

**COLORADO CENTRE METROPOLITAN
DISTRICT**

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
With Independent Auditors' Report

Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Colorado Centre Metropolitan District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Colorado Centre Metropolitan District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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.

Auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of Colorado Centre Metropolitan District, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of new accounting standard

As described in Note 1 to the financial statements, effective January 1, 2020, Colorado Centre Metropolitan District adopted new accounting guidance, GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colorado Centre Metropolitan District's financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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.

Hoelting & Company, Inc. 

Colorado Springs, Colorado
June 11, 2021

Thomas G. Sistare, CPA

Management Discussion and Analysis For the 2020 Audit of the Colorado Centre Metropolitan District

By: Liz Stokes, CFO

The management staff of the Colorado Centre Metropolitan District (District) has prepared this discussion to provide a general overview of the financial activities and condition of the District for the fiscal year ending on December 31, 2020. The discussion and analyses are designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position and its ability to address the next and subsequent year challenges, (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns.

The District's financial statements encompass: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. Other supplementary information is included in addition to the basic financial statements themselves.

The Government-wide Financial Statements (pages 1 and 2) were first implemented in the District's audit for the year ending December 31, 2004. The Statement of Net Position and the Statement of Activities are designed to provide readers with a broad overview of District finances, in a manner like a private-sector business. These statements are unique in that they represent the District's financial position for all the District's governmental (General, Reserve and Debt Service Funds) and enterprise (Water and Wastewater) fund types using the accrual basis of accounting.

The Statement of Net Position presents information on all District assets and liabilities, with the difference between the two reported as the 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 on all District expenditures and revenues. This statement distinguishes functions of the District that are principally supported by taxes such as general government, public safety, public works, culture/recreation, and debt service from other functions that are intended to recover all or a portion of these costs through user fees (such as first responder, street lighting and refuse disposal). The Business-type Activities reflect the operations of the two enterprises (Water and Wastewater), where the fees for services typically cover all the costs of operation.

Traditional users of government financial statements will find the Fund Financial Statements more familiar. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate finance-related legal compliance. All the funds in the District can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows, outflows, and balances of appropriated resources available for a specific fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements (balance sheet and statement of revenues, expenditures, and changes in fund balances) is narrower than that of the government-wide financial statements, it is useful to compare the information presented in both types of statements. By doing so, readers can better understand the long-term impact of the government's near-term financial decisions. The audit report contains reconciliations to facilitate this comparison between governmental funds and governmental activities.

The District's Fiduciary Fund is used to account for resources held for the exclusive benefit of the 1992 Series "A - Principal Only" Bondholders. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the District. Although the fund balance in this fund may go up or down in reaction to market forces, the fact remains that the final maturity yield of these investments is guaranteed and fully collateralizes the Series "A - Principal Only" bonds of the District which will be paid off on 1/1/2027.

The Colorado Centre Metropolitan District is governed by all the State of Colorado rules applicable to a Title 32 Special District, its Enterprises are governed by CRS Title 37, and the rules and covenants imposed by a U.S. Bankruptcy Resolution Plan (Chapter 9), District of Colorado, Case No. 89 B 16410 J.

Overview of the Government-wide Financial Statements

The District's Governmental Activities differ from many municipalities in that some of the figures it posts under its liabilities and net position accounts relate to the District's bankruptcy plan. The District has long term liabilities of \$39,763,492 which mainly represent accrued but unpaid principal and interest of its 1992 Series B bonds. Another \$43,921 of current liabilities is comprised of customer deposits, compensated employee absences and accounts payable. The fully collateralized principal of the Series A 1992 bond (Private-Purpose Trust Fund) has a current market value of \$2,875,015 which is 7% higher than last year, but the securities purchased have a guaranteed face value at maturity regardless of their annual fluctuations. These securities will help reduce the long-term debt on January 1, 2027 by fulfilling the financial obligations of the Series "A" Principal Only bonds. At that point, the Series B Principal and Interest bonds will receive all plan defined revenue of the District until such time as the bankruptcy plan expires in 2032, if not more than 1,500 Single Family Homes have been built or 2042, if more than 1,500 single family homes are built by 2032.

The provisions of the bankruptcy plan of the District are such that the District's costs of operation must be satisfied first. Eventually, the debt is forgiven, if funds are not available to cancel the debt as specified in the plan. If the bankruptcy debt components were removed from the financial activities, the District's excellent health becomes apparent. Yet, it is likely that the District's assets will continue to decrease annually because of depreciation expenses which are only partially recovered by the District through its monthly capital improvement service charges.

The District has adopted and charged an Availability of Service Charge (ASC) to properties within 100 feet of a District sewer line but for which a tap has not been purchased. This type of charge is allowed by State Statutes to help pay off debt associated with specific project(s) that benefit said parcels. In this case, it will be used specifically to pay for 1) a \$2,000,000 loan used toward the District's participation in the regional wastewater and sewer interceptor project, and 2) a \$1,412,421.74 loan for the Phosphorous removal addition, constructed by the Lower Fountain Metropolitan Sewage Disposal District (LFMSDD) on behalf of its participants. The District is a 25% stakeholder on the plant portion of the project and about a 12.52% stakeholder in the interceptor. The District will pay off these loans in FY 2021 and consequently eliminate the ASC.

COMPARISON OF CURRENT TO PRIOR YEAR

GOVERNMENTAL ACTIVITIES

ASSETS	FY20	FY19	% CHANGE
CAPITAL	1,468,890	\$1,406,936	4.4%
OTHER	2,552,626	\$2,348,654	8.7%
TOTAL	4,021,516	\$3,755,590	7.1%

LIABILITIES	FY20	FY19	% CHANGE
LONG-TERM	39,763,492	\$38,797,724	2.5%
OTHER	43,921	\$40,190	9.3%
TOTAL	39,807,413	\$38,837,914	2.5%

DEF. INFLOWS	FY20	FY19	% CHANGE
UNAV. TAX REV.	664,535	\$654,612	1.5%
TOTAL	664,535	\$654,612	1.5%

NET POSITION	FY20	FY19	% CHANGE
NET OF DEBT	(10,952,606)	(\$11,014,560)	-0.6%
RESTRICTED	360,000	\$676,031	-46.7%
UNRESTRICTED	(25,857,826)	(\$25,398,407)	1.8%
TOTAL	(36,450,432)	(\$35,736,936)	2.0%

BUSINESS-TYPE ACTIVITIES - ENTERPRISES

ASSETS	FY20	FY19	% CHANGE
CAPITAL	17,072,685	\$20,731,479	-17.6%
OTHER	9,416,277	\$2,045,450	360.4%
TOTAL	26,488,962	\$22,776,929	16.3%

LIABILITIES	FY20	FY19	% CHANGE
LONG-TERM	2,491,339	\$2,649,232	-6.0%
OTHER	193,977	\$195,222	-0.6%
TOTAL	2,685,316	\$2,844,454	-5.6%

NET POSITION	FY20	FY19	% CHANGE
NET ASSETS	14,581,346	\$18,082,247	-19.4%
RESTRICTED	132,250	\$134,513	-1.7%
UNRESTRICTED	9,090,050	\$1,715,715	429.8%
TOTAL	23,803,646	\$19,932,475	19.4%

The table above depicts a comparison of the financial condition of the District compared to the prior year.

Management Discussion and Analysis for the Colorado Centre Metropolitan District – F.Y. 2020

The governmental activities Capital assets show a 4.4% or \$61,954 increase over the previous year due to an increase of assets. A large part of this asset increase is due to purchases with CARES Act funds for public safety. Other governmental assets increased by 8.7% or \$203,972 due to a change in prepaid expenses. On the liabilities side of government activities, the Long-term debt slightly increased due mostly to the accrued and unpaid interest for the Series B bonds of the District. Other liabilities increased by 9.3% from the previous year mostly attributable to an increase in accounts payable and deposits and escrow.

On the business-type activities side of the District, i.e., water and wastewater services, the Capital assets have decreased by 17.6% overall attributable to the sale of water and sewer assets to Colorado Springs Utilities. Other assets increased due to additional cash from the sale to Colorado Springs Utilities.

The long-term liabilities have decreased by 6% due to a decrease in principal for the two loans with Colorado Water Resources and Power Development Authority (CWRPDA) to help fund the LFMSDD Phosphorous Removal project. Currently, these loans have combined principal balances of \$1,205,873 and \$1,285,466. There is an decrease of 0.6% in other liabilities due mostly to decrease in compensated absences.

streetlights, \$196,522 from refuse disposal, \$311,752 from First Responder fees, and \$221,025 from lottery funds and CARES Act funds reflect a total revenue of \$763,619. The expenses not covered by specific fees were paid from general, developer owned and specific ownership taxes of \$725,803, earnings on investment of \$8,610 (government activities only), and miscellaneous income of \$4,916.

The business-type statement of activities for the District's Enterprises shows that the enterprises generated enough revenue to pay for 100% of their operations. As presented, the business activities of the Enterprises had income of \$1,669,509 from the sales of water, sewer and various service charges and fees. The operations expenses were \$1,595,273 for the year. These yield a gain of \$74,236, which when combined with the investment earnings of \$19,829, gain on sale of \$2,784,414 and other miscellaneous income of \$992,692, yield a change in net position of \$3,871,171.

The net effect of the District's activities is that there is an annual deficit in the governmental activities that does not improve because the Series B bonds continue to accumulate unpaid interest, while the principal remains unpaid also. On the other side, the net assets of the business activities of the District continue to increase.

Overview of the Statement of Activities

Most of the governmental functions are funded through taxes, fees and excess revenues from governmental activities that generate income, such as streetlights and refuse disposal, and from contributions from the State's lottery. Under the "Debt service – interest" \$1,233,338 includes Series A and B bond interest which accrues annually on the District bonds. The amount reflects the \$264,950 paid to the Series A bondholders during the year. The District also paid bond related administrator's fees of \$2,620. As far as the Series B Bonds are concerned, \$965,768 is an interest expense which continually accrues because of the District's inability to make any significant payment on the 1992 Series B bonds. This is the largest single amount of expense/liability that the District's governmental funds (General, Reserve and Debt) experience on an annual basis. However, the interest component of Debt Service related to the Series A Bonds is paid out of all pledged revenues of the District for a total of \$264,950 per year. All the other expenses of the District, such as General Government (\$180,149), Public Safety (\$522,213), Public Works (\$41,011), Refuse Disposal (\$167,513), Culture and Recreation (\$38,343), and Street Lighting (\$33,877), amount to \$983,106 for the 2020 expense year. On the program revenue side, income of \$34,320 from

CHANGE IN NET POSITION

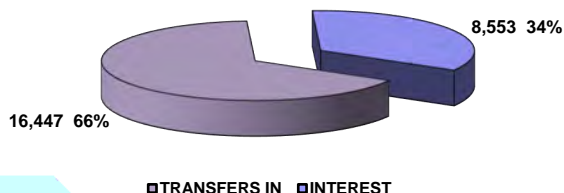
	FY20	FY19	% CHANGE
GOVERNMENT	(36,450,432)	(\$35,736,936)	2.0%
BUSINESS	23,803,646	\$19,932,475	19.4%
TOTAL	(12,646,786)	(\$15,804,461)	-20.0%

Fund Financial Statements

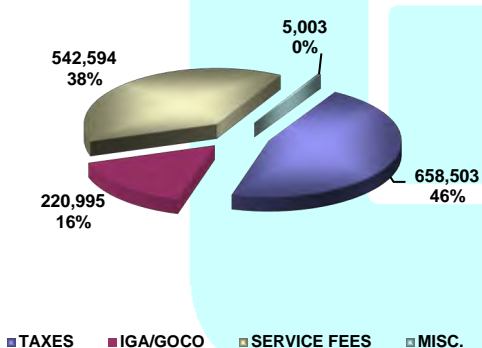
General Fund: The two graphs that follow summarize the general performance of the General Fund. Revenue sources have been grouped as Taxes (general and specific ownership taxes), IGA/GOCO (for lottery and grant funds), Service Fees (streetlights, first responder and trash services), and Misc. (interest, other fees, transfers in, and sale of assets, etc.). Similarly, expense categories have been grouped according to function and the summaries are presented in the legend of the Expenses chart. The General Fund performed as budgeted. A surplus of \$165,318 in the General Fund is from underspending which will be accumulated with the previous year's balance of \$678,852 for a total of \$844,170, to ensure the viability of the service into the future. The mills and fees that generate this surplus are not a part of the Bankruptcy plan of the District.

Reserve Fund: The District's reserves increased by \$25,000 during FY 2020 to \$1,000,000, which is the Reserve Fund limit allowed by the bankruptcy plan of the District for FY 2020. The District did not spend any Reserve Funds in FY 2020.

RESERVE FUND REVENUES
TOTAL REVENUES: \$25,000

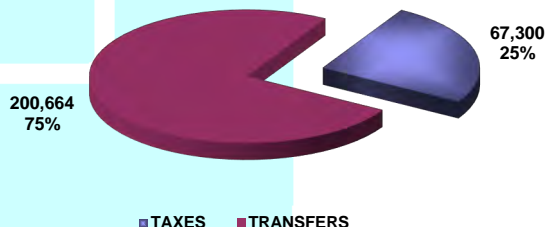


GENERAL FUND REVENUES
TOTAL REVENUES: \$1,427,095

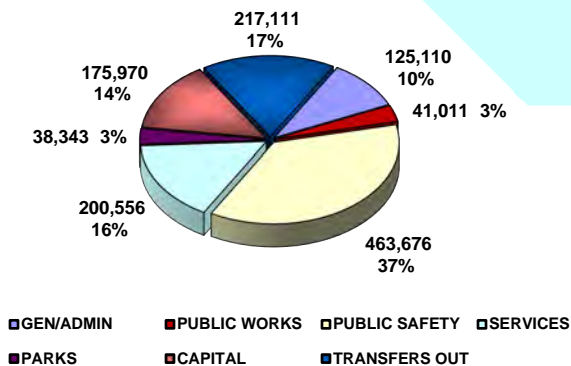


Debt Service Fund: The Debt Service Fund had income of \$267,964 of which \$67,300 came from Restricted Developer Owned Taxes (100 mills) and \$200,664 were transferred in from the General Fund. These revenues were used to pay \$393 to the County for collecting the taxes, \$2,620 to the bankruptcy plan administrator, and \$264,951 to the Series A bondholders.

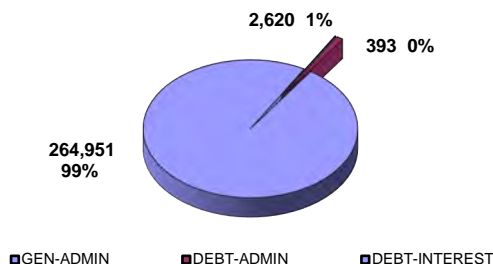
DEBT SERVICE FUND REVENUES
TOTAL REVENUES: \$267,964



GENERAL FUND EXPENSES
TOTAL EXPENSES: \$1,261,777

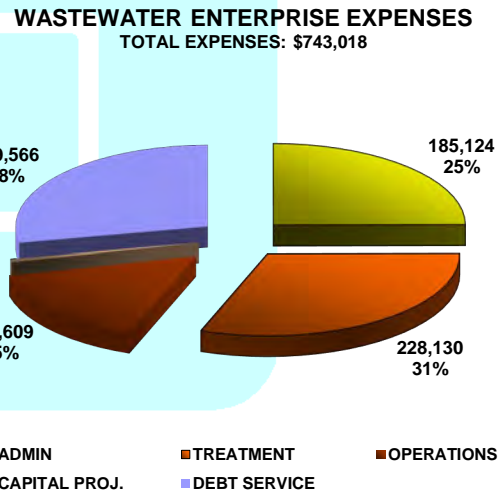
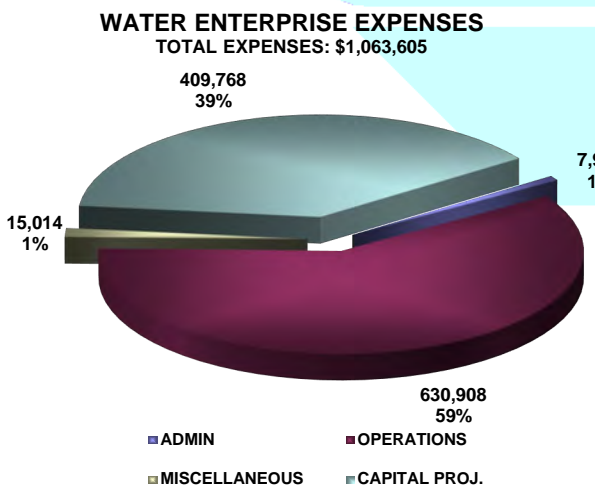
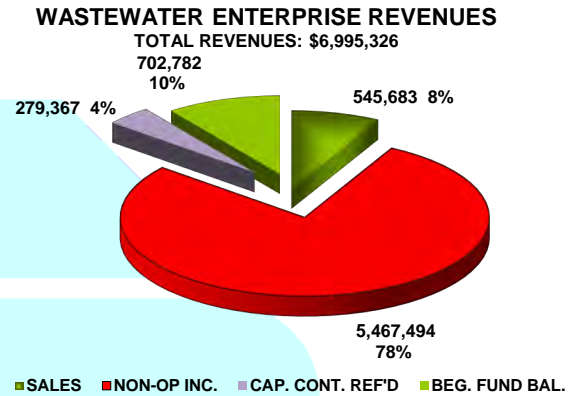
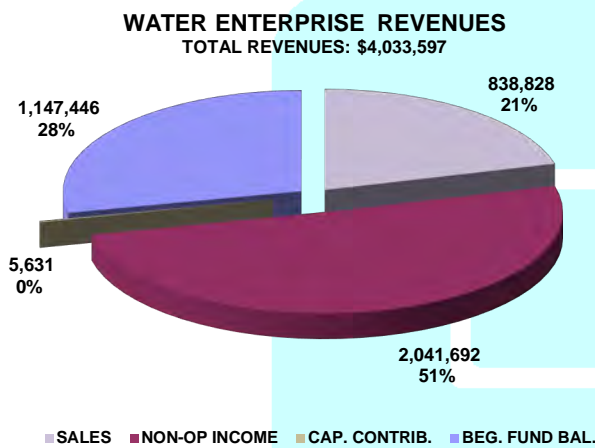


DEBT SERVICE FUND EXPENSES
TOTAL EXPENSES: \$267,964



Water Enterprise – General and Capital: The following two charts summarize the activities of the Water Enterprise during fiscal year 2020. Capital expenses, net of depreciation, are included. The net position of the Water Enterprise increased by \$1,303,716 to \$10,669,383. There was also revenue from the sale of water, including irrigation and augmentation, in the amount of \$838,828, interest of \$12,815, other income of \$991,599 and a gain on sale of \$337,485. The Water Enterprise operated under budget for the year. It started the year with a total fund balance of \$1,147,446, had revenue and transfers of \$2,886,131, for a total revenue of \$4,033,597. These two funds ended up the year, after all expenses and transfers of \$1,063,605, with a combined balance of \$2,969,992, not including depreciation.

Wastewater Enterprise – General and Capital: The breakdown presented in the charts below summarizes the activities of this Enterprise during fiscal year 2020. Capital expenses are included. The net position of the Wastewater Enterprise increased by \$2,567,455 to \$13,134,263, mainly, because of the gain on sale. The Wastewater Enterprise operated under budget for the year. It started the year with a fund balance of \$702,782, had additional revenue of \$6,292,544, and, ended up the year, after all expenses and transfers of \$743,018 with a fund balance of \$6,252,308, not including depreciation.



Private-Purpose Trust Fund: This fund contains monies invested by the District to fund the principal of the series A 1992 bonds due in 2027. The current market value of the securities is \$2,875,015 which is \$198,407 higher than reported in 2019. However, these funds are guaranteed to mature to yield approximately \$2,943,892 at or near the year 2027, when they are required to be paid out to the bondholders.

Closing Remarks

All the funds of the District performed within the anticipated limits established and approved by the Board of Directors.

The District continues to work on a project to promote the planning and development of parcels owned by the District so that they can become taxable once more and bring in more customers. At this time, the District is working with the City of Colorado Springs Planning Department to explore the annexation into the City of the two parcels owned by the District.

Advance Concrete and International Auto Auction Inc. have become two interim customers of the District under the current IGA with the City of Colorado Springs. It is anticipated that two more parcels may be added in the near future.

The District has entered into another agreement with Colorado Springs Utilities where sewer capacity has been exchanged for the maintenance and replacement of certain assets by Colorado Springs Utilities in perpetuity at no cost to the District.

The audit and notes to the audit are an integral part of the comments presented herein.

End

BASIC FINANCIAL STATEMENTS

COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,377,687	\$ 8,956,146	\$ 10,333,833
Investments	-	35,031	35,031
Cash with county treasurer	5,737	-	5,737
Receivables, net	20,447	270,329	290,776
Property tax receivable	664,535	-	664,535
Prepaid expenses	484,170	10,957	495,127
Deposits	50	11,564	11,614
Restricted cash and cash equivalents	-	132,250	132,250
Capital assets not being depreciated	560,293	14,242,981	14,803,274
Capital assets, net of accumulated depreciation	908,597	2,829,704	3,738,301
Total Assets	<u>4,021,516</u>	<u>26,488,962</u>	<u>30,510,478</u>
LIABILITIES			
Accounts payable	7,536	30,452	37,988
Compensated absences	3,838	15,482	19,320
Deposits and escrow	32,547	139,739	172,286
Accrued interest payable	-	8,304	8,304
Long term liabilities:			
Due within one year	-	161,066	161,066
Due in more than one year	39,763,492	2,330,273	42,093,765
Total Liabilities	<u>39,807,413</u>	<u>2,685,316</u>	<u>42,492,729</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable tax revenue	664,535	-	664,535
NET POSITION			
Net investment in capital assets	(10,952,606)	14,581,346	3,628,740
Restricted	360,000	132,250	492,250
Unrestricted	(25,857,826)	9,090,050	(16,767,776)
Total Net Position (Deficit)	<u>\$ (36,450,432)</u>	<u>\$ 23,803,646</u>	<u>\$ (12,646,786)</u>

The accompanying notes are an integral part of these financial statements.

**COLORADO CENTRE METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Reserve Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 394,134	\$ -	\$ 983,553	\$ 1,377,687
Cash with county treasurer	5,737		-	5,737
Property taxes receivable	592,724	71,811	-	664,535
Other receivables	20,447	-	-	20,447
Due from internal balances	-	-	16,447	16,447
Prepays	484,170	-	-	484,170
Deposits	50	-	-	50
	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
Total assets	<u>\$ 1,497,262</u>	<u>\$ 71,811</u>	<u>\$ 1,000,000</u>	<u>\$ 2,569,073</u>
LIABILITIES				
Accounts payable	\$ 6,136	\$ -	\$ -	\$ 6,136
Payroll liabilities	1,400	-	-	1,400
Compensated absences	3,838	-	-	3,838
Deposits payable	32,547	-	-	32,547
Due to interfunds	16,447	-	-	16,447
	<u>16,447</u>	<u>-</u>	<u>-</u>	<u>16,447</u>
Total liabilities	<u>60,368</u>	<u>-</u>	<u>-</u>	<u>60,368</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	592,724	71,811	-	664,535
	<u>592,724</u>	<u>71,811</u>	<u>-</u>	<u>664,535</u>
FUND BALANCES				
Nonspendable	484,170	-	-	484,170
Restricted for fire protection	360,000	-	-	360,000
Committed for repairs & improvements	-	-	1,000,000	1,000,000
	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total fund balances	<u>844,170</u>	<u>-</u>	<u>1,000,000</u>	<u>1,844,170</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,497,262</u>	<u>\$ 71,811</u>	<u>\$ 1,000,000</u>	<u>\$ 2,569,073</u>

The accompanying notes are an integral part of these financial statements.

**COLORADO CENTRE METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total fund balance, governmental funds	\$ 1,844,170
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,468,890
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.	<u>(39,763,492)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ (36,450,432)</u></u>

The accompanying notes are an integral part of these financial statements.

COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Reserve Fund</u>	<u>Total Governmental Funds</u>
REVENUE				
Property taxes	\$ 587,350	\$ 67,300	\$ -	\$ 654,650
Specific ownership taxes	71,153	-	-	71,153
Other intergovernmental	220,995	-	-	220,995
Lighting usage	34,320	-	-	34,320
Refuse disposal fees	196,522	-	-	196,522
First responder fees	311,752	-	-	311,752
Fines and forfeitures	30	-	-	30
Investment interest	57	-	8,553	8,610
Other	4,916	-	-	4,916
Total revenue	<u>1,427,095</u>	<u>67,300</u>	<u>8,553</u>	<u>1,502,948</u>
EXPENDITURES				
General and administrative	125,110	3,013	-	128,123
Public safety	463,676	-	-	463,676
Public works	41,011	-	-	41,011
Street lights	33,043	-	-	33,043
Refuse disposal	167,513	-	-	167,513
Culture and recreation	38,343	-	-	38,343
Capital outlay	175,970	-	-	175,970
Debt service - other	-	-	-	-
Debt service - interest	-	264,951	-	264,951
Total expenditures	<u>1,044,666</u>	<u>267,964</u>	<u>-</u>	<u>1,312,630</u>
Excess (deficit) of revenues over expenditures	<u>382,429</u>	<u>(200,664)</u>	<u>8,553</u>	<u>190,318</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	200,664	16,447	217,111
Transfers out	<u>(217,111)</u>	<u>-</u>	<u>-</u>	<u>(217,111)</u>
Total other financing sources (uses)	<u>(217,111)</u>	<u>200,664</u>	<u>16,447</u>	<u>-</u>
Net change in fund balances	165,318	-	25,000	190,318
Fund balance, beginning	<u>678,852</u>	<u>-</u>	<u>975,000</u>	<u>1,653,852</u>
Fund balance, ending	<u>\$ 844,170</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,844,170</u>

The accompanying notes are an integral part of these financial statements.

**COLORADO CENTRE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances - total governmental funds: \$ 190,318

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. 61,954

Interest on long-term debt is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (965,768)

Change in net position of governmental activities \$ (713,496)

The accompanying notes are an integral part of these financial statements.

COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	Water Fund	Wastewater Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,816,130	\$ 6,140,016	\$ 8,956,146
Investments	35,031	-	35,031
Receivables, net	188,740	81,589	270,329
Prepaid expenses	10,549	408	10,957
Restricted cash and cash equivalents	-	132,250	132,250
Deposits	11,464	100	11,564
Total current assets	<u>3,061,914</u>	<u>6,354,363</u>	<u>9,416,277</u>
Noncurrent assets:			
Capital assets	9,906,659	12,291,371	22,198,030
Less: accumulated depreciation	<u>(2,207,268)</u>	<u>(2,918,077)</u>	<u>(5,125,345)</u>
Total noncurrent assets	<u>7,699,391</u>	<u>9,373,294</u>	<u>17,072,685</u>
Total assets	<u>10,761,305</u>	<u>15,727,657</u>	<u>26,488,962</u>
LIABILITIES			
Current liabilities:			
Accounts payable	10,310	20,142	30,452
Compensated absences	6,846	8,636	15,482
Customer deposits	74,766	64,973	139,739
Accrued interest payable	-	8,304	8,304
Notes payable	<u>-</u>	<u>161,066</u>	<u>161,066</u>
Total current liabilities	<u>91,922</u>	<u>263,121</u>	<u>355,043</u>
Noncurrent liabilities:			
Notes payable	<u>-</u>	<u>2,330,273</u>	<u>2,330,273</u>
Total liabilities	<u>91,922</u>	<u>2,593,394</u>	<u>2,685,316</u>
NET POSITION			
Net investment in capital assets	7,699,391	6,881,955	14,581,346
Restricted	-	132,250	132,250
Unrestricted	<u>2,969,992</u>	<u>6,120,058</u>	<u>9,090,050</u>
Total net position	<u>\$ 10,669,383</u>	<u>\$ 13,134,263</u>	<u>\$ 23,803,646</u>

The accompanying notes are an integral part of these financial statements.

COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water Fund	Wastewater Fund	Total
OPERATING REVENUE			
Charges for services			
Water sales and service charges	\$ 838,828	\$ -	\$ 838,828
Sewer sales and service charges	-	545,683	545,683
Other income	991,599	1,093	992,692
	<u>1,830,427</u>	<u>546,776</u>	<u>2,377,203</u>
OPERATING EXPENSES			
Water expenses	638,823	-	638,823
Sewer expenses	-	528,863	528,863
Depreciation	228,805	132,095	360,900
	<u>867,628</u>	<u>660,958</u>	<u>1,528,586</u>
Total operating expenses	<u>867,628</u>	<u>660,958</u>	<u>1,528,586</u>
Operating income (loss)	<u>962,799</u>	<u>(114,182)</u>	<u>848,617</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	12,815	7,014	19,829
Gain/(loss) on disposal of assets	337,485	2,446,929	2,784,414
Interest expense	(15,014)	(51,673)	(66,687)
	<u>335,286</u>	<u>2,402,270</u>	<u>2,737,556</u>
Total nonoperating revenues (expenses)	<u>335,286</u>	<u>2,402,270</u>	<u>2,737,556</u>
Income (loss) before capital contributions and transfers	1,298,085	2,288,088	3,586,173
Capital contributions	5,631	279,367	284,998
Change in net position	1,303,716	2,567,455	3,871,171
Net position, beginning	<u>9,365,667</u>	<u>10,566,808</u>	<u>19,932,475</u>
Net position, ending	<u>\$ 10,669,383</u>	<u>\$ 13,134,263</u>	<u>\$ 23,803,646</u>

The accompanying notes are an integral part of these financial statements.

COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water Fund	Wastewater Fund	Combined Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 673,685	\$ 535,370	\$ 1,209,055
Other receipts	1,011,995	1,093	1,013,088
Payments to suppliers and service providers	(460,584)	(416,706)	(877,290)
Payments to employees for salaries and benefits	(194,329)	(116,295)	(310,624)
Net cash provided (used) by operating activities	<u>1,030,767</u>	<u>3,462</u>	<u>1,034,229</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments from (to) other funds	<u>1,124,138</u>	<u>602,577</u>	<u>1,726,715</u>
Net Cash Provided (Used) by Non-capital Financing Activities	<u>1,124,138</u>	<u>602,577</u>	<u>1,726,715</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	5,631	279,367	284,998
Acquisition and construction of capital assets	(409,768)	(4,589)	(414,357)
Principal paid on capital debt	-	(157,893)	(157,893)
Interest paid on capital debt	-	(51,673)	(51,673)
Proceeds from sale of fixed assets	<u>1,037,278</u>	<u>5,459,389</u>	<u>6,496,667</u>
Net cash provided (used) by capital and related financing activities	<u>633,141</u>	<u>5,524,601</u>	<u>6,157,742</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>12,815</u>	<u>7,013</u>	<u>19,828</u>
Net cash provided (used) by investing activities	<u>12,815</u>	<u>7,013</u>	<u>19,828</u>
Net increase (decrease) in cash and cash equivalents	2,800,861	6,137,653	8,938,514
Cash and cash equivalents at beginning of year	<u>15,269</u>	<u>134,613</u>	<u>149,882</u>
Cash and cash equivalents at end of year	<u>\$ 2,816,130</u>	<u>\$ 6,272,266</u>	<u>\$ 9,088,396</u>

The accompanying notes are an integral part of these financial statements.

COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Combined Totals (Memorandum Only)</u>
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash and cash equivalents	\$ 2,816,130	\$ 6,140,016	\$ 8,956,146
Restricted cash and cash equivalents	-	132,250	132,250
	<u>\$ 2,816,130</u>	<u>\$ 6,272,266</u>	<u>\$ 9,088,396</u>
Cash and cash equivalents at year end	<u>\$ 2,816,130</u>	<u>\$ 6,272,266</u>	<u>\$ 9,088,396</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ 962,799</u>	<u>\$ (114,182)</u>	<u>\$ 848,617</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	228,805	132,095	360,900
Interest expense	(15,014)	-	(15,014)
(Increase) decrease in assets:			
Accounts receivable	(146,706)	(13,193)	(159,899)
Prepaid expenses	1,011	(142)	869
Increase (decrease) in liabilities:			
Accounts payable	1,589	(1,263)	326
Customer deposits	1,960	2,880	4,840
Compensated absences	(3,677)	(2,206)	(5,883)
Accrued interest	-	(527)	(527)
Total adjustments	<u>67,968</u>	<u>117,644</u>	<u>185,612</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,030,767</u>	<u>\$ 3,462</u>	<u>\$ 1,034,229</u>

The accompanying notes are an integral part of these financial statements.

**COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
DECEMBER 31, 2020**

ASSETS

Restricted investments	<u>\$ 2,875,015</u>
Total assets	<u>2,875,015</u>

NET POSITION

Restricted for bondholders	<u>2,875,015</u>
Total net position	<u><u>\$ 2,875,015</u></u>

The accompanying notes are an integral part of these financial statements.

**COLORADO CENTRE METROPOLITAN DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUND
DECEMBER 31, 2020**

ADDITIONS

Investment earnings	
Interest	1
Net increase in fair value of investments	198,406
	198,406
Total additions	198,407

DEDUCTIONS

Payments to bondholders	-
	-
Total deductions	-
Net increase (decrease) in fiduciary net position	198,407
Net position - beginning	2,676,608
Net position - ending	\$ 2,875,015

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Colorado Centre Metropolitan District (the “District”) is a quasi-municipal political subdivision of the State of Colorado organized to develop and provide certain services to Colorado Centre. Colorado Centre is a planned 4,000 acre mixed use real estate development located in El Paso County, Colorado. The District has purchased water rights, and has constructed a water distribution system, a sanitary and storm sewer collection system, roadways, signs and other improvements.

The District’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The District is a special district governed by an elected five-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The District has no component units for which either discrete or blended presentation is required.

B. BASIS OF PRESENTATION—GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

C. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS (CONTINUED)

The District reports the following major governmental funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Reserve Fund* is used to account for the proceeds of specific revenue sources, which require separate accounting due to legal or regulatory provisions or administrative actions. It is used to account for monies retained by the District for the purpose of making necessary repairs and improvements to the District's facilities or to provide for the payment of any other expenses of the District to the extent funds are not otherwise available.

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of long term liabilities. Property tax revenues received for the payment of the District's long term liabilities are received by the fund, and principal and interest payments are expensed in the fund.

The District reports the following major proprietary funds:

An *Enterprise Fund* is used to account for those operations financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The District has two enterprise funds—the Water Fund and Wastewater Fund. The intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the government reports the following fund type:

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. The District has one fiduciary fund—the *Private-Purpose Trust Fund* is custodial in nature and does not present results of operations or a measurement focus. Fiduciary funds are accounted for using the accrual basis of accounting.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The 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 period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

E. ASSET, LIABILITIES, AND NET POSITION/FUND BALANCE

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSET, LIABILITIES, AND NET POSITION/FUND BALANCE (CONTINUED)

Investments (continued)

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are valued at the pool's share price, the price at which the investment could be sold.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted cash and cash equivalents

The use of certain cash and cash equivalents of the District is restricted. These cash and cash equivalent items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

Capital assets

Capital assets, which include property, plant, equipment and all infrastructure assets (e.g. street lights, drainage, signs and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Property, plant, and equipment, including infrastructure, of the government are depreciated using the straight-line method over the following estimated useful lives:

Signage	20 years
Drainage	20 years
Vehicles	5-10 years
Furniture, fixtures and equipment	5-20 years
Fire station	40 years
Park improvements	10-20 years
Street lights	20 years
Water distribution system	20-40 years
Wastewater collection system	40 years

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSET, LIABILITIES, AND NET POSITION/FUND BALANCE (CONTINUED)

Capital assets (continued)

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net position.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report 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(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-term Liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSET, LIABILITIES, AND NET POSITION/FUND BALANCE (CONTINUED)

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. REVENUES AND EXPENDITURES/EXPENSES

Program revenues

Amounts reported as *program revenues* include 1) fees and 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. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. REVENUES AND EXPENDITURES/EXPENSES (CONTINUED)

Property taxes

Property taxes attach as an enforceable lien on property and are levied as of January 1. The tax levy is payable in two installments on February 28 and June 15, or in one installment due April 30. The El Paso County Treasurer bills and collects property taxes for the District. District property tax revenues are accounted for in the General and Debt Service Funds. District property tax revenues are recognized when levied to the extent they result in current receivables. The combined tax rate for the year ended December 31, 2020 was 25.000 mills. The District's assessed valuation for collection year 2020 was \$23,492,490. In addition to the above, there was a tax of 100 mills on "Developer Owned Property". The assessed valuation of "Developer Owned Property" for collection year 2020 was \$672,980. The maximum mill levy is set at 20 mills for all taxable property in the District, as discussed in Section 406 of the Bankruptcy Plan. However, the maximum mill levy can be increased as necessary to raise an equivalent amount of tax revenues as that in certification year 1990. In addition to the maximum mill levy of 20 mills set by the Bankruptcy Plan, the District also levied, after receiving the approval of voters on November 1, 2005, 3.00 mills for fire protection and 2.00 mills for parks.

Compensated absences

Accumulated unpaid vacation pay has been recorded as a liability in the financial statements. The unpaid sick pay is not material and therefore has not been recorded in the financial statements.

Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. ADOPTION OF NEW ACCOUNTING STANDARD

The District implemented GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2020. This Statement establishes specific criteria for identifying activities that should be reported as fiduciary activities. As a result, fiduciary net position at December 31, 2019 was restated to reflect the cumulative effect of adopting this standard.

Restatements had the following impact on previously reported balances:

Net position, December 31, 2019, as originally stated	\$ -
Adoption of new accounting standard	<u>2,875,015</u>
Net position, December 31, 2019, as Restated	<u>\$ 2,875,015</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

The governmental funds balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net position—governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds”. The details of this difference are as follows:

Capital assets	\$ 4,446,803
Accumulated depreciation	<u>(2,977,913)</u>
Net adjustment to <i>fund balance—total governmental funds</i> to arrive at <i>net position—governmental activities</i>	<u>\$ 1,468,890</u>

Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this difference are as follows:

Capital outlays	\$ 175,970
Depreciation	<u>(114,016)</u>
Net adjustment to <i>net change in fund balances—total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 61,954</u>

Another element of the reconciliation states that “Interest on long-term debt is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due”. The details of this difference are as follows:

Interest expense	\$ (1,230,718)
Interest paid	<u>264,950</u>
Net adjustment to <i>net change in fund balances—total governmental fund</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ (965,768)</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) In the fall, the District Manager submits to the Board of Directors, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted by the District to obtain taxpayer comments.
- 3) Prior to December 15, the budget is legally approved.
- 4) Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- 5) Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds.
- 6) The budgets for the General, Reserve, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 7) The budgets for the Water and Wastewater Funds are prepared on a basis of accounting other than generally accepted accounting principles, which is normal for proprietary funds. The primary differences are that bond proceeds are treated as a budget source, capital expenditures and principal payments are treated as a budget use.
- 8) Budgeted amounts are as originally adopted or amended.
- 9) All annual appropriations lapse at the end of the year.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk—deposits. Colorado State Statutes govern the entity's deposit of cash. The Public Deposit Protection Acts for banks and savings and loans require the state regulators to certify eligible depositories for public deposits. The acts require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the assets in the pool must be at least equal to 102% of the uninsured deposits.

At December 31, 2020, the carrying amount of the District's deposits was \$121,840 and the bank balances were \$203,650. All of the bank balances were covered by FDIC insurance.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The District is authorized by Colorado State Statutes to invest in the following:

- ◆ Bonds and other interest bearing obligations of the United States government.
- ◆ Bonds and other interest bearing obligations which are guaranteed by the United States government.
- ◆ Bonds which are a direct obligation of the State of Colorado, or any city, county or school district therein.
- ◆ Notes or bonds issued pursuant to the “National Housing Act”.
- ◆ Repurchase agreements.
- ◆ Local government investment pools.

As of December 31, 2020 the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less Than 90 Days</u>	<u>11 to 15 Years</u>	<u>16 to 20 Years</u>
Money Market Funds	\$ 10,310,454	\$ 10,310,454	\$ -	\$ -
ColoTrust	33,789	33,789	-	-
U.S. Treasury strips	2,875,015	-	2,875,015	-
CCMD Limited Tax and Special Revenue Bonds, Series B	<u>35,031</u>	<u>-</u>	<u>-</u>	<u>35,031</u>
Total	<u>\$ 13,254,289</u>	<u>\$ 10,344,243</u>	<u>\$ 2,875,015</u>	<u>\$ 35,031</u>

In 2012 the District tendered an offer to holders of Colorado Centre Metropolitan District (CCMD) Limited Tax and Special Revenue Bonds, Series B to purchase outstanding bonds at \$0.05 per share. On May 9, 2012 the District purchased 702,151 shares for \$35,031. Rather than retiring these bonds, the District is holding this investment in the Water Fund in order to participate in future interest payments.

Interest Rate Risk. State law limits investments with a maximum maturity date of no more than five years from the date of purchase. The District does not have an investment policy that would further limit its investment choices, except for investments in the Agency Fund. The Bankruptcy agreement (See Note 8) requires the District to purchase federal securities with a maturity date as near as possible to January 1, 2027.

Credit Risk. State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2020 the District’s investment in CCMD Limited Tax and Special Revenue Bonds, Series B was unrated. All other investments were rated Aaa by Moody’s and AAAM by Standard and Poor’s.

COLOTRUST is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. This investment vehicle operates similarly to money market funds and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. However, the District does not categorize investments with COLOTRUST because they are not evidenced by securities that exist in physical or book entry form.

The District's deposits and investments consist of the following at December 31, 2020:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Restricted Investments</u>	<u>Total</u>
Deposits	\$ 121,840	\$ -	\$ -	\$ -	\$ 121,840
Money Market Funds	10,178,204	-	132,250	-	10,310,454
ColoTrust	33,789	-	-	-	33,789
U.S. Treasury Strips	-	-	-	2,875,015	2,875,015
CCMD Limited Tax and Special Revenue Bonds, Series B	-	35,031	-	-	35,031
Investments	<u>10,211,993</u>	<u>35,031</u>	<u>132,250</u>	<u>2,875,015</u>	<u>13,254,289</u>
Total	<u>\$ 10,333,833</u>	<u>\$ 35,031</u>	<u>\$ 132,250</u>	<u>\$ 2,875,015</u>	<u>\$ 13,376,129</u>

Reconciliation of cash and cash equivalents and investments to the government-wide financial statements at December 31, 2020:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Restricted Investments</u>	<u>Total</u>
<u>Primary Government</u>					
Governmental activities	\$ 1,377,687	\$ -	\$ -	\$ -	\$ 1,377,687
Business-type activities	8,956,146	35,031	132,250	-	9,123,427
Fiduciary activities	-	-	-	2,875,015	2,875,015
Total	<u>\$ 10,333,833</u>	<u>\$ 35,031</u>	<u>\$ 132,250</u>	<u>\$ 2,875,015</u>	<u>\$ 13,376,129</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 - RECEIVABLES

Receivables at December 31, 2020 consisted of the following:

	<u>General</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Accounts receivable	\$ 20,447	\$ 88,740	\$ 81,589	\$ 190,776
Short term loan	-	100,000	-	100,000
Interest	-	643,943	-	643,943
	<hr/>	<hr/>	<hr/>	<hr/>
Gross receivables	20,447	832,683	81,589	934,719
Less: Allowance for uncollectibles	-	(643,943)	-	(643,943)
	<hr/>	<hr/>	<hr/>	<hr/>
Net receivables	<u>\$ 20,447</u>	<u>\$ 188,740</u>	<u>\$ 81,589</u>	<u>\$ 290,776</u>

NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds

All interfund receivables and payables are created in conjunction with the District's pooled cash accounts. Balances are routinely cleared as a matter of practice. The composition of interfund balances at December 31, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Reserve Fund	General Fund	\$ 16,447

Interfund transfers

The following transfers were made in 2020 to fund debt service and reserve requirements in the Debt Service Fund and Reserve Fund, respectively, and to finance various programs the District must account for in other funds in accordance with budgetary authorizations.

<u>Transfer in</u>	<u>Transfer out</u>	
Reserve Fund	General Fund	\$ 16,447
Debt Fund	General Fund	\$ 200,664

COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/20</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 245,848	\$ -	\$ -	\$ 245,848
Land improvements	302,491	-	-	302,491
Construction in progress	<u>90,807</u>	<u>78,313</u>	<u>(157,166)</u>	<u>11,954</u>
Total capital assets not being depreciated	<u>639,146</u>	<u>78,313</u>	<u>(157,166)</u>	<u>560,293</u>
Capital assets, being depreciated:				
Signage	95,529	-	-	95,529
Drainage	1,309,959	-	-	1,309,959
Vehicles	684,269	-	-	684,269
Furniture, fixtures and equipment	132,979	97,657	-	230,636
Fire station	908,198	-	-	908,198
Parks	483,400	157,166	-	640,566
Street lights	<u>17,353</u>	<u>-</u>	<u>-</u>	<u>17,353</u>
Total capital assets being depreciated	3,631,687	254,823	-	3,886,510
Less accumulated depreciation	<u>(2,863,897)</u>	<u>(114,016)</u>	<u>-</u>	<u>(2,977,913)</u>
Total capital assets depreciated, net	<u>767,790</u>	<u>140,807</u>	<u>-</u>	<u>908,597</u>
Total capital assets, net	<u>\$ 1,406,936</u>	<u>\$ 219,120</u>	<u>\$ (157,166)</u>	<u>\$ 1,468,890</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 258,202	\$ -	\$ -	\$ 258,202
Water augmentation plan	1,352,373	-	-	1,352,373
Water shares	2,726,548	-	-	2,726,548
LFMSDD Interest	9,847,582	-	-	9,847,582
Construction in progress	<u>49,099</u>	<u>9,177</u>	<u>-</u>	<u>58,276</u>
Total capital assets, not being depreciated	<u>14,233,804</u>	<u>9,177</u>	<u>-</u>	<u>14,242,981</u>
Capital assets, being depreciated:				
Water tank	302,918	-	-	302,918
Water wells	428,284	157,865	-	586,149
Water distribution system	5,941,134	247,315	(1,535,672)	4,652,777
Wastewater collection system	5,283,722	-	(3,036,452)	2,247,270
Equipment	<u>165,935</u>	<u>-</u>	<u>-</u>	<u>165,935</u>
Total capital assets being depreciated	12,121,993	405,180	(4,572,124)	7,955,049
Less accumulated depreciation	<u>(5,624,318)</u>	<u>(360,900)</u>	<u>859,873</u>	<u>(5,125,345)</u>
Total capital assets, being depreciated, net	<u>6,497,675</u>	<u>44,280</u>	<u>(3,712,251)</u>	<u>2,829,704</u>
Total capital assets, net	<u>\$ 20,731,479</u>	<u>\$ 53,457</u>	<u>\$ (3,712,251)</u>	<u>\$ 17,072,685</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General government	\$ 2,960
Public safety	58,538
Public works	720
Culture and recreation	50,965
Lights	<u>833</u>
Total depreciation expense—governmental activities	<u>\$ 114,016</u>
Business-type activities:	
Water	\$ 228,805
Wastewater	<u>132,095</u>
Total depreciation expense—business-type activities	<u>\$ 360,900</u>

NOTE 8 - LONG-TERM LIABILITIES

LONG-TERM DEBT

1992 Bond Issue - Limited Tax and Special Revenue Bonds

As the result of a bankruptcy ruling in 1992, the District issued bonds in the principal amount of \$12,665,000 (New Bond). Holders of District bonds issued in 1985, 1986 and 1987 received these bonds in an aggregate principal amount equal to 50% of the principal amount of bonds held.

The District issued the bonds in two series, Series A and Series B. \$3,000,000 in principal amount were Series A bonds and \$9,665,000 in principal amount were Series B bonds. Of the bonds, each bondholder received 23.7% as Series A bonds and 76.3% as Series B bonds, which included Boettcher's contribution, which has now expired. The Series A bonds were issued as fully registered principal only bonds (Series A P/Os) and as registered interest only bonds (Series A I/Os) representing the interest payments due on the Series A P/Os each payment date.

Section 1143 of the bankruptcy law specifically applicable to Chapter 9 bankruptcy proceedings requires that if a plan provides for the exchange of securities, the surrender of the old securities must occur no later than five years after the date of the entry of the order of confirmation (June 21, 1992 for the District). If the holder of the securities does not present them within that time period, the holder is not permitted to participate in the distribution of the new securities under the plan. Therefore, as of June 21, 1998, the holders of untendered 1985, 1986 & 1987 bonds were no longer permitted to participate in the 1992 Series A and B bonds. An adjustment was made to decrease principal, accrued interest and interest due as of and for the year ended December 31, 1997, as follows:

Series A, Principal	\$ 56,108
Series B, Principal	<u>187,396</u>
Total Adjustment	<u>\$ 243,504</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

THE 1992 BONDS ARE NOT GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED TAX AND SPECIAL REVENUE BONDS, THE REPAYMENT OF WHICH IS LIMITED AS SET FORTH IN THE BANKRUPTCY PLAN AND AS SUMMARIZED BELOW.

For the purpose of paying the interest on and principal of the bonds as the same become due and payable, respectively, and payment for District operations, maintenance and deposits to the Reserve Fund, the District shall certify a maximum mill levy, as set forth in the bankruptcy plan, to the Board of County Commissioners of El Paso County, Colorado. For each of the certification years beginning 1990 to and including 1995 a maximum of 22 mills could be certified on all of the taxable property in the District. For 1996 and subsequent years, as long as any bond is outstanding, a maximum of 20 mills can be certified on all of the taxable property in the District with the following exception. In the event that the assessed valuation within the District for any certification year is less than the assessed valuation for certification year 1990, the District shall increase the maximum mill levy imposed on property to generate property tax revenue equivalent to the amount of property tax calculated using the 1990 assessed valuation multiplied times the maximum mill levy of 20 mills.

The Series A P/Os and Series B bonds were dated as of January 1, 1992. The Series A P/Os are scheduled to mature on January 1, 2027, and bear interest at 9%, which is represented by the Series A I/Os. The Series B bonds bear interest from the most recent date to which interest has been paid or, if no interest has been paid, from January 1, 1992, payable on each payment date to January 1, 2032. The Series B bonds mature on January 1, 2032 and accrue interest at 10.19%.

Principal and interest will be payable on the bonds only to the extent of funds in the General Fund. Interest not paid in the year in which it accrues is not forgiven but rather is accrued. Unpaid bond principal plus accrued interest will not exceed a cumulative liability to the District of \$65 million.

To the extent permitted by law, the District will also certify a 100 mill levy applicable to all "Developer Owned Property". "Developer Owned Property" is defined in the resolution as the vacant, unimproved or not yet built property within the District owned by a developer.

The District has agreed to impose a minimum tap fee of \$3,500 for residential taps and has pledged all tap fees received by the District to the payment of the principal and interest on the bonds.

If by January 1, 2032 the District does not contain 1,500 single-family residences within its boundary, the District shall have no further obligation to make additional payments of principal or interest on any New Bonds, except to the extent of amounts on deposit in the debt service account or from pledged funds which it has received prior to January 1, 2032 and its obligations under the Resolution will terminate and the New Bonds will be deemed fully paid and discharged. After January 1, 2042 the District shall have no further obligation to make any additional payments of principal or interest on any New Bonds, except to the extent of amounts on deposit in the debt service account or from pledged funds which it has received prior to January 1, 2042 and its obligation under the bankruptcy ruling shall terminate and the New Bonds shall be deemed fully paid and discharged.

Amounts deposited, by the District, in the debt service account within the General fund will be applied on each payment date as follows:

Payment of Series A I/Os (interest only) - first payment is applied against any amount of accrued and unpaid interest.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

Escrow for Series A P/Os (principal only) - second payment is used to purchase federal securities with a maturity date as near as possible to January 1, 2027 which shall be held as a separate account and used only to pay Series A P/Os. When the funds to be generated from such federal securities, as they become due, are sufficient to pay (assuming no reinvestment of funds) in full all Series A P/Os, when they become due, no further purchases shall be made.

The District has set aside amounts for the payment of the principal of the Series A bonds in the Agency Fund.

Payment of Series B Interest - the balance of any funds held on any payment date shall be used to pay accrued and unpaid interest (including as of such payment date) or the Series B bonds in the order of maturity of such payment and shall include partial payment of interest due if the funds available are insufficient to pay all accrued interest.

Prepayment - the prepayment or payment of principal of the Series B bonds.

*Summary of bond debt service requirements to maturity:
Governmental activities -*

	<u>Principal</u>	<u>Unpaid Interest</u>	<u>Total</u>	<u>Interest</u>
<i>Series A:</i>				
2021	\$ -	\$ -	\$ -	\$ 264,950
2022	-	-	-	264,950
2023	-	-	-	264,950
2024	-	-	-	264,950
2025	-	-	-	264,950
2026-2027	<u>2,943,892</u>	<u>-</u>	<u>2,943,892</u>	<u>529,900</u>
Totals	<u>\$ 2,943,892</u>	<u>\$ -</u>	<u>\$ 2,943,892</u>	<u>\$ 1,854,650</u>

	<u>Principal</u>	<u>Unpaid Interest</u>	<u>Total</u>	<u>Interest</u>
<i>Series B:</i>				
2021	\$ -	\$ -	\$ -	\$ 965,768
2022	-	-	-	965,768
2023	-	-	-	965,768
2024	-	-	-	965,768
2025	-	-	-	965,768
2026-2030	-	-	-	4,828,840
2031-2032	<u>9,477,604</u>	<u>27,341,996</u>	<u>36,819,600</u>	<u>1,448,652</u>
Totals	<u>\$ 9,477,604</u>	<u>\$ 27,341,996</u>	<u>\$ 36,819,600</u>	<u>\$ 11,106,332</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

	<u>Principal</u>	<u>Unpaid Interest</u>	<u>Total</u>	<u>Interest</u>
<i>TOTAL SERIES A AND B:</i>				
2021	\$ -	\$ -	\$ -	\$ 1,230,718
2022	-	-	-	1,230,718
2023	-	-	-	1,230,718
2024	-	-	-	1,230,718
2025	-	-	-	1,230,718
2026-2030	2,943,892	-	2,943,892	5,358,740
2031-2032	<u>9,477,604</u>	<u>27,341,996</u>	<u>36,819,600</u>	<u>1,448,652</u>
Totals	<u>\$ 12,421,496</u>	<u>\$ 27,341,996</u>	<u>\$ 39,763,492</u>	<u>\$ 12,960,982</u>

*Summary of changes in long-term debt:
Governmental activities -*

	<u>Principal</u>	<u>Unpaid Interest</u>	<u>Total</u>
<i>Series A:</i>			
Balance, December 31, 2019	\$ 2,943,892	\$ -	\$ 2,943,892
Add Interest due July 1, 2020 and January 1, 2020	-	264,950	264,950
Less Paid to bondholders in 2020	<u>-</u>	<u>(264,950)</u>	<u>(264,950)</u>
Balance, December 31, 2020	<u>\$ 2,943,892</u>	<u>\$ -</u>	<u>\$ 2,943,892</u>
<i>Series B:</i>			
Balance, December 31, 2019	\$ 9,477,604	\$ 26,376,228	\$ 35,853,832
Add Interest due 2020	-	965,768	965,768
Less Payment in 2020	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2020	<u>\$ 9,477,604</u>	<u>\$ 27,341,996</u>	<u>\$ 36,819,600</u>
<i>Total (Series A and B):</i>			
Balance, December 31, 2019	\$ 12,421,496	\$ 26,376,228	\$ 38,797,724
Add Interest due July 1, 2020 and January 1, 2020	-	1,230,718	1,230,718
Less Payments in 2020	<u>-</u>	<u>(264,950)</u>	<u>(264,950)</u>
Balance, December 31, 2020	<u>\$ 12,421,496</u>	<u>\$ 27,341,996</u>	<u>\$ 39,763,492</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

LOANS PAYABLE

On October 31, 2011, the District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$2,000,000. The loan is payable semiannually with payments of \$61,335 beginning November 1, 2012 and an initial payment of \$40,607 due May 1, 2012, including interest at 2%. This loan is to be repaid from and secured by a pledge of the net revenues of the Wastewater Fund.

The annual requirements to amortize the 2011 CWRPDA loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 99,046	\$ 23,625
2022	101,036	21,634
2023	103,067	19,603
2024	105,139	17,531
2025	107,252	15,418
2026 – 2030	569,478	43,874
2031	<u>120,855</u>	<u>1,816</u>
Total	<u>\$ 1,205,873</u>	<u>\$ 143,501</u>

On March 7, 2018, the District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$1,493,500. The loan is payable semiannually with payments of \$43,711 beginning November 1, 2019 and initial payments of \$7,581 due November 1, 2018 and \$45,871 due May 1, 2019, including interest at 2%. This loan is to be repaid from and secured by a pledge of the net revenues of the Wastewater Fund.

The annual requirements to amortize the 2018 CWRPDA loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 62,021	\$ 25,401
2022	63,267	24,154
2023	64,539	22,882
2024	65,836	21,585
2025	67,159	20,262
2026 – 2030	356,595	80,510
2031 – 2035	393,903	43,203
2036 – 2038	<u>212,146</u>	<u>6,407</u>
Total	<u>\$ 1,285,466</u>	<u>\$ 244,404</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the District for the year ended December 31, 2020:

	<u>Balance 12/31/19</u>	<u>Debt Issued And Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Due Within One year</u>
<i>Governmental activities:</i>					
Long-term debt:					
Limited tax and special revenue bonds	\$ 12,421,496	\$ -	\$ -	\$ 12,421,496	\$ -
Unpaid interest	<u>26,376,228</u>	<u>1,230,718</u>	<u>(264,950)</u>	<u>27,341,996</u>	<u>-</u>
Total governmental activity					
Long-term liabilities	<u>\$ 38,797,724</u>	<u>\$ 1,230,718</u>	<u>\$ (264,950)</u>	<u>\$ 39,763,492</u>	<u>\$ -</u>
<i>Business-type activities:</i>					
Loans	<u>\$ 2,649,232</u>	<u>\$ -</u>	<u>\$ (157,893)</u>	<u>\$ 2,491,339</u>	<u>\$ 161,066</u>
Total business-type activity					
Long-term liabilities	<u>\$ 2,649,232</u>	<u>\$ -</u>	<u>\$ (157,893)</u>	<u>\$ 2,491,339</u>	<u>\$ 161,066</u>

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 – NET POSITION

Net position is reported in three separate categories—net investment in capital assets; net position-restricted; and net position-unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and capital-related deferred outflows of resources; reduced by borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, net investment in capital assets was as follows:

Capital assets, net of depreciation	\$ 18,541,575
Long-term liabilities:	
Due within one year	(161,066)
Due in more than one year	<u>(14,751,769)</u>
	<u>\$ 3,628,740</u>

Net position-restricted is the difference between non-capital assets whose use is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation, and related liabilities and deferred inflows of resources (excluding capital-related borrowings). As of December 31, 2020, the District had a restricted net position as follows:

Debt service	\$ 132,250
Fire protection	<u>577,361</u>
	<u>\$ 709,611</u>

Any portion of net position not already classified as either net investment in capital assets or net position-restricted, is automatically classified as net position-unrestricted.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10- COMMITMENTS AND CONTINGENCIES

Water Tank Lease - The District leases certain land on which a water tank is located. Rental expense totaled \$15,000 during the year ended December 31, 2020. A 25 year extension of the lease was agreed to on September 20, 2009. The annual rental rate, as per the agreement, is 10% of the appraised value of the land. A land appraisal is required every five years to determine the rental rate for the next five years. The land appraisal was performed during 2019 to determine the current rental rate. The rate for the period of 9/19 – 9/24 will be \$15,000.

Water Distribution and Wastewater Collection, Treatment and Disposal Agreement - On August 11, 2009, the District entered into an intergovernmental agreement with the City of Colorado Springs (City) to provide water and wastewater service to the LJCC Basin, a defined area within the City's service area. Under the agreement, the District will charge a one-time Interim Connection System Improvement Fee of 40% of the then current value of CCMD's standard System Improvement Fee for each water and wastewater connection. The District will also charge a one-time CCMD Interim Capacity Fee of \$2,000 per wastewater connection. The agreement will continue at the convenience of the City unless the service exceeds a defined limit, at which point the agreement will terminate based on the earlier occurrence of five years from the effective date of the agreement or one year after the total wastewater flow exceeds a defined limit.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the last three fiscal years.

NOTE 12 - AMENDMENT TO COLORADO CONSTITUTION

Colorado voters passed an amendment to the *State Constitution*, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. However, the District is also under an order by the United States Bankruptcy Court for the District of Colorado which governs the District's taxing requirements and it is the belief of the District that the mandates of the bankruptcy plan take precedence over the requirements of Amendment 1. It is the opinion of the District that they do not have any revenues subject to Tabor. The Water and Wastewater Funds are considered to be enterprises and the revenues in the governmental funds are governed by the bankruptcy plan. As a result, the District has not set up an emergency reserve. The District believes it is in compliance with the requirements of the amendment to the extent that it applies. However, the District has made certain interpretations in the amendment's language in order to determine its compliance.

**COLORADO CENTRE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 – TABOR ELECTION

On November 1, 2005 the voters of the District approved that taxes may be increased starting in 2006 by \$34,800 through a three mill levy increase to pay for costs related to contracting for fire protection services with the City of Colorado Springs or any other entity, administrative services, and to create a reserve fund to pay for fire services with any of the remaining three mills.

On November 1, 2005 the voters of the District approved that taxes may be increased starting in 2006 by \$23,200 through a two mill levy increase for parks and open space.

On November 1, 2005 the voters of the District also approved that for tax year 2005, collection year 2006, and each subsequent year thereafter, to retain and spend District revenues from the mill levy increases requested in the above two ballot questions for fire protection services and park improvements and maintenance, in excess of the spending, revenue raising, or other limits in Article X, Section 20 of the Colorado Constitution, using such revenues as authorized for fire protection, park facilities and other purposes described under the Special District Act, Section 32-1-101 et seq., and other provisions of the Colorado Revised Statutes pertaining to the District's powers, duties and responsibilities, as the same are amended from time to time, and as otherwise necessary for the prudent management, operation and maintenance of the District's facilities.

REQUIRED SUPPLEMENTARY INFORMATION

**COLORADO CENTRE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Property taxes	\$ 587,312	\$ 587,312	\$ 587,350	\$ 38
Specific ownership taxes	72,000	72,000	71,153	(847)
Intergovernmental	9,600	509,600	220,995	(288,605)
Lighting usage	34,800	34,800	34,320	(480)
Refuse disposal fees	203,400	203,400	196,522	(6,878)
First responder fees	307,987	307,987	311,752	3,765
Fines and forfeitures	-	-	30	30
Interest	55	55	57	2
Miscellaneous	22,646	22,646	4,916	(17,730)
Total revenue	1,237,800	1,737,800	1,427,095	(310,705)
EXPENDITURES				
General and administrative	90,097	125,097	125,110	(13)
Public safety	392,275	467,275	463,676	3,599
Public works	27,600	42,600	41,011	1,589
Street lights	31,560	31,560	33,043	(1,483)
Refuse disposal	175,440	175,440	167,513	7,927
Culture and recreation	54,000	54,000	38,343	15,657
Capital outlay	155,000	692,551	175,970	516,581
Miscellaneous	20,000	395,000	-	395,000
Transfers out	231,639	231,639	217,111	14,528
Total expenditures	1,177,611	2,215,162	1,261,777	953,385
Net change in fund balances	60,189	(477,362)	165,318	642,680
Fund balance, beginning	141,301	678,852	678,852	-
FUND BALANCE, ENDING	\$ 201,490	\$ 201,490	\$ 844,170	\$ 642,680

See the accompanying independent auditors' report.

**COLORADO CENTRE METROPOLITAN DISTRICT
RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Interest	\$ 26,400	\$ 26,400	\$ 8,553	\$ (17,847)
Transfers in	19,000	19,000	16,447	(2,553)
Total revenue	45,400	45,400	25,000	(20,400)
EXPENDITURES				
Miscellaneous	20,400	20,400	-	20,400
Total expenditures	20,400	20,400	-	20,400
Net change in fund balances	25,000	25,000	25,000	-
Fund balance, beginning	975,000	975,000	975,000	-
FUND BALANCE, ENDING	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

SUPPLEMENTAL INFORMATION

**COLORADO CENTRE METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
GENERAL FUND - SUB FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General Fund</u>	<u>Fire Fund Sub of General</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 321,047	\$ 73,087	\$ 394,134
Cash with county treasurer	5,737	-	5,737
Receivables	5,042	15,405	20,447
Property tax receivable	521,571	71,153	592,724
Due from other funds	217,111	271,192	488,303
Prepaid expenses	250	483,920	484,170
Deposits	50	-	50
	<u>50</u>	<u>-</u>	<u>50</u>
 Total assets	 <u>\$ 1,070,808</u>	 <u>\$ 914,757</u>	 <u>\$ 1,985,565</u>
LIABILITIES			
Accounts payable	\$ 7,513	23	\$ 7,536
Compensated absences	4,217	(379)	3,838
Due to other funds	504,750	-	504,750
Deposits and escrow	32,757	(210)	32,547
	<u>32,757</u>	<u>(210)</u>	<u>32,547</u>
 Total liabilities	 <u>549,237</u>	 <u>(566)</u>	 <u>548,671</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	521,571	71,153	592,724
	<u>521,571</u>	<u>71,153</u>	<u>592,724</u>
FUND BALANCES			
Nonspendable	250	483,920	484,170
Restricted for fire protection	(250)	360,250	360,000
	<u>(250)</u>	<u>360,250</u>	<u>360,000</u>
 Total fund balances	 <u>-</u>	 <u>844,170</u>	 <u>844,170</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 1,070,808</u>	 <u>\$ 914,757</u>	 <u>\$ 1,985,565</u>

See the accompanying independent auditors' report.

**COLORADO CENTRE METROPOLITAN DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND - SUB FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General Fund	Fire Fund Sub of General	Total
REVENUE			
Property taxes	\$ 516,868	\$ 70,482	\$ 587,350
Specific ownership taxes	71,153	-	71,153
Intergovernmental	220,995	-	220,995
Lighting usage	34,320	-	34,320
Refuse disposal fees	196,522	-	196,522
First responder fees	-	311,752	311,752
Fines and forfeitures	30	-	30
Investment earnings	57	-	57
Miscellaneous	4,901	15	4,916
	<u>1,044,846</u>	<u>382,249</u>	<u>1,427,095</u>
Total revenue			
EXPENDITURES			
General and administrative	125,110	-	125,110
Public safety	-	463,676	463,676
Public works	41,011	-	41,011
Street lights	33,043	-	33,043
Refuse disposal	167,513	-	167,513
Culture and recreation	38,343	-	38,343
Capital outlay	151,522	24,448	175,970
	<u>556,542</u>	<u>488,124</u>	<u>1,044,666</u>
Total expenditures			
Excess (deficit) of revenues over expenditures	<u>488,304</u>	<u>(105,875)</u>	<u>382,429</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	271,193	271,193
Transfers out	(488,304)	-	(488,304)
	<u>(488,304)</u>	<u>271,193</u>	<u>(217,111)</u>
Total other financing sources (uses)			
Net change in fund balances	-	165,318	165,318
Fund balance, beginning	-	678,852	678,852
	<u>-</u>	<u>678,852</u>	<u>678,852</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 844,170</u>	<u>\$ 844,170</u>

See the accompanying independent auditors' report.

**COLORADO CENTRE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Developer taxes	\$ 67,298	\$ 67,298	67,300	\$ 2
Transfers in	212,639	212,639	200,664	(11,975)
 Total revenue	 279,937	 279,937	 267,964	 (11,973)
EXPENDITURES				
General and administrative	1,009	1,009	394	615
Debt service - administrative	3,978	3,978	2,620	1,358
Debt service - interest	264,950	264,950	264,950	-
Miscellaneous	10,000	10,000	-	10,000
 Total expenditures	 279,937	 279,937	 267,964	 11,973
 Net change in fund balances	 -	 -	 -	 -
 Fund balance, beginning	 -	 -	 -	 -
 FUND BALANCE, ENDING	 \$ -	 \$ -	 \$ -	 \$ -

See the accompanying independent auditors' report.

COLORADO CENTRE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Water sales and service charges	\$ 838,828	\$ 617,400	\$ 221,428
Interest income	12,815	19,420	(6,605)
Other income	991,599	120,500	871,099
Proceeds from the sale of fixed assets	1,037,278	-	1,037,278
Capital contribution	5,631	-	5,631
Beginning fund balance	1,147,446	1,106,714	40,732
Total revenues	4,033,597	1,864,034	2,169,563
EXPENDITURES			
General and administrative expenses	7,915	203,220	195,305
Source of supply and distribution	630,908	408,000	(222,908)
Capital outlay	409,768	500,000	90,232
Miscellaneous	15,014	-	(15,014)
Total expenditures	1,063,605	1,111,220	47,615
ENDING FUND BALANCE	2,969,992	\$ 752,814	\$ 2,217,178
Add:			
Capital expenditures	409,768		
Gain on disposal of fixed assets	337,485		
Less:			
Depreciation	(228,805)		
Proceeds from sale of fixed assets	(1,037,278)		
Beginning fund balance	(1,147,446)		
CHANGE IN NET POSITION	\$ 1,303,716		
Ending fund balance is calculated as follows:			
Current assets	\$ 3,061,914		
Current liabilities	(91,922)		
	\$ 2,969,992		

See the accompanying independent auditors' report.

COLORADO CENTRE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WASTEWATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Sewer sales and service charges	\$ 545,683	\$ 850,836	\$ (305,153)
Interest income	7,014	13,000	(5,986)
Other income	1,093	6,000	(4,907)
Proceeds from sale of capital assets	5,459,387	-	5,459,387
Capital contribution	279,367	-	279,367
Transfer in	-	22,528	(22,528)
Beginning fund balance	702,782	613,300	89,482
TOTAL REVENUES	<u>6,995,326</u>	<u>1,505,664</u>	<u>5,489,662</u>
EXPENDITURES			
General and administrative expenses	185,124	121,932	(63,192)
Treatment expenditures	228,130	222,000	(6,130)
Collection and transmission	115,609	171,200	55,591
Capital outlay	4,589	300,000	295,411
Debt service - interest	51,673	50,000	(1,673)
Debt service - principal	157,893	155,328	(2,565)
Transfer out	-	22,528	22,528
Miscellaneous	-	10,000	10,000
Total expenditures	<u>743,018</u>	<u>1,052,988</u>	<u>309,970</u>
ENDING FUND BALANCE	6,252,308	<u>\$ 452,676</u>	<u>\$ 5,799,632</u>
Add:			
Capital expenditures	4,589		
Principal payments on long-term debt	157,893		
Gain on disposal of fixed assets	2,446,929		
Less:			
Depreciation	(132,095)		
Proceeds from sale of capital assets	(5,459,387)		
Beginning fund balance	<u>(702,782)</u>		
CHANGE IN NET POSITION	<u>\$ 2,567,455</u>		
Ending fund balance is calculated as follows:			
Current assets	\$ 6,354,363		
Current liabilities	(263,121)		
Current portion of notes payable	<u>161,066</u>		
	<u>\$ 6,252,308</u>		-

See the accompanying independent auditors' report.

COLORADO CENTRE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WATER FUND - CAPITAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water Fund	Capital Water Fund	Total
Operating revenues:			
Water sales and service charges	\$ 754,201	\$ 84,627	\$ 838,828
Other income	971,203	20,396	991,599
	<u>1,725,404</u>	<u>105,023</u>	<u>1,830,427</u>
Operating expenses:			
Water expenses	633,667	5,156	638,823
Depreciation	60,675	168,130	228,805
	<u>694,342</u>	<u>173,286</u>	<u>867,628</u>
Total operating expenses			
	<u>694,342</u>	<u>173,286</u>	<u>867,628</u>
Operating income (loss)	<u>1,031,062</u>	<u>(68,263)</u>	<u>962,799</u>
Nonoperating revenues (expenses):			
Interest income	320	12,495	12,815
Gain/(loss) on disposal of capital assets	(124,023)	461,508	337,485
Interest expense	(15,014)	-	(15,014)
Capital contributions	5,631	-	5,631
	<u>(133,086)</u>	<u>474,003</u>	<u>340,917</u>
Total nonoperating revenues (expenses)			
	<u>(133,086)</u>	<u>474,003</u>	<u>340,917</u>
Income (loss) before capital contributions			
Income (loss) before transfers	<u>897,976</u>	<u>405,740</u>	<u>1,303,716</u>
Transfer in	-	1,215,308	1,215,308
Transfer out	(1,215,308)	-	(1,215,308)
	<u>(1,215,308)</u>	<u>1,215,308</u>	<u>-</u>
Total transfers			
	<u>(1,215,308)</u>	<u>1,215,308</u>	<u>-</u>
Change in net position	(317,332)	1,621,048	1,303,716
Net position, beginning	3,424,844	5,940,823	9,365,667
	<u>3,424,844</u>	<u>5,940,823</u>	<u>9,365,667</u>
Net position, ending	<u>\$ 3,107,512</u>	<u>\$ 7,561,871</u>	<u>\$ 10,669,383</u>

See the accompanying independent auditors' report.

COLORADO CENTRE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
WASTEWATER FUND - CAPITAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Wastewater Fund	Capital Wastewater Fund	Total
Operating revenues:			
Sewer sales and service charges	\$ 242,597	\$ 303,086	\$ 545,683
Other income	1,093	-	1,093
	<u>243,690</u>	<u>303,086</u>	<u>546,776</u>
Operating expenses:			
Sewer expenses	528,863	-	528,863
General and administrative expenses	(19,449)	19,449	-
Depreciation	73,776	58,319	132,095
	<u>583,190</u>	<u>77,768</u>	<u>660,958</u>
Total operating expenses			
	<u>(339,500)</u>	<u>225,318</u>	<u>(114,182)</u>
Nonoperating revenues (expenses):			
Interest income	143	6,871	7,014
Gain/(loss) on disposal of capital assets	-	2,446,929	2,446,929
Debt service - interest	-	(51,673)	(51,673)
Capital contribution	279,367	-	279,367
	<u>279,510</u>	<u>2,402,127</u>	<u>2,681,637</u>
Total nonoperating revenues (expenses)			
	<u>(59,990)</u>	<u>2,627,445</u>	<u>2,567,455</u>
Income (loss) before transfers			
Transfer out	59,990	(59,990)	-
Change in net position	-	2,567,455	2,567,455
Net position - beginning	1,300,941	9,265,867	10,566,808
Net position, ending	<u>\$ 1,300,941</u>	<u>\$ 11,833,322</u>	<u>\$ 13,134,263</u>

See the accompanying independent auditors' report.

**COLORADO CENTRE METROPOLITAN DISTRICT
CASH FLOW SUMMARY OF NET REVENUES AVAILABLE FOR DEBT SERVICE
WASTEWATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Revenues	
Sewer sales and services charges	\$ 545,683
Interest income	7,014
Miscellaneous income	1,093
Proceeds from the sale of assets	5,459,389
Capital contributions	<u>279,367</u>
 TOTAL REVENUES	 <u>6,292,546</u>
 Operating Expenses	 660,958
Less: depreciation	<u>(132,095)</u>
 NET OPERATING EXPENSES	 <u>528,863</u>
 TRANSFERS IN (OUT)	 <u>-</u>
 NET REVENUES (PLEGDED PROPERTY)	 <u>\$ 5,763,683</u>
 Maximum Debt Service Requirement	 <u>\$ 210,092</u>
 Coverage Factor	 <u>2743.41%</u>
 OPERATION & MAINTENANCE RESERVE:	
Operating expenses (net of depreciation)	\$ 528,863
3 month reserve	<u>25%</u>
Three month reserve requirement	132,216
Actual Reserve	<u>132,250</u>
 Excess funding	 <u>\$ 34</u>

See the accompanying independent auditors' report.