				
Streets (alleyways, curbs, etc.)	1,829,820	22,300	-	1,852,120
Parks and Recreation	2,684,993	71,600	-	2,756,593
Equipment	516,132	10,685	-	526,817
Total Capital Assets, Being Depreciated	5,030,945	104,585	-	5,135,530
Less Accumulated Depreciation for:				
Streets (alleyways, curbs, etc.)	(369,484)	(71,155)	-	(440,639)
Parks and Recreation	(244,866)	(96,865)	-	(341,731)
Equipment	(221,731)	(45,191)	-	(266,922)
Total Accumulated Depreciation	(836,081)	(213,211)	-	(1,049,292)
Total Capital Assets, Being Depreciated, Net	4,194,864	(108,626)	-	4,086,238
Governmental Capital Assets, Net	4,303,754	(108,626)	-	4,195,128
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Water Rights	10,791,000	-	-	10,791,000
Total Capital Assets, Not Being Depreciated	10,791,000	-	-	10,791,000
Capital Assets, Being Depreciated:				
Nonpotable Water	2,803,654	-	-	2,803,654
Equipment	48,988	63,930	-	112,918
Total Capital Assets, Being Depreciated	2,852,642	63,930	-	2,916,572
Less Accumulated Depreciation for:				
Nonpotable Water	(415,234)	(135,659)	-	(550,893)
Equipment	(7,980)	(7,241)	-	(15,221)
Total Accumulated Depreciation	(423,214)	(142,900)	-	(566,114)
Total Capital Assets, Being Depreciated, Net	2,429,428	(78,970)	-	2,350,458
Business-Type Capital Assets, Net	13,220,428	(78,970)	-	13,141,458
Total Capital Assets, Net	\$ 17,524,182	\$ (187,596)	\$ -	\$ 17,336,586

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged during the year as follows:

Governmental Activities:	
Streets	\$ 71,155
Parks and Recreation	96,865
Equipment	<u>45,191</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 213,211</u></u>
Business-Type Activities:	
Nonpotable Water	\$ 135,659
Equipment	<u>7,241</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 142,900</u></u>

In September 2019, the District's water rights were valued by an independent third-party appraiser at \$29,562,000.

During 2019, certain capital assets constructed or caused to be constructed by the District were conveyed to other government entities. The costs of all capital assets transferred to other government entities were removed from the District's financial records.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Reductions/ Reclassifications	Balance at December 31, 2019	Due Within One Year
Governmental Activities:					
Revenue Refunding and Improvement:					
Bonds, Series 2010 A & B	\$ 23,200,000	\$ -	\$ 450,000	\$ 22,750,000	\$ 475,000
Series 2010 A & B Bond Premium	556,994	-	39,913	517,081	-
Bonds Payable	<u>23,756,994</u>	-	<u>489,913</u>	<u>23,267,081</u>	<u>475,000</u>
Capital Leases					
General Electric Toolcat	3,500	-	3,500	-	-
Caterpillar Compact Track Loader	8,484	-	8,484	-	-
Caterpillar Backhoe Loader	15,236	-	15,236	-	-
Caterpillar Hydraulic Excavator	74,297	-	74,297	-	-
Capital Leases Payable	<u>101,517</u>	-	<u>101,517</u>	-	-
Developer Advances Payable	1,307,902	1,217,353	1,174,900	1,350,355	-
Accrued Interest on Developer Advances	157,765	102,334	-	260,099	-
Developer Advance Payable	<u>1,465,667</u>	<u>1,319,687</u>	<u>1,174,900</u>	<u>1,610,454</u>	<u>-</u>
Total Governmental Activities	25,324,178	1,319,687	1,766,330	24,877,535	475,000
Business-Type Activities:					
Taxable Water Revenue Note, Series 2016					
	<u>3,936,000</u>	-	<u>164,000</u>	<u>3,772,000</u>	<u>164,000</u>
Total Business-Type Activities	<u>3,936,000</u>	-	<u>164,000</u>	<u>3,772,000</u>	<u>164,000</u>
Total	<u>\$ 29,260,178</u>	<u>\$ 1,319,687</u>	<u>\$ 1,930,330</u>	<u>\$ 28,649,535</u>	<u>\$ 639,000</u>

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

Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B and C

On October 22, 2010, the District issued the following Bonds: 1) \$18,070,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010A with an interest rate of 5.0%, 2) \$7,305,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010B with interest rates varying from 2.5% to 5.0% and 3) \$300,000 Taxable Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2010C with an interest rate of 1.25%.

The Series 2010A bonds are subject to redemption prior to maturity, at the option of the District, as a whole or integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, without redemption premium. The bonds maturing December 1, 2030, are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2027, and on each December 1 thereafter prior to the maturity date. Additionally, the bonds maturing December 1, 2039 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2011, and on each December 1 thereafter prior to the maturity date.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds,
Series 2010 A, B and C (Continued)**

The Series 2010B bonds maturing December 1, 2021, are subject to redemption prior to the maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the date of redemption, without redemption premium. The bonds maturing December 1, 2028, are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2025, and on each December 1 thereafter prior the maturity date.

The Series 2010C bonds were paid for in full on December 1, 2010.

The District's 2010 Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 475,000	\$ 1,131,563	\$ 1,606,563
2021	495,000	1,113,750	1,608,750
2022	545,000	1,089,000	1,634,000
2023	575,000	1,061,750	1,636,750
2024	600,000	1,033,000	1,633,000
2025-2029	3,970,000	4,676,250	8,646,250
2030-2034	6,940,000	3,368,000	10,308,000
2035-2039	9,150,000	1,419,500	10,569,500
Total	<u>\$ 22,750,000</u>	<u>\$ 14,892,813</u>	<u>\$ 37,642,813</u>

Taxable Water Revenue Note, Series 2016

On November 29, 2016, the District, acting by and through its Enterprise, entered into a Loan Agreement with Points West Community Bank (Lender) to obtain a loan in the amount of \$4,100,000 (Loan). The maturity date of the Loan is December 1, 2023, with an interest rate of 4.575% from November 29, 2016 through December 1, 2021. From December 1, 2021 through and including December 1, 2023, the Loan shall bear interest at a per annum fixed rate equal to the lesser of: (i) the sum of the Index plus 100 basis points; or (ii) the Maximum Rate of 18.00% per annum. Index means the prime rate published by the Wall Street Journal Online, or, in the event that such Index is no longer published, then the term Index shall be deemed to refer to a similar index selected by the Lender and approved by the Enterprise. Interest is paid semiannually on June 1 and December 1. The proceeds from the Loan were used to purchase water rights, pay for certain nonpotable water system improvements, and paid for transaction costs.

The obligation of the Enterprise under the Loan is not payable from property taxes of the District, but rather from income and revenues from the use or operation of the nonpotable water system, including fees and charges.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Taxable Water Revenue Note, Series 2016 (Continued)

The Enterprise's repayment obligation under the Loan Agreement is further evidenced by a promissory note in favor of the Lender in the aggregate principal amount of \$4,100,000. A portion of the Loan in the principal amount of \$3,900,000, plus accrued interest, is secured by certain water rights in accordance with a Stock Pledge Agreement between the District and the Lender.

Capital Lease Obligation

In 2013, the District entered into a capital lease for the purchase of a Toolcat equipment. The lease requires 60 monthly payments of \$963 beginning in July 2013 and final payment of \$6,709 at the end of the lease. The District negotiated a new final payment of \$3,500 which will be paid in 2019. The lease bears interest at the rate of 5.52% per annum. The equipment is carried at \$55,909 with \$38,379 in accumulated depreciation. In 2019, the final payment was made and this lease has ended.

In 2014, the District entered into capital leases that bear interest rate of 3.20% per annum as follows:

1. Caterpillar Compact Track Loader – The lease requires 60 monthly payments of \$955 beginning in October 2014. The equipment is carried at \$52,900 with \$23,144 in accumulated depreciation.
2. Caterpillar Backhoe Loader – The lease requires 60 monthly payments of \$1,715 beginning in October 2014. The equipment is carried at \$95,000 with \$41,563 in accumulated depreciation.
3. Caterpillar Hydraulic Excavator – The lease requires 60 monthly payments of \$2,780 beginning in December 2014. The equipment is carried at \$192,725 with \$81,640 in accumulated depreciation.

The District's annual payments related to these capital leases are annually appropriated and included in the District's annual budget. In 2019, final payments were made on these capital leases.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 4, 2003, the District's voters authorized the issuance of indebtedness in an amount not to exceed \$156,000,000. At December 31, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 4, 2003	Authorization Used for Series 2010 Bonds	Authorized But Unissued
Streets	\$ 27,750,000	\$ 10,860,289	\$ 16,889,711
Traffic and Safety Controls	2,250,000	291,690	1,958,310
Water	13,500,000	5,174,100	8,325,900
Sewer	15,000,000	2,510,579	12,489,421
Parks and Recreation	17,250,000	-	17,250,000
Television Relay and Translation	2,250,000	-	2,250,000
Debt Refunding	78,000,000	1,422,701	76,577,299
Total	<u>\$ 156,000,000</u>	<u>\$ 20,259,359</u>	<u>\$ 135,740,641</u>

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2019, the District had net investments in capital assets calculated as follows:

	Governmental Activities	Business-Type Activities
Capital Assets, Net	\$ 4,195,128	\$ 13,141,458
Outstanding Long-Term Debts Used to Acquire Capital Assets	(24,289,276)	(3,772,000)
Bond Premium, Net	(517,081)	-
Cost of Refunding, Net	828,005	-
Net Investment in Capital Assets	<u>\$ (19,783,224)</u>	<u>\$ 9,369,458</u>

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 NET POSITION (CONTINUED)

The restricted component of net position includes assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws and regulations of other governments, or as imposed by law through constitutional provisions or enables legislation. The District had restricted net position as of December 31, 2019 as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 46,800
Debt Service	273
Restricted Net Position	\$ 47,073

The District's unrestricted net position as of December 31, 2019 totaled \$1,210,220.

NOTE 7 PRIMARY AGREEMENTS

District Operating Agreement

The District and District Nos. 1 and 2 (collectively, the Taxing Districts) have entered into a District Operating Agreement dated January 30, 2014. The purpose of the District Operating Agreement is to set forth the rights and obligations of the Taxing Districts to fully fund and of the District to provide operations on behalf of all the Districts. Based on the integrated nature of the public improvements, it is most efficient and cost effective to combine the operations, maintenance and administration and to have the District provide those services for the benefit of all the Districts. The agreement shall be interpreted consistent with the Service Plan.

Capital Pledge Agreement

The District entered into a Capital Pledge Agreement in October 2010, as amended on January 31, 2014, and again on April 21, 2015, pursuant to which District Nos. 1 and 2 are obligated to impose an ad valorem property tax levy without limitation as to the rate to pay the principal and accrued interest payable on the District's Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2010 A, B and C in the aggregate principal amount of \$25,675,000 issued pursuant to a 2010 Indenture of Trust with UMB Bank (2010 Bonds).

The First Amendment, dated January 31, 2014, made changes to the allocation between District Nos. 1 and 2's required debt service on the 2010 Bonds. The Districts later determined that the changes were not necessary, and therefore, the Capital Pledge Agreement was amended for a second time on April 21, 2015, to reinstate the original definitions and allocations.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 PRIMARY AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreements

On June 14, 2016, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with Pelican Farms Investments, LLC (Builder). The Builder has incurred certain costs related to public infrastructure for the benefit of the District and expects to incur additional costs. The District has agreed to: (i) reimburse the Builder for all District Eligible Costs to the extent constituting Repayment Obligations (as defined in the agreement); (ii) acquire any such public infrastructure constructed for the benefit of the District from the Builder that is not being dedicated to other governmental entities, and (iii) to reimburse the Builder for any costs incurred by the Builder for public infrastructure that is being dedicated to other governmental entities.

On September 19, 2017, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with Eagle Crossing Development, Inc. (Eagle Crossing). Eagle Crossing has expended funds on behalf of the District previously, and intends to make future payments for costs related to the provision of public infrastructure in the nature of capital costs in furtherance of the District's permitted purposes, including but not limited to: organization of the District, engineering, architectural, surveying, construction planning and other related costs, during the period when the District is unable to pay for such costs. The District and Eagle Crossing established the terms and conditions under which the District will reimburse Eagle Crossing for such costs and acquire such public infrastructure that will either be owned by the District or dedicated to other governmental entities.

Donation Agreement

In June 2017, the District received a donation of land from The Evangelical Lutheran Good Samaritan Society through a quitclaim deed for ten dollars (\$10.00). The donated land shall not be used for any residential or commercial development, but shall be used for any public purpose, in the sole discretion of the District, for the benefit of the District, Water Valley 1, Water Valley 2, and the general public of Windsor, Colorado. If at any time the above condition is defaulted upon, title to the donated land shall automatically revert back to The Evangelical Lutheran Good Samaritan Society.

Temporary Nonpotable Water Service

On September 27, 2018, the District entered into an Intergovernmental Agreement with Raindance Metropolitan District No. 1 (RDMD) to provide temporary nonpotable water service to RDMD through the Interconnect Facilities. The District owns and operates a nonpotable irrigation system. RDMD is developing its own nonpotable irrigation system to serve future development within the community known as Raindance. Certain areas within Raindance will require nonpotable water service prior to the time that RDMD will have the ability to provide such service. RDMD is in the process of constructing facilities that will permit an interconnect between RDMD and the District's nonpotable irrigation system which will be known as the Interconnect Facilities. RDMD will own and maintain the Interconnect Facilities. The District will deliver nonpotable water to RDMD on a temporary basis through the Interconnect Facilities upon the request of RDMD. RDMD shall pay \$1.52 per thousand gallons. The District will invoice RDMD within 15 days of the end of each month and payment of invoices by RDMD shall be due by the end of each month.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 8 RELATED PARTIES

The developer of the property which constitutes the District is Trollco Inc., a Colorado corporation (Developer). Certain members of the Board of Directors of the District are officers or employees of or related to the Developer or an entity affiliated with the Developer or the majority owner of the Developer, and may have conflicts of interest in dealing with the District.

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., 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). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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, 2019, the District determined and calculated its required emergency reserve to be approximately \$46,800, funding of which were provided by the Financing Districts. Further, at December 31, 2019, the Financing Districts have combined cash reserves in their General Funds totaling \$250,000.

**POUDRE TECH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

SUPPLEMENTARY INFORMATION

**POUDRE TECH METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ -	\$ 837	\$ 837
Transfer from Water Valley No. 1 - Other	5,600	5,600	5,599	(1)
Transfer from Water Valley No. 1 - Series 2010 Bonds	377,869	377,869	377,869	-
Transfer from Water Valley No. 2 - Other	60,630	61,100	61,097	(3)
Transfer from Water Valley No. 2 - Series 2010 Bonds	1,224,093	1,223,463	1,222,500	(963)
Total Revenues	<u>1,668,192</u>	<u>1,668,032</u>	<u>1,667,902</u>	<u>(130)</u>
EXPENDITURES				
Bond Interest Series 2010A	903,500	903,500	903,500	-
Bond Interest Series 2010B	246,062	246,062	246,063	(1)
Bond Principal Series 2010B	450,000	450,000	450,000	-
Paying Agent/Trustee Fees	2,400	2,400	2,000	400
Total Expenditures	<u>1,601,962</u>	<u>1,601,962</u>	<u>1,601,563</u>	<u>399</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>66,230</u>	<u>66,070</u>	<u>66,339</u>	<u>269</u>
OTHER FINANCING SOURCES (USES)				
Transfers to Other Fund	(66,230)	(66,700)	(66,696)	4
Total Other Financing Sources (Uses)	<u>(66,230)</u>	<u>(66,700)</u>	<u>(66,696)</u>	<u>4</u>
NET CHANGE IN FUND BALANCE	-	(630)	(357)	273
Fund Balance - Beginning of Year	-	630	630	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ 273</u>

**POUDRE TECH METROPOLITAN DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL
DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Service Fees	\$ 827,190	\$ 862,383	\$ 35,193
Water Meter Sales	100,000	77,500	(22,500)
System Development Fees	100,000	108,125	8,125
Developer Advance - Manager & Field Staff	221,334	221,334	-
Other Income	-	17,475	17,475
Total Revenues	1,248,524	1,286,817	38,293
EXPENDITURES			
General and Administrative:			
Billing	5,000	8,100	(3,100)
Core	450	450	-
Beacon	7,500	-	7,500
Staffing	40,000	42,554	(2,554)
Operations and Maintenance:			
Electricity and Gas	130,000	146,342	(16,342)
Repairs and Maintenance	75,000	47,971	27,029
Water Meters and Installation	100,000	249,182	(149,182)
Scada	33,000	32,059	941
Delivery and Ditch expenses	25,000	28,355	(3,355)
Tools and Equipment - New	15,000	-	15,000
Water System Manager & Field Staff	221,334	221,334	-
Contingency	46,000	-	46,000
Debt Service:			
2016 Loan Interest	180,666	180,614	52
2016 Loan Principal	164,000	164,000	-
Repayment of Developer Advance - Manager & Field Staff	221,334	221,334	-
Capital Outlay			
Meter replacement	110,000	-	110,000
Capital Projects	75,000	63,930	11,070
Total Expenditures	1,449,284	1,406,225	43,059
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(200,760)	(119,408)	81,352
FUNDS AVAILABLE - BEGINNING	1,261,171	1,367,227	106,056
FUNDS AVAILABLE - ENDING	1,060,411	1,247,819	187,408
ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS:			
Excess of Revenue Over (Under) Expenditures (Budget Basis)		\$ (119,408)	
Developer Advance		(221,334)	
Capital Outlay		63,930	
2016 Loan Principal		164,000	
Repayment of Developer Advances		221,334	
Depreciation		(142,900)	
CHANGE IN NET POSITION		(34,378)	
Net Position - Beginning of Year		10,651,655	
NET POSITION - END OF YEAR		\$ 10,617,277	

**POUDRE TECH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019**

Year Ending December 31,	\$18,070,000 Series 2010A Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Dated October 22, 2010 Principal due December 1 Interest Rate 5.0% Payable June 1 and December 1			\$7,305,000 Series 2010B Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Dated October 22, 2010 Principal due December 1 Interest Rate 2.5%-5.0% Payable June 1 and December 1		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ -	\$ 903,500	\$ 903,500	\$ 475,000	\$ 228,063	\$ 703,063
2021	-	903,500	903,500	495,000	210,250	705,250
2022	-	903,500	903,500	545,000	185,500	730,500
2023	-	903,500	903,500	575,000	158,250	733,250
2024	-	903,500	903,500	600,000	129,500	729,500
2025	-	903,500	903,500	625,000	99,500	724,500
2026	-	903,500	903,500	675,000	68,250	743,250
2027	440,000	903,500	1,343,500	275,000	34,500	309,500
2028	405,000	881,500	1,286,500	415,000	20,750	435,750
2029	1,135,000	861,250	1,996,250	-	-	-
2030	1,220,000	804,500	2,024,500	-	-	-
2031	1,325,000	743,500	2,068,500	-	-	-
2032	1,390,000	677,250	2,067,250	-	-	-
2033	1,455,000	607,750	2,062,750	-	-	-
2034	1,550,000	535,000	2,085,000	-	-	-
2035	1,640,000	457,500	2,097,500	-	-	-
2036	1,740,000	375,500	2,115,500	-	-	-
2037	1,830,000	288,500	2,118,500	-	-	-
2038	1,920,000	197,000	2,117,000	-	-	-
2039	2,020,000	101,000	2,121,000	-	-	-
Total	\$ 18,070,000	\$ 13,758,250	\$ 31,828,250	\$ 4,680,000	\$ 1,134,563	\$ 5,814,563

**POUDRE TECH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2019**

Year Ending December 31,	Totals		
	Principal	Interest	Total
2020	\$ 475,000	\$ 1,131,563	\$ 1,606,563
2021	495,000	1,113,750	1,608,750
2022	545,000	1,089,000	1,634,000
2023	575,000	1,061,750	1,636,750
2024	600,000	1,033,000	1,633,000
2025	625,000	1,003,000	1,628,000
2026	675,000	971,750	1,646,750
2027	715,000	938,000	1,653,000
2028	820,000	902,250	1,722,250
2029	1,135,000	861,250	1,996,250
2030	1,220,000	804,500	2,024,500
2031	1,325,000	743,500	2,068,500
2032	1,390,000	677,250	2,067,250
2033	1,455,000	607,750	2,062,750
2034	1,550,000	535,000	2,085,000
2035	1,640,000	457,500	2,097,500
2036	1,740,000	375,500	2,115,500
2037	1,830,000	288,500	2,118,500
2038	1,920,000	197,000	2,117,000
2039	2,020,000	101,000	2,121,000
Total	<u>\$ 22,750,000</u>	<u>\$ 14,892,813</u>	<u>\$ 37,642,813</u>

**POUDRE TECH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2019**

\$4,100,000 Taxable Water Revenue Loan, 2016
Dated November 29, 2016
Principal due June 1 and December 1
Interest Rate 4.575% Payable
June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Estimated Interest*</u>	<u>Total</u>
2020	\$ 164,000	\$ 173,538	\$ 337,538
2021	164,000	165,452	329,452
2022	164,000	**	**
2023	3,280,000		
Total	<u>\$ 3,772,000</u>		

*Represents initial interest payments, without taking into account prepayment of Loan principal.

**From December 1, 2021 through and including December 1, 2023, the Loan shall bear an interest rate at a per annum fixed rate equal to the lesser of: (i) the sum of the Index plus 100 basis points; or (ii) the Maximum Rate of 18% per annum. Index means the prime rate published by the Wall Street Journal online, or, in the event that such Index is no longer published the term shall be deemed to refer to a similar index selected by the Lender and approved by the Enterprise.

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION AS
REQUIRED BY THE UNLIMITED PROPERTY TAX SUPPORTED
REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2010A
AND 2010B**

**POUDRE TECH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE UNLIMITED PROPERTY TAX SUPPORTED REVENUE REFUNDING
AND IMPROVEMENT BONDS, SERIES 2010A AND 2010B**

**TABLE II
History of Water Valley No. 1's Mill Valley,
Assessed Valuation and Tax Collections**

Levy/ Collection Year	Assessed Valuation	General Fund	Bond Fund	Total Mill Levy	Property Taxes Levied	Property Taxes Collected	Percent of Taxes Collected to Taxes Levied
2005/2006	\$ 21,459,270	10.000	10.000	20.000	\$ 429,185	\$ 431,330	100.50 %
2006/2007	22,450,650	10.000	10.000	20.000	449,013	451,018	100.43
2007/2008	25,059,420	10.000	10.000	20.000	501,188	503,699	100.50
2008/2009	26,085,210	10.000	10.000	20.000	521,704	522,930	100.23
2009/2010	29,020,280	10.000	10.000	20.000	580,406	505,478	87.09
2010/2011	26,688,250	10.000	10.000	20.000	533,765	523,702	98.11
2011/2012	23,459,270	10.000	16.000	26.000	609,941	619,372	101.55
2012/2013	23,145,380	6.000	33.000	39.000	902,670	902,350	99.96
2013/2014	22,683,319	7.000	32.000	39.000	884,649	884,859	100.02
2014/2015	22,201,960	13.250	25.750	39.000	865,876	865,653	99.97
2015/2016	42,796,050	13.300	25.700	39.000	1,665,045	1,668,329	100.20
2016/2017	47,810,900	30.430	8.570	39.000	1,864,625	1,863,857	99.96
2017/2018	43,490,270	20.070	18.930	39.000	1,696,121	1,696,162	100.00
2018/2019	34,982,840	17.644	23.495	41.139	1,439,159	1,438,325	99.94

Sources: Weld County Assessor's Office and the District.

**TABLE V
History of Water Valley No. 2's Mill Valley,
Assessed Valuation and Tax Collections**

Levy/ Collection Year	Assessed Valuation	General Fund	Bond Fund	Total Mill Levy	Property Taxes Levied	Property Taxes Collected	Percent of Taxes Collected to Taxes Levied
2005/2006	\$ 3,193,980	0.000	20.000	20.000	\$ 63,880	\$ 63,356	99.18 %
2006/2007	9,324,480	0.000	20.000	20.000	186,490	188,348	101.00
2007/2008	14,404,230	0.000	20.000	20.000	288,085	288,142	100.02
2008/2009	17,545,620	0.000	20.000	20.000	350,912	348,022	99.18
2009/2010	19,873,240	0.000	20.000	20.000	397,465	290,181	73.01
2010/2011	20,113,720	0.000	20.000	20.000	402,274	401,794	99.88
2011/2012	16,893,730	0.000	26.000	26.000	439,237	434,103	98.83
2012/2013	17,836,630	0.000	39.000	39.000	695,629	675,386	97.09
2013/2014	18,266,193	0.000	39.000	39.000	712,382	712,774	100.06
2014/2015	20,326,230	0.000	39.000	39.000	792,723	788,365	99.45
2015/2016	84,359,680	15.975	23.025	39.000	3,290,028	3,294,992	100.15
2016/2017	81,309,260	20.907	18.093	39.000	3,171,061	3,103,222	97.86
2017/2018	57,038,740	11.554	27.446	39.000	2,224,511	2,230,812	100.28
2018/2019	65,477,360	15.155	25.984	41.139	2,693,673	2,692,820	99.97

Sources: Weld County Assessor's Office and the District.

**POUDRE TECH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE UNLIMITED PROPERTY
TAX SUPPORTED REVENUE REFUNDING
AND IMPROVEMENT BONDS, SERIES 2010A AND 2010B**

**Table IX
History of General Fund Revenues, Expenditures, and Fund Balances**

	2015	2016	2017	2018	2019
Revenues					
Service Fees	\$ 471,628	\$ -	\$ -	\$ -	\$ -
System Development Fees	372,400	-	-	-	-
Water Meter Sales	309,600	-	-	-	-
Boat Permit Fees	-	475	-	-	-
Transfer from Water Valley No. 1 - Other	264,000	497,814	1,545,321	911,518	636,348
Transfer from Water Valley No. 2 - Other	-	1,360,006	1,874,400	829,433	1,166,027
Reimbursed Expenditure	-	-	-	-	1,003,819
Other Income	22,339	8,075	1,721	2,898	41,366
Net investment income	35	12	-	-	-
Total Revenues	1,440,002	1,866,382	3,421,442	1,743,849	2,847,560
Expenditures					
General and Administrative:					
Accounting	43,676	69,861	83,550	78,045	59,841
Accounting - Special Projects	-	-	12,300	-	-
Administrative					
Staffing	-	-	-	-	113,609
Management Fee	-	-	-	-	37,800
Other	-	-	-	-	11,758
Billing/Asset Management	98,550	72,481	92,589	105,247	-
District Management - Administrative	-	6,565	-	-	-
Lifestyle Director Fees	-	-	-	24,800	-
Audit	25,839	25,952	26,058	26,574	25,317
Banking Fees	1,010	1,020	2,472	690	1,460
District Events	-	-	-	3,635	5,820
Consulting and Studies	18,378	25,613	17,125	13,350	20,714
Dues and Memberships	1,794	1,925	1,759	1,722	1,724
Insurance	208	39,299	36,262	38,145	40,379
Legal	49,593	117,941	91,886	48,508	47,720
Miscellaneous	4,529	3,839	5,552	6,540	7,298
Office Supplies	-	-	-	-	4,129
Rent	16,000	24,000	24,000	24,000	24,000
Office Overhead	490,140	172,116	172,116	114,900	213,534
Operations and Maintenance:					
Electricity and Gas	173,770	38,414	44,175	45,011	42,494
Landscape and Open Space	304,083	367,420	408,189	591,633	-
Softscape - Landscape Contract	-	-	-	-	396,750
Special Projects and Moving	-	-	-	-	173,864
Snow Removal	-	-	-	-	48,104
Maintenance and Repairs	98,442	81,385	57,066	65,804	51,064
Pest Control	6,511	7,959	14,780	9,654	10,794
Security	65,929	74,415	108,234	107,234	108,282
Beach Maintenance	-	-	-	-	39,183
Water Operations	45,517	-	-	-	-
Water Meter Sold	168,055	-	-	-	-
Capital Outlay:					
Water Valley No. 1	692,075	36,501	294,290	-	5,599
Water Valley No. 2	1,497,560	156,633	21,147	-	61,097
Equipment Acquisition	78,921	96,898	81,014	87,449	112,202
Tree Replacement	-	-	-	-	18,304
Hardscape - Fence Improvements/Staining	-	-	-	-	71,922
Filing 16 and 18 Public Improvements	655,446	-	-	-	-
Raindance Drainage Improvements	370,784	-	-	-	-
Capital Projects - PTMD	-	-	337,787	183,165	8,900
Capital Projects/Certified Costs	-	-	4,985,140	-	1,003,819
Debt Service:					
Principal on Line of Credit	-	1,028,878	-	500,000	-
Interest on Line of Credit	43,672	46,223	-	17,544	-
Total Expenditures	4,950,482	2,495,338	6,917,491	2,093,650	2,767,481
Excess of Revenues Over (Under) Expenditures	(3,510,480)	(628,956)	(3,496,049)	(349,801)	80,079
Other Financing Sources (Uses)					
Proceeds from Line of Credit	-	250,000	-	500,000	-
Developer Advances - Office Overhead	490,140	172,116	172,116	114,900	213,534
Developer Advances - Certified Costs	1,026,230	-	4,985,140	-	1,003,819
Transfer from Other Funds	3,236,566	193,133	2,315,437	-	66,696
Transfer to Other Funds	-	-	-	-	-
Repayment of Developer Advances - Office Overhead	(328,669)	(86,135)	(325,000)	(90,597)	(171,081)
Repayment of Developer Advances	-	-	-	-	-
Repayment of Developer Advances - Certified Costs	(1,026,230)	-	(3,705,963)	-	(1,003,819)
Total Other Financing Sources (Uses)	3,398,037	529,114	3,441,730	524,303	109,149
NET CHANGE IN FUND BALANCES	(112,443)	(99,842)	(54,319)	174,502	189,228
Fund Balances - Beginning of Year	115,804	(34,893) *	(134,735)	(189,054)	(14,552)
FUND BALANCES - END OF YEAR	\$ 3,361	\$ (134,735)	\$ (189,054)	\$ (14,552)	\$ 174,676

* As adjusted (Enterprise Fund balances transferred out of General Fund)

Source: District Audited Financial Statements for years ended December 31, 2015-2019.

**POUDRE TECH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE UNLIMITED PROPERTY
TAX SUPPORTED REVENUE REFUNDING
AND IMPROVEMENT BONDS, SERIES 2010A AND 2010B**

**Table X
General Fund Budget Summary and Comparison**

	2018 Amended Budget	2019 Amended Budget	2019 Year to Date Actual
Revenues			
Transfer from Water Valley No. 1 - Other	\$ 911,518	\$ 636,348	\$ 636,348
Transfer from Water Valley No. 2 - Other	829,433	1,166,027	1,166,027
Reimbursed Expenditures	-	1,003,819	1,003,819
Other Income	156,003	41,500	41,366
Total Revenues	<u>1,896,954</u>	<u>2,847,694</u>	<u>2,847,560</u>
Expenditures			
General and Administrative:			
Accounting	78,500	68,000	59,841
Audit	27,000	25,317	25,317
Banking Fees	1,000	1,500	1,460
Billing/Asset Management	110,000	-	-
Administrative			
Staffing	-	114,000	113,609
Management Fee	-	37,800	37,800
Other	-	12,000	11,758
Lifestyle Director Fees	25,000	-	-
District Events	3,700	6,000	5,820
Consulting and Studies	20,000	22,000	20,714
Dues and Subscriptions	1,722	1,724	1,724
Insurance	38,145	40,379	40,379
Legal	60,000	50,000	47,720
Miscellaneous	11,500	8,181	7,298
Rent	24,000	24,000	24,000
Office supplies	-	5,000	4,129
Office Overhead	114,900	213,534	213,534
Operations and Maintenance:			
Electricity and Gas	50,000	45,000	42,494
Landscape and Open Space	600,000	-	-
Softscape - Landscape Contract	-	397,000	396,750
Special Projects and Moving	-	138,000	141,139
Snow Removal	-	48,150	48,104
Maintenance and Repairs	75,000	45,000	45,412
Pest Control	10,000	11,000	10,794
Security	108,000	109,000	108,282
Beach Maintenance	-	40,000	39,183
Capital Outlay:			
Water Valley No. 1	-	5,599	5,599
Water Valley No. 2	-	61,097	61,097
Equipment Acquisition	90,000	118,000	117,854
Tree Replacement	-	51,100	51,029
Hardscape - Fence improvements/Staining	-	72,000	71,922
Capital Projects - PTMD	225,392	58,900	8,900
Capital Projects/Certified Costs	-	1,003,819	1,003,819
Debt Service:			
Principal on Line of Credit	500,000	-	-
Interest on Line of Credit	17,544	-	-
Total Expenditures	<u>2,191,403</u>	<u>2,833,100</u>	<u>2,767,481</u>
Excess of Revenues Over (Under) Expenditures	(294,449)	14,594	80,079
Other Financing Sources (Uses)			
Proceeds from Line of Credit	500,000	-	-
Developer Advances - Office Overhead	114,900	213,534	213,534
Developer Advances - Certified Costs	-	1,003,819	1,003,819
Transfer from Other Funds	-	66,700	66,696
Repayment of Developer Advances - Office Overhead	(90,597)	(171,081)	(171,081)
Repayment of Developer Advances - Certified Costs	-	(1,003,819)	(1,003,819)
Total Other Financing Sources (Uses)	<u>524,303</u>	<u>109,153</u>	<u>109,149</u>
NET CHANGE IN FUND BALANCES	229,854	123,747	189,228
Fund Balances - Beginning of Year	<u>(189,054)</u>	<u>(14,552)</u>	<u>(14,552)</u>
FUND BALANCES - END OF YEAR	<u>\$ 40,800</u>	<u>\$ 109,195</u>	<u>\$ 174,676</u>

Source: District's 2018 Amended Budget, 2019 Amended Budget, and Audited Financial Statements for the year ended December 31, 2019.