

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**POUDRE TECH METROPOLITAN DISTRICT
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INSERT INDEPENDENT AUDITOR'S REPORT

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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, 2020. 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 2020 by \$10.1 million (net deficit). Of this amount, (\$10.9) million represents net investment in capital assets, \$50 thousand is restricted for emergencies and debt service, and \$795 thousand is unrestricted. The negative \$10.9 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 2020, general revenues are minimal, totaling only \$23 thousand, about .46% of all revenues. The District's program specific revenues in the form of charges for services (services fees and water meter sales) accounted for 18.6%, operating grants and contributions (system development fees and transfers from Water Valley Metropolitan District Nos. 1 and 2) accounted for 28.1%, 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 52.9% of all revenues.
- During 2020, the District had approximately \$5.9 million in expenses related to general government, public works, parks and recreation, debt service, and nonpotable water services, of which \$919 thousand were offset by program specific charges for services. Approximately \$2.1 million of the District's expenses in 2020 were to pay interest and related costs on long-term debt.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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, 2020**

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 26, respectively.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

- *Propriety 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 27.

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 – 24 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 26), the budgetary schedule for the Enterprise Fund (page 27), and Schedules of Debt Service Requirement to Maturity (pages 28 – 29).

**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, 2020 and 2019.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	12/31/20	12/31/19	12/31/20	12/31/19	12/31/20	12/31/19
Assets						
Current Assets	\$ 33,374	\$ 305,746	\$ 1,184,265	\$ 1,271,161	\$ 1,217,639	\$ 1,576,907
Capital Assets	4,180,303	4,195,128	13,078,995	13,141,458	17,259,298	17,336,586
Total Assets	4,213,677	4,500,874	14,263,260	14,412,619	18,476,937	18,913,493
Deferred Outflows of Resources	-	828,005	-	-	-	828,005
Liabilities						
Current Liabilities	649,111	700,094	195,590	187,342	844,701	887,436
Long-Term Liabilities	24,236,239	24,402,535	3,456,134	3,608,000	27,692,373	28,010,535
Total Liabilities	24,885,350	25,102,629	3,651,724	3,795,342	28,537,074	28,897,971
Net position						
Net Investment in Capital Assets	(20,375,936)	(19,783,224)	9,470,995	9,369,458	(10,904,941)	(10,413,766)
Restricted	49,581	47,073	-	-	49,581	47,073
Unrestricted	(345,318)	(37,599)	1,140,541	1,247,819	795,223	1,210,220
Total Net Position	\$ (20,671,673)	\$ (19,773,750)	\$ 10,611,536	\$ 10,617,277	\$ (10,060,137)	\$ (9,156,473)

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services	\$ -	\$ -	\$ 918,891	\$ 939,883	\$ 918,891	\$ 939,883
Operating and Contributions	1,334,430	1,802,375	53,750	108,125	1,388,180	1,910,500
Capital and Contributions	1,609,040	2,670,884	1,008,000	-	2,617,040	2,670,884
General Revenues:						
Donated Property	4,569	-	-	-	4,569	-
Net investment Income	55	837	-	-	55	837
Other	18,412	41,366	-	17,475	18,412	58,841
Total Revenues	2,966,506	4,515,462	1,980,641	1,065,483	4,947,147	5,580,945
Expenses						
General Government	597,605	615,103	-	-	597,605	615,103
Public Works and Parks and Recreation	1,176,747	1,155,668	-	-	1,176,747	1,155,668
Nonpotable Water Services	-	-	1,986,382	1,099,861	1,986,382	1,099,861
Interest and Related Costs on Long-Term Debt	2,090,077	1,276,397	-	-	2,090,077	1,276,397
Capital Assets Conveyed to Other Governments	-	1,003,819	-	-	-	1,003,819
Total Expenses	3,864,429	4,050,987	1,986,382	1,099,861	5,850,811	5,150,848
Change in Net Position	\$ (897,923)	\$ 464,475	\$ (5,741)	\$ (34,378)	\$ (903,664)	\$ 430,097

During 2020, 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 thrice amended, (for debt service of the 2010 and 2020 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 2020, 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, and (ii) for business-type activities - to operate and maintain the nonpotable water facilities.

Governmental and Business-Type Activities

In 2020, the changes in net position were (\$897,923) and (\$5,741) for governmental activities and business-type activities, respectively. In 2020, the combined change in net position was (\$903,664).

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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	\$ 597,605	\$ -	\$ (597,605)	\$ -
Public Works and Parks and Recreation	1,176,747	-	(1,176,747)	-
Interest and Related Costs on Long-Term Debt	2,090,077	-	(2,090,077)	-
Nonpotable Services	-	1,986,382	-	-
Total	<u>\$ 3,864,429</u>	<u>\$ 1,986,382</u>	<u>\$ (3,864,429)</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 2020 were:

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

The District maintains a 3% emergency reserve in compliance with TABOR (Taxpayer Bill of Rights). At December 31, 2020, the District's TABOR reserve amounted to \$46,700.

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 and 2020.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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 2020 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 2020, 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 \$77,288 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 \$371,420.

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

	Government Activities		% of Change 2019 - 2020	Business-Type Activities		% of Change 2019 - 2020	Total	
	2020	2019		2020	2019		2020	2019
Water Rights	\$ -	\$ -	N/A	\$ 10,791,000	\$ 10,791,000	0.0%	\$ 10,791,000	\$ 10,791,000
Land	113,459	108,890	4.2%	-	-	N/A	113,459	108,890
Streets	1,339,767	1,411,481	-5.1%	-	-	N/A	1,339,767	1,411,481
Parks and Recreation	2,484,793	2,414,862	2.9%	-	-	N/A	2,484,793	2,414,862
Nonpotable Water System	-	-	N/A	2,203,904	2,252,761	-2.2%	2,203,904	2,252,761
Equipment	242,284	259,895	-6.8%	84,091	97,697	-13.9%	326,375	357,592
Total Capital Assets, Net	<u>\$ 4,180,303</u>	<u>\$ 4,195,128</u>		<u>\$ 13,078,995</u>	<u>\$ 13,141,458</u>		<u>\$ 17,259,298</u>	<u>\$ 17,336,586</u>

Debt Administration

Long-Term Debt

As of December 31, 2020, the District had outstanding debts in the form of bonds and advances totaling \$28,286,373. 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, 2020**

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 Water Activity Enterprise (the "Water 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 Water 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) Water 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), Water Enterprise tap and use fees have grown accordingly and are now supported by over 2655 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 over time 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 Development:**

District No. 1 is a mature district with all its residential lots having been developed and built. Within the District No. 1, there have been 844 total dwelling units built, including: 591 single-family detached dwelling units, 125 single-family attached dwelling units, and 128 multi-family units (condominiums). As to commercial development in the 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.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

District No. 2 is a rapidly-maturing, 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 1,110 have been constructed. District No. 2 currently anticipates that all remaining single-family detached homes will be constructed by the end of 2022. 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 and an additional 12 acres are currently under development as a 102-unit luxury "Man Caves" storage facility.

District Nos. 1 and 2 are in the center of Northern Colorado, an area that is continuing to enjoy a very 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. 2021 is a reassessment year in the state of Colorado and, based on preliminary indications, the Districts are anticipating a material increases in assessed values of properties within the District. To date, neither District 1 or #2 operations nor property values have been adversely impacted by the ongoing COVID pandemic.

- **Oil and Gas Ad Valorem Tax:** The financial impact of ad valorem taxes on oil and gas produced from wells within the District is meaningful.

District No. 1: The total Certified Assessed Value of Oil and Gas within District No. 1 for 2020 (tax collection in 2021) remained virtually unchanged from 2019 (tax collection in 2020), going from \$4,771,580 to \$4,738,340.

District No. 2: The total Certified Assessed Value of Oil and Gas within District No. 2 for 2020 (tax collection in 2021) decreased from 2019 (tax collection in 2020), going from \$15,408,410 to \$12,463,950.

Going forward, the financial impact of oil and gas to the District Nos. 1 and 2 is variable and 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 online.

**POUDRE TECH METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

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, 2020**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ -	\$ 1,148,733	\$ 1,148,733
Cash and Investments - Restricted	10,732	-	10,732
Accounts Receivable	22,642	35,532	58,174
Capital Assets, Not Being Depreciated	113,459	10,791,000	10,904,459
Capital Assets, Net	4,066,844	2,287,995	6,354,839
Total Assets	4,213,677	14,263,260	18,476,937
 LIABILITIES			
Accounts Payable	219,111	21,846	240,957
Prepaid Assessments	-	9,744	9,744
Noncurrent Liabilities:			
Due Within One Year	430,000	164,000	594,000
Due in More Than One Year	24,236,239	3,456,134	27,692,373
Total Liabilities	24,885,350	3,651,724	28,537,074
 NET POSITION			
Net Investment in Capital Assets	(20,375,936)	9,470,995	(10,904,941)
Restricted for:			
Emergency Reserves	46,700	-	46,700
Debt Service	2,881	-	2,881
Unrestricted	(345,318)	1,140,541	795,223
Total Net Position	\$ (20,671,673)	\$ 10,611,536	\$ (10,060,137)

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020**

	Program Revenues			Net (Revenues) Expenses and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental Activities:							
General Government	\$ 597,605	\$ -	\$ 1,334,430	\$ -	\$ 736,825	\$ -	\$ 736,825
Public Works and Parks and Recreation	1,176,747	-	-	-	(1,176,747)	-	(1,176,747)
Interest and Related Costs on Long-Term Debt	2,090,077	-	-	1,609,040	(481,037)	-	(481,037)
Total Governmental Activities	3,864,429	-	1,334,430	1,609,040	(920,959)	-	(920,959)
Business-Type Activities:							
Nonpotable Water Services	1,986,382	918,891	53,750	1,008,000	-	(5,741)	(5,741)
Total Business-Type Activities	1,986,382	918,891	53,750	1,008,000	-	(5,741)	(5,741)
 Total Governmental and Business-Type Activities	<u>\$ 5,850,811</u>	<u>\$ 918,891</u>	<u>\$ 1,388,180</u>	<u>\$ 2,617,040</u>	(920,959)	(5,741)	(926,700)
GENERAL REVENUES							
Net Investment Income					55	-	55
Donated properties					4,569	-	4,569
Other Income					18,412	-	18,412
Total General Revenues					<u>23,036</u>	<u>-</u>	<u>23,036</u>
CHANGE IN NET POSITION					(897,923)	(5,741)	(903,664)
Net Position - Beginning of Year					<u>(19,773,750)</u>	<u>10,617,277</u>	<u>(9,156,473)</u>
NET POSITION - END OF YEAR					<u>\$ (20,671,673)</u>	<u>\$ 10,611,536</u>	<u>\$ (10,060,137)</u>

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments - Restricted	\$ 7,851	\$ 2,881	\$ 10,732
Accounts Receivable	22,642	-	22,642
Total Assets	\$ 30,493	\$ 2,881	\$ 33,374
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 219,111	\$ -	\$ 219,111
Total Liabilities	219,111	-	219,111
FUND BALANCES			
Restricted			
Emergency Reserves	46,700	-	46,700
Debt Service	-	2,881	2,881
Unassigned			
General Government	(235,318)	-	(235,318)
Total Fund Balances	(188,618)	2,881	(185,737)
Total Liabilities and Fund Balances	\$ 30,493	\$ 2,881	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources, therefore not reported in the fund financial statements.			
Capital Assets, Not Being Depreciated			113,459
Capital Assets, Net			4,066,844
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			(21,015,000)
Bond Premium			(1,899,629)
Developer Advances Payable			(1,389,177)
Accrued Interest Payable - Developer Advances			(362,433)
Net Position of Governmental Activities			\$ (20,671,673)

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, 2020**

	General	Debt Service	Government Funds
REVENUES			
Transfer from Water Valley No. 1 - Other	\$ 519,924	\$ -	\$ 519,924
Transfer from Water Valley No. 1 - Series 2010 Bonds	-	379,620	379,620
Transfer from Water Valley No. 2 - Other	814,506	-	814,506
Transfer from Water Valley No. 2 - Series 2010 Bonds	-	1,229,420	1,229,420
Other Income	18,412	-	18,412
Net Investment Income	-	55	55
Developer Advance	110,000	-	110,000
Total Revenues	<u>1,462,842</u>	<u>1,609,095</u>	<u>3,071,937</u>
EXPENDITURES			
General and Administrative:			
Accounting	64,891	-	64,891
Audit	27,621	-	27,621
Administrative:			
Staffing	66,794	-	66,794
Management Fee	37,800	-	37,800
Other	12,775	-	12,775
Banking Fees	282	-	282
Consulting and Studies	30,883	-	30,883
District Events	3,750	-	3,750
Dues and Memberships	1,724	-	1,724
Insurance	44,224	-	44,224
Legal	50,849	-	50,849
Miscellaneous	4,945	-	4,945
Office supplies	4,580	-	4,580
Promotional activities	8,953	-	8,953
Rent	24,000	-	24,000
Office Overhead	213,534	-	213,534
Operations and Maintenance:			
Electricity and Gas	46,439	-	46,439
Softscape - Landscape Contract	359,130	-	359,130
Special Projects and Moving	247,136	-	247,136
Snow Removal	25,734	-	25,734
Repairs and Maintenance	97,465	-	97,465
Pest Control	9,384	-	9,384
Security	116,198	-	116,198
Beach Maintenance	55,468	-	55,468
Capital Outlay:			
Tree Replacement	76,740	-	76,740
Hardscape - Fence Improvements/Staining	1,807	-	1,807
Other Capital Projects - PTMD	105,566	-	105,566
Equipment Acquisition	16,286	-	16,286
Debt Service:			
Bond Interest Series 2010A	-	451,750	451,750
Bond Interest Series 2010B	-	114,031	114,031
2010 Bond - Refunding Escrow	-	23,311,235	23,311,235
Bond Issue Costs	-	643,700	643,700
Paying Agent/Trustee Fees	-	400	400
Total Expenditures	<u>1,754,958</u>	<u>24,521,116</u>	<u>26,276,074</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(292,116)	(22,912,021)	(23,204,137)
OTHER FINANCING SOURCES (USES)			
Developer Advances - Office Overhead	213,534	-	213,534
Repayment of Developer Advances - Office Overhead	(284,712)	-	(284,712)
Bond Issue	-	21,015,000	21,015,000
Bond Premium	-	1,899,629	1,899,629
Total Other Financing Sources (Uses)	<u>(71,178)</u>	<u>22,914,629</u>	<u>22,843,451</u>
NET CHANGE IN FUND BALANCES	(363,294)	2,608	(360,686)
Fund Balances - Beginning of Year	174,676	273	174,949
FUND BALANCES - END OF YEAR	<u>\$ (188,618)</u>	<u>\$ 2,881</u>	<u>\$ (185,737)</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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (360,686)

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	203,161
Depreciation	(217,986)

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	(323,534)
Repayment of Developer Advances	284,712
Repayment of Bonds - Principal Portion	22,750,000
Bond Issuance - Series 2020	(21,015,000)
Bond Issuance - Series 2020 Bond Premium	(1,899,629)

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	94,297
Accrued Interest on Developer Advances - Change in Liability	(102,334)
Amortization of Deferred Cost of Refunding	(828,005)
Accretion of Bond Premium	517,081

Change in Net Position of Governmental Activities	\$ (897,923)
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**POUDRE TECH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Debt Service:				
Transfer from Water Valley No. 1	\$ 657,459	\$ 609,413	\$ 519,924	\$ (89,489)
Transfer from Water Valley No. 2	1,161,406	1,022,023	814,506	(207,517)
Developer Advance	-	135,894	110,000	(25,894)
Other Income	-	860	18,412	17,552
Total Revenues	<u>1,818,865</u>	<u>1,768,190</u>	<u>1,462,842</u>	<u>(305,348)</u>
EXPENDITURES				
General and Administrative:				
Accounting	70,000	70,000	64,891	5,109
Audit	27,000	27,621	27,621	-
Administrative:				
Staffing	100,000	75,000	66,794	8,206
Management Fee	54,000	40,000	37,800	2,200
Other	10,000	20,000	12,775	7,225
Banking Fees	2,000	1,000	282	718
Consulting and Studies	20,000	25,000	30,883	(5,883)
District Events	5,000	5,000	3,750	1,250
Dues and Memberships	2,000	1,724	1,724	-
Insurance	41,000	44,224	44,224	-
Legal	50,000	70,000	50,849	19,151
Miscellaneous	5,000	17,185	4,945	12,240
Office supplies	5,000	5,000	4,580	420
Promotional activities	-	-	8,953	(8,953)
Rent	24,000	24,000	24,000	-
Office Overhead	213,534	213,534	213,534	-
Operations and Maintenance:				
Electricity and Gas	45,000	50,000	46,439	3,561
Softscape - Landscape Contract	350,000	375,000	359,130	15,870
Special Projects and Moving	120,000	220,000	247,136	(27,136)
Snow Removal	50,000	50,000	25,734	24,266
Repairs and Maintenance	50,000	80,000	97,465	(17,465)
Pest Control	11,000	11,000	9,384	1,616
Security	100,000	120,000	116,198	3,802
Beach Maintenance	-	35,000	55,468	(20,468)
Hardscape - Fence Improvements/Staining	30,000	5,000	1,807	3,193
Capital Outlay:				
Tree Replacement	180,000	60,000	76,740	(16,740)
Other Capital Projects - PTMD	-	160,000	105,566	54,434
Equipment Acquisition	90,000	20,000	16,286	3,714
River Stabilization and Improvement Project	135,000	-	-	-
Total Expenditures	<u>1,789,534</u>	<u>1,825,288</u>	<u>1,754,958</u>	<u>70,330</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,331	(57,098)	(292,116)	(235,018)
OTHER FINANCING SOURCES (USES)				
Developer Advances - Office Overhead	213,534	213,534	213,534	-
Repayment of Developer Advances - Office Overhead	(242,065)	(284,712)	(284,712)	-
Total Other Financing Sources (Uses)	<u>(28,531)</u>	<u>(71,178)</u>	<u>(71,178)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	800	(128,276)	(363,294)	(235,018)
Fund Balances - Beginning of Year	<u>39,900</u>	<u>174,676</u>	<u>174,676</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 40,700</u>	<u>\$ 46,400</u>	<u>\$ (188,618)</u>	<u>\$ (235,018)</u>

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020**

	<u>Enterprise Fund</u>
ASSETS	
Cash and Investments	\$ 1,148,733
Accounts Receivable	35,532
Capital Assets, Not Being Depreciated	10,791,000
Capital Assets, Net	<u>2,287,995</u>
Total Assets	<u>14,263,260</u>
LIABILITIES	
Accounts Payable	21,846
Prepaid Assessments	9,744
Noncurrent Liabilities:	
Due Within One Year	164,000
Due in More Than One Year	<u>3,456,134</u>
Total Liabilities	<u>3,651,724</u>
NET POSITION	
Net Investment in Capital Assets	9,470,995
Unrestricted	<u>1,140,541</u>
Total Net Position	<u><u>\$ 10,611,536</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, 2020**

	Enterprise Fund
OPERATING REVENUES	
Service Fees	\$ 871,391
Water Meter Sales	47,500
Total Operating Revenues	918,891
OPERATING EXPENSES	
Billing	15,279
Core	450
Staffing	44,638
Electricity and Gas	160,407
Repairs and Maintenance	91,636
Water Meters and Installation	38,950
Scada	49,238
Delivery and Ditch Expenses	24,992
Tools and Equipment - New	4,048
Water System Manager and Field Staff	221,334
Depreciation	153,434
Total Operating Expenses	804,406
OPERATING INCOME	114,485
OTHER REVENUES AND EXPENSES	
System Development Fees	53,750
Loan Interest	(173,976)
Total Other Revenues and Expenses	(120,226)
CHANGE IN NET POSITION	(5,741)
Net Position - Beginning of Year	10,617,277
NET POSITION - END OF YEAR	\$ 10,611,536

See accompanying Notes to Basic Financial Statements.

**POUDRE TECH METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 931,033
Payments to Suppliers/Contractors	<u>(423,081)</u>
Net Cash Provided (Required) by Operating Activities	507,952

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Payment to Developer - Advances for Manager and Field Staff	<u>(209,200)</u>
Net Cash Provided (Required) by Noncapital Financing Activities	(209,200)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payment - Loan Principal	(164,000)
Payment - Loan Interest	(173,976)
Receipt - System Development Fees	53,750
Payments - Capital Projects	<u>(90,971)</u>
Net Cash Provided (Required) by Capital and Related Financing Activities	<u>(375,197)</u>

NET INCREASE (DECREASE) IN CASH AND INVESTMENTS

(76,445)

Cash and Investment - Beginning of Year

1,225,178

CASH AND INVESTMENTS - END OF YEAR

\$ 1,148,733

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

Operating Income (Loss)	\$ 114,485
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Required) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	10,451
Increase (Decrease) in Accounts Payable	6,557
Increase (Decrease) in Prepaid Assessments	1,691
Office Overhead Provided by Developer	221,334
Depreciation	<u>153,434</u>
Net Cash Provided (Required) by Operating Activities	<u><u>\$ 507,952</u></u>

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

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 (Water Valley 1 and Water Valley 2). The District serves as the Operating District which is responsible for managing the construction and operation of facilities and improvements needed for Water Valley 1 and Water Valley 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, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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, 2020**

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, 2020.

Pooled Cash and Investments

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

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	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, 2020**

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, 2020**

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, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,148,733
Cash and Investments - Restricted	10,732
Total Cash and Investments	\$ 1,159,465

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

Deposits with Financial Institutions	\$ 1,159,465
Total Cash and Investments	\$ 1,159,465

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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

At December 31, 2020, the District's cash deposits had a bank balance of \$1,156,610 and carrying balance of \$1,101,584.

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

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, 2020, the District had no investments:

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

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions/ Reclassifications	Balance at December 31, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 108,890	\$ 4,569	\$ -	\$ 113,459
Total Capital Assets, Not Being Depreciated	108,890	4,569	-	113,459
Capital Assets, Being Depreciated:				
Streets	1,852,120	-	-	1,852,120
Parks and Recreation	2,756,593	171,144	-	2,927,737
Equipment	526,817	27,448	-	554,265
Total Capital Assets, Being Depreciated	5,135,530	198,592	-	5,334,122
Less Accumulated Depreciation for:				
Streets	(440,639)	(71,714)	-	(512,353)
Parks and Recreation	(341,731)	(101,213)	-	(442,944)
Equipment	(266,922)	(45,059)	-	(311,981)
Total Accumulated Depreciation	(1,049,292)	(217,986)	-	(1,267,278)
Total Capital Assets, Being Depreciated, Net	4,086,238	(19,394)	-	4,066,844
Governmental Capital Assets, Net	4,195,128	(14,825)	-	4,180,303
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	90,971	-	2,894,625
Equipment	112,918	-	-	112,918
Total Capital Assets, Being Depreciated	2,916,572	90,971	-	3,007,543
Less Accumulated Depreciation for:				
Nonpotable Water	(550,893)	(139,828)	-	(690,721)
Equipment	(15,221)	(13,606)	-	(28,827)
Total Accumulated Depreciation	(566,114)	(153,434)	-	(719,548)
Total Capital Assets, Being Depreciated, Net	2,350,458	(62,463)	-	2,287,995
Business-Type Capital Assets, Net	13,141,458	(62,463)	-	13,078,995
Total Capital Assets, Net	\$ 17,336,586	\$ (77,288)	\$ -	\$ 17,259,298

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged during the year as follows:

Governmental Activities:	
Streets	\$ 71,714
Parks and Recreation	101,213
Equipment	<u>45,059</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 217,986</u>
Business-Type Activities:	
Nonpotable Water	\$ 139,828
Equipment	<u>13,606</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 153,434</u>

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

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, 2020:

	Balance at December 31, 2019	Additions	Reductions/ Reclassifications	Balance at December 31, 2020	Due Within One Year
Governmental Activities:					
Revenue Refunding and Improvement:					
Bonds, Series 2010 A and B	\$ 22,750,000	\$ -	\$ 22,750,000	\$ -	\$ -
Series 2010 A and B Bond Premium	517,081	-	517,081	-	-
Bonds, Series 2020	-	21,015,000	-	21,015,000	430,000
Series 2020 Bond Premium	-	1,899,629	-	1,899,629	-
Bonds Payable	<u>23,267,081</u>	<u>22,914,629</u>	<u>23,267,081</u>	<u>22,914,629</u>	<u>430,000</u>
Developer Advances Payable	1,350,355	323,534	284,712	1,389,177	-
Accrued Interest on Developer Advances	260,099	102,334	-	362,433	-
Developer Advance Payable	<u>1,610,454</u>	<u>425,868</u>	<u>284,712</u>	<u>1,751,610</u>	<u>-</u>
Total Governmental Activities	24,877,535	23,340,497	23,551,793	24,666,239	430,000
Business-Type Activities:					
Taxable Water Revenue Note, Series 2016	3,772,000	-	164,000	3,608,000	164,000
Developer Advances Payable	-	12,134	-	12,134	-
Total Business-Type Activities	<u>3,772,000</u>	<u>12,134</u>	<u>164,000</u>	<u>3,620,134</u>	<u>164,000</u>
Total	<u>\$ 28,649,535</u>	<u>\$ 23,352,631</u>	<u>\$ 23,715,793</u>	<u>\$ 28,286,373</u>	<u>\$ 594,000</u>

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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.

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 2010A and 2010B bonds were paid for in full on September 3, 2020.

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

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 semi-annually 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.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Taxable Water Revenue Note, Series 2016 (Continued)

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.

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.

Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2020

On September 3, 2020, the District issued \$21,015,000 Unlimited Property Tax Supported Revenue Refunding and Improvement Bonds Series 2020 with an interest rate of 2.125% - 4.000%. Proceeds from the sale of the Bonds were used for the purpose of refunding the Series 2010 Bonds. A portion of the proceeds of the Bonds were also used to (a) purchase a municipal bond insurance policy and (b) fund the costs of issuing the Bonds. Interest on the Bonds is payable semi-annually to the extent that Pledged Revenue is available on June 1 and December 1 each year, commencing June 1, 2021. Principal on the Bonds is paid on December 1.

The bonds maturing on or after December 1, 2031 are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities, on December 1, 2030, and on any date thereafter, upon payment of par plus accrued interest, and without any redemption premium.

The Bonds are not secured by property lying within the District or the Taxing Districts but, rather, by, among other things, the obligation of the Taxing Districts under the Capital Pledge Agreement to certify the Required Mill Levy and pay or cause to be paid to the Trustee, on behalf of the District, for payment of the Bonds.

The District's 2020 Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 430,000	\$ 783,176	\$ 1,213,176
2022	620,000	616,438	1,236,438
2023	645,000	597,837	1,242,837
2024	660,000	578,488	1,238,488
2025	675,000	558,687	1,233,687
2026-2030	4,610,000	2,456,088	7,066,088
2031-2035	6,885,000	1,524,287	8,409,287
2036-2039	6,490,000	399,788	6,889,788
Total	<u>\$ 21,015,000</u>	<u>\$ 7,514,789</u>	<u>\$ 28,529,789</u>

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

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, 2020, 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, 2020, the District had net investments in capital assets calculated as follows:

	Governmental Activities	Business-Type Activities
Capital Assets, Net	\$ 4,180,303	\$ 13,078,995
Outstanding Long-Term Debts Used to Acquire Capital Assets	(22,656,610)	(3,608,000)
Bond Premium, Net	(1,899,629)	-
Net Investment in Capital Assets	<u>\$ (20,375,936)</u>	<u>\$ 9,470,995</u>

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

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, 2020 as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 46,700
Debt Service	2,881
Restricted Net Position	\$ 49,581

The District's unrestricted net position as of December 31, 2020 totaled \$795,223.

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.

The Third Amendment, dated September 1, 2020, made changes to provide payment to the 2020 Operating District Bonds, to remove UMB as a party to the Original Pledge Agreement and add U.S. Bank as a party.

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

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, 2020**

NOTE 7 PRIMARY AGREEMENTS (CONTINUED)

In 2020, Trollco Inc. donated three farm lots to the District.

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.

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

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, 2020, the District determined and calculated its required emergency reserve to be approximately \$46,700, funding of which were provided by the Financing Districts. At December 31, 2020, the Financing Districts have combined cash reserves in their General Funds totaling \$250,000.

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
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ 55	\$ 55	\$ -
Transfer from Water Valley No. 1 - Series 2010 Bonds	379,620	379,620	379,620	-
Transfer from Water Valley No. 2 - Series 2010 Bonds	1,229,343	1,229,420	1,229,420	-
Total Revenues	<u>1,608,963</u>	<u>1,609,095</u>	<u>1,609,095</u>	<u>-</u>
EXPENDITURES				
Bond Interest Series 2010A	903,500	451,750	451,750	-
Bond Interest Series 2010B	228,063	114,031	114,031	-
Bond Principal Series 2010B	475,000	-	-	-
Paying Agent/Trustee Fees	2,400	400	400	-
2010 Bond - Refunding Escrow	-	23,311,235	23,311,235	-
Bond Issue Costs	-	646,581	643,700	2,881
Total Expenditures	<u>1,608,963</u>	<u>24,523,997</u>	<u>24,521,116</u>	<u>2,881</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(22,914,902)	(22,912,021)	2,881
OTHER FINANCING SOURCES (USES)				
Bond Issue	-	21,015,000	21,015,000	-
Bond Premium	-	1,899,629	1,899,629	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>22,914,629</u>	<u>22,914,629</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(273)	2,608	2,881
Fund Balances - Beginning of Year	-	273	273	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,881</u>	<u>\$ 2,881</u>

**POUDRE TECH METROPOLITAN DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Service Fees	\$ 850,000	\$ 850,000	\$ 871,391	\$ 21,391
Water Meter Sales	75,000	40,000	47,500	7,500
System Development Fees	75,000	40,000	53,750	13,750
Developer Advance - Manager and Field Staff	221,334	221,334	221,334	-
Water Credit Sales	-	1,008,000	1,008,000	-
Total Revenues	<u>1,221,334</u>	<u>2,159,334</u>	<u>2,201,975</u>	<u>42,641</u>
EXPENDITURES				
General and Administrative:				
Billing	7,000	16,000	15,279	721
Core	450	450	450	-
Beacon	7,500	-	-	-
Staffing	40,000	45,000	44,638	362
Operations and Maintenance:				
Electricity and Gas	130,000	160,000	160,407	(407)
Repairs and Maintenance	75,000	95,000	91,636	3,364
Water Meters and Installation	75,000	50,000	38,950	11,050
Scada	30,000	50,000	49,238	762
Delivery and Ditch Expenses	30,000	30,000	24,992	5,008
Tools and Equipment - New	10,000	4,048	4,048	-
Water System Manager and Field Staff	221,334	221,334	221,334	-
Contingency	46,844	76,296	-	76,296
Debt Service:				
2016 Loan Interest	173,538	173,538	173,976	(438)
2016 Loan Principal	164,000	164,000	164,000	-
Repayment of Developer Advance - Manager and Field Staff	221,334	221,334	209,200	12,134
Capital Outlay				
Meter Replacement	110,000	110,000	90,971	19,029
Capital Projects	50,000	-	-	-
Water Rights Acquisition	-	1,008,000	1,008,000	-
Total Expenditures	<u>1,392,000</u>	<u>2,425,000</u>	<u>2,297,119</u>	<u>127,881</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS				
	<u>\$ (170,666)</u>	<u>\$ (265,666)</u>	(95,144)	<u>\$ 170,522</u>
ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS:				
Developer Advance			(221,334)	
Capital Outlay			1,098,971	
2016 Loan Principal			164,000	
Repayment of Developer Advances			209,200	
Depreciation			(153,434)	
CHANGE IN NET POSITION			(5,741)	
Net Position - Beginning of Year			<u>10,617,277</u>	
NET POSITION - END OF YEAR			<u>\$ 10,611,536</u>	

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

\$21,015,000 Series 2020 Unlimited
Property Tax Supported Revenue
Refunding and Improvement Bonds
Dated September 3, 2020
Principal due December 1
Interest Rate 2.125% to 4.000% Payable
June 1 and December 1

Year Ending December 31,	Principal	Interest	Total
2021	\$ 430,000	\$ 783,176	\$ 1,213,176
2022	620,000	616,438	1,236,438
2023	645,000	597,837	1,242,837
2024	660,000	578,488	1,238,488
2025	675,000	558,687	1,233,687
2026	715,000	538,438	1,253,438
2027	740,000	516,987	1,256,987
2028	830,000	494,788	1,324,788
2029	1,130,000	469,887	1,599,887
2030	1,195,000	435,988	1,630,988
2031	1,275,000	400,137	1,675,137
2032	1,310,000	361,888	1,671,888
2033	1,360,000	309,487	1,669,487
2034	1,435,000	255,088	1,690,088
2035	1,505,000	197,687	1,702,687
2036	1,550,000	167,588	1,717,588
2037	1,600,000	121,087	1,721,087
2038	1,650,000	73,088	1,723,088
2039	1,690,000	38,025	1,728,025
Total	<u>\$ 21,015,000</u>	<u>\$ 7,514,789</u>	<u>\$ 28,529,789</u>

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

\$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>
2021	\$ 164,000	\$ 165,452	\$ 329,452
2022	164,000	**	**
2023	3,280,000		
Total	<u>\$ 3,608,000</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 2020**

**POUDRE TECH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE UNLIMITED PROPERTY TAX SUPPORTED REVENUE REFUNDING
AND IMPROVEMENT BONDS, SERIES 2020**

**TABLE II
History of Water Valley Metropolitan District No. 1's
Assessed Valuation and Mill Levies**

Levy/ Collection Year	Assessed Valuation ¹	Percent Change	General Fund	Debt Service Fund	Total Mill Levy
2015/2016	\$ 42,796,050	--	13.300	25.700	39.000
2016/2017	47,810,900	11.72 %	30.430	8.570	39.000
2017/2018	43,490,270	(9.04)	20.070	18.930	39.000
2018/2019	34,982,840	(19.56)	17.644	23.495	41.139
2019/2020	34,942,180	(0.12)	17.813	24.130	41.943
2020/2021	34,496,110	(1.28)	17.618	24.325	41.943

¹ The decline in assessed valuation beginning in levy year 2017 is primarily due to decline in oil and gas assessed valuation resulting from a decline in production of oil from wells within Water Valley Metropolitan District No. 1.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, and County Assessor.

**TABLE II
History of Water Valley Metropolitan District No. 2's
Assessed Valuation and Mill Levies**

Levy/ Collection Year	Assessed Valuation ¹	Percent Change	General Fund	Debt Service Fund	Total Mill Levy
2015/2016	\$ 84,359,680	--	15.975	23.025	39.000
2016/2017	81,309,260	(3.62)%	20.907	18.093	39.000
2017/2018	57,038,740	(29.85)	11.554	27.446	39.000
2018/2019	65,477,360	14.79	15.155	25.984	41.139
2019/2020	63,277,390	(3.36)	15.412	26.531	41.943
2020/2021	63,402,150	0.20	14.943	27.000	41.943

¹ The decline in assessed valuation beginning in levy year 2017 is primarily due to decline in oil and gas assessed valuation resulting from a decline in production of oil from wells within Water Valley Metropolitan District No. 2.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, and County Assessor.

**POUDRE TECH METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
AS REQUIRED BY THE UNLIMITED PROPERTY TAX SUPPORTED REVENUE REFUNDING
AND IMPROVEMENT BONDS, SERIES 2020**

**Table VI
Historical Property Tax Collections in Water Valley Metropolitan District No. 1**

Levy/ Collection Year	Total Taxes Levied	Total Taxes Collection	Percent of Levy Collected
2015/2016	\$ 1,669,045	\$ 1,668,329	99.96 %
2016/2017	1,864,625	1,863,857	99.96
2017/2018	1,696,121	1,696,162	100.00
2018/2019	1,439,159	1,438,325	99.94
2019/2020	1,465,580	1,459,313	99.57

Source: State of Colorado Department of Local Affairs Division of Property Taxation Annual Reports for 2015 - 2020 and the County Treasurer's Office.

**Table VII
Historical Property Tax Collections in Water Valley Metropolitan District No. 2**

Levy/ Collection Year	Total Taxes Levied	Total Taxes Collection	Percent of Levy Collected
2015/2016	\$ 3,290,028	\$ 3,294,992	100.15 %
2016/2017	3,171,061	3,103,222	97.86
2017/2018	2,224,511	230,812	10.38
2018/2019	2,693,673	2,692,820	99.97
2019/2020	2,654,043	2,596,192	97.82

Source: State of Colorado Department of Local Affairs Division of Property Taxation Annual Reports for 2015 - 2020 and the County Treasurer's Office.